

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Wednesday, September 24, 1952. The Board met in executive session in the Board Room at 10:00 a.m.

PRESENT: Mr. Martin, Chairman
Mr. Evans
Mr. Vardaman
Mr. Robertson

The Secretary later was informed by the Chairman that during the executive session unanimous approval was given to a memorandum from Mr. Leonard, Director of the Division of Bank Operations, dated September 17, 1952, recommending that the Board adopt a revised formula suggested by Mr. C. D. Persina, consulting architect to the Board, for defining the term "building proper" under the limitations placed by paragraph 9 of Section 10 of the Federal Reserve Act on the cost of Federal Reserve branch bank buildings, and that the revised formula be made applicable to the new building of the Jacksonville Branch of the Federal Reserve Bank of Atlanta and to the addition to the Detroit Branch of the Federal Reserve Bank of Chicago, both of which are now under construction, and to future branch building projects.

Secretary's Note: Pursuant to the above action, the following letter was sent to the Presidents of all Federal Reserve Banks on September 25, 1952:

"Enclosed is a copy of a letter dated September 11, 1952, and attachment, from Mr. Persina, the Board's Consulting Architect, regarding the basis for the determination of the cost of 'building proper' under the limitations placed by Paragraph 9 of Section 10 of the Federal Reserve Act on the cost of Federal Reserve Branch buildings.

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"The Board has approved the recommendation of Mr. Persina and requests, therefore, that his letter and attachment be used as a guide in the determination of cost of 'building proper' in Branch projects now under construction and in future building programs.

"This supersedes the so-called 'Trowbridge formula' set forth in the letter of Mr. Trowbridge dated March 2, 1923 (F.R.L.S. #3053)."

The following additional actions were taken by the Board:

Minutes of actions taken by the Board of Governors of the Federal Reserve System on September 23, 1952, were approved unanimously.

Letter to Mr. Melvin Purvis, Chief Counsel, Subcommittee on Federal Manpower Policies, Committee on Post Office and Civil Service, United States Senate, Washington, D. C., reading as follows:

"This is in reply to your letter of September 9, 1952.

"Upon receipt of the questionnaire and subsequent conversations with Mr. Finzel of your staff, we find that we do not have an investigative organization operating within the definition that you have outlined.

"As was indicated to Mr. Finzel, in later conversation, our investigative function is more of the reference-check type, and this, as well as the checks made under the loyalty program, is completed primarily by mail."

Approved unanimously.

Letter to the Board of Directors, Northport Trust Company, Northport, New York, stating that, subject to conditions of membership numbered 1 and 2 contained in the Board's Regulation H, the

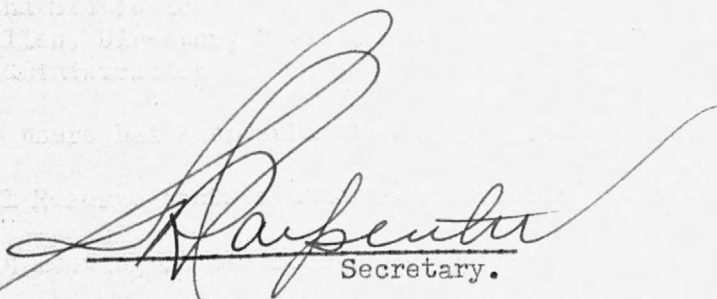
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Board approves the bank's application for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of New York. The letter also contained the following paragraph:

"The Board of Governors also approves the retention and operation of the out-of-town branch located at 160 Larkfield Road, East Northport, New York."

Approved unanimously, for transmittal through the Federal Reserve Bank of New York.


Secretary.