

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Tuesday, February 10, 1953.

PRESENT: Mr. Martin, Chairman  
 Mr. Szymczak  
 Mr. Evans  
 Mr. Mills

Mr. Carpenter, Secretary  
 Mr. Sherman, Assistant Secretary  
 Mr. Kenyon, Assistant Secretary

Minutes of actions taken by the Board of Governors of the Federal Reserve System on February 9, 1953, were approved unanimously.

Memorandum dated February 5, 1953, from Mr. Young, Director, Division of Research and Statistics, recommending that the resignation of Doris Bruderer, Clerk-Stenographer in that Division, be accepted, to be effective, in accordance with her request, at the close of business February 13, 1953.

Approved unanimously.

Letter to Mr. Purrington, Assistant Vice President, Federal Reserve Bank of Chicago, reading as follows:

"This refers to your letter of February 4, regarding the penalty of \$261.99 incurred by the Muscatine Bank and Trust Company, Muscatine, Iowa, on a deficiency in its reserves for the period ended November 30, 1952.

"It is noted that the deficiency resulted from a duplication of entries on the books of the bank in connection with a transfer of \$300,000, which the bank had requested its correspondent to make; that the error was not discovered until it was too late to make an adjustment within the reserve computation period; and that the bank has never been

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"deficient in its reserves since becoming a member in 1933, having maintained average balances substantially in excess of the required amount.

"In the circumstances the Board authorizes your Bank to waive the assessment of the penalty in this case."

Approved unanimously.

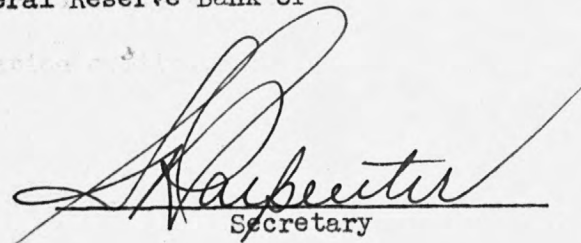
Letter to the Comptroller of the Currency, Treasury Department, Washington, D. C. (Attention: Mr. W. M. Taylor, Deputy Comptroller of the Currency), reading as follows:

"Reference is made to your letter of December 10, 1952, enclosing a photostatic copy of an application to organize a national bank at Colorado Springs, Colorado, under the title of Citizens National Bank of Colorado Springs, and requesting a recommendation as to whether or not the application should be approved.

"We have received the report of investigation of the application made by an examiner for the Federal Reserve Bank of Kansas City setting forth information with respect to the factors usually considered in connection with such applications. While it is evident that the proposed bank would provide more convenient facilities for some businesses and individuals in the immediate area it appears questionable that a real need for the bank exists or that a sufficient volume of business is available to provide for profitable operation. An additional adverse factor is the prospect of outside ownership and control. In the light of information contained in the report, and after careful consideration of the factors set forth in your letter, the Board of Governors recommends disapproval of the application.

"The Board's Division of Examinations will be glad to discuss any aspects of this case with you or representatives of your office if you so desire."

Approved unanimously, with a copy to the Federal Reserve Bank of Kansas City.

  
Secretary