

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Tuesday, July 21, 1953.

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

Mr. Carpenter, Secretary
Mr. Sherman, Assistant Secretary

Minutes of actions taken by the Board of Governors of the Federal Reserve System on July 17, 1953, were approved unanimously.

Minutes of actions taken by the Board of Governors of the Federal Reserve System on July 20, 1953, were approved and the actions recorded therein were ratified unanimously.

Memoranda from appropriate individuals recommending that the resignations of the following employees be accepted as indicated:

<u>Name and title</u>	<u>Division</u>	<u>Date effective</u>
Dorothy S. Hurst, Clerk-Stenographer	International Finance	July 31, 1953
James V. Fisler, Assistant Federal Reserve Examiner	Examinations	August 16, 1953

Approved unanimously.

Letter to Mr. Denmark, Vice President, Federal Reserve Bank of Atlanta, reading as follows:

"In accordance with the request contained in your letter of July 16, 1953, the Board approves the appointment of Clarence Buford Dorris as an assistant examiner for the Federal Reserve Bank of Atlanta.

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"If the appointment is not made effective August 1, 1953, as planned, please advise the Board."

Approved unanimously.

Letter to Mr. Armistead, Vice President, Federal Reserve Bank of Richmond, reading as follows:

"Reference is made to your letter of June 8, 1953, submitting the request of National Savings and Trust Company, Washington, D. C., for the Board's approval of an investment of \$115,479.98 in bank premises under Section 24(A) of the Federal Reserve Act, this investment having been made during the year 1952, without prior approval of the Board.

"In view of the information supplied with your letter and your favorable recommendation, the Board of Governors approves the investment in bank premises of \$115,479.98 in 1952, by National Savings and Trust Company, Washington, D. C."

Approved unanimously.

Letter to Mr. Lloyd D. Brace, Chairman of the Board, First of Boston International Corporation, c/o The First National Bank of Boston, Boston, Massachusetts, reading as follows:

"There are enclosed two copies of the report of examination of First of Boston International Corporation, Boston, Massachusetts, made as of May 22, 1953, by examiners for the Board of Governors of the Federal Reserve System. The second copy of the report is for the information and files of Mr. Joseph E. Nilsson, Executive Vice President in charge of the New York Office of the Corporation.

"After the report has been presented to the directors for their consideration, please advise the Board of Governors regarding the actions taken or contemplated with respect to the various recommendations and suggestions of the examiner, particularly as set forth on pages 10 and 11. Any

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"comments you may care to make with regard to the operations of the Corporation as disclosed by the report of examination will also be appreciated."

Approved unanimously, with
copies to the Federal Reserve Banks
of Boston and New York.

Telegram to Mr. Diercks, Vice President, Federal Reserve Bank
of Chicago, reading as follows:

"Retel conversation with Conkling on 17th. Board's authority to waive condition reports, as contained in Banking Act of 1935, is confined to reports of affiliates and not holding company affiliates as explained in F.R.L.S. #6481. Earlier, however, Board stated in F.R.L.S. #3701 that provisions of Banking Act of 1933 requiring reports of affiliates and holding company affiliates are not applicable to organizations which have been formally placed in liquidation or receivership prior to date of Board's call. Therefore, June 30 report of holding company affiliate not required of State Bank of Whiting, Indiana, because such affiliate was in receivership on that date, but April 20 report was required because affiliate was not in receivership on that date. As holding company affiliate was placed in receivership so soon thereafter, Board will not insist upon submission of April 20 report as publication at this late date would serve no useful purpose."

Approved unanimously.

Letter to Mr. Millard, Vice President, Federal Reserve Bank of
San Francisco, reading as follows:

"Reference is made to your letter of July 9, 1953, relative to a change from 633 Laurel Street to 632 Laurel Street, San Carlos, California, of the San Carlos Office of the American Trust Company, San Francisco, California.

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"On the basis of the facts submitted, it appears that the change of location will constitute merely a relocation of an existing branch in the immediate neighborhood without material effect on the nature of the business now conducted by the branch office or on the composition of its clientele. The Board concurs in your opinion that this change will not constitute the establishment of a branch within the meaning of Section 9 of the Federal Reserve Act, and, therefore, the Board's approval is not required."

Approved unanimously.

Letter to Mr. Millard, Vice President, Federal Reserve Bank of San Francisco, reading as follows:

"Reference is made to your letter of July 3, 1953, relative to a change of location of the following offices of the American Trust Company, San Francisco, California.

"Third-Palou Office, San Francisco, California, from 4900 Third Street to 5048 Third Street.

"Gilroy Office, Gilroy, California, from 96 North Monterey Street to 100 North Monterey Street.

"On the basis of the facts submitted, it appears that the changes of location will constitute merely a relocation of existing branches in the immediate neighborhood without material effect on the nature of the business now conducted by the branch office or on the composition of its clientele. The Board concurs in your opinion that the changes will not constitute the establishment of branches within the meaning of Section 9 of the Federal Reserve Act, and, therefore, the Board's approval is not required."

Approved unanimously.

Letter to Mr. Millard, Vice President, Federal Reserve Bank of San Francisco, reading as follows:

"Reference is made to your letter of June 19, 1953, relative to a change from 301 Third Street to 279 'F' Street,

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"Chula Vista, California, of the Chula Vista Office of the Security Trust and Savings Bank of San Diego, San Diego, California.

"On the basis of the facts submitted, it appears that the change of location constituted a relocation of an existing branch in the immediate neighborhood without material effect on the nature of the business now conducted by the branch office or on the composition of its clientele. The Board concurs in your opinion that this change would not constitute the establishment of a branch within the meaning of Section 9 of the Federal Reserve Act, and, therefore, the Board's approval is not required."

Approved unanimously.

Letter to Mr. Millard, Vice President, Federal Reserve Bank of San Francisco, reading as follows:

"Reference is made to your letter of July 3, 1953, relative to a change from 671 South La Brea Avenue to 5351 Wilshire Boulevard, Los Angeles, California, of the La Brea-Wilshire Office of the California Bank, Los Angeles, California.

"On the basis of the facts submitted, it appears that the change of location will constitute merely a relocation of an existing branch in the immediate neighborhood without material effect on the nature of the business now conducted by the branch office or on the composition of its clientele. The Board concurs in your opinion that this change will not constitute the establishment of a branch within the meaning of Section 9 of the Federal Reserve Act, and, therefore, the Board's approval is not required."

Approved unanimously.

Letter to the Federal Deposit Insurance Corporation, Washington, D. C., reading as follows:

"Reference is made to your letter of July 3, 1953, concerning the application of The Real Estate Trust Company of Philadelphia, Pennsylvania, for continuance of

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"insurance after withdrawal from membership in the Federal Reserve System.

"No corrective programs have been urged on the bank, or agreed to by it, in connection with which the Board of Governors would consider it desirable to incorporate conditions with respect to continuance of insurance."

Approved unanimously.

Letter to the Comptroller of the Currency, Treasury Department, Washington, D. C., (Attention: Mr. L. A. Jennings, Deputy Comptroller of the Currency) reading as follows:

"Reference is made to your letter of May 6, 1953, submitting a photostatic copy of an application to organize a national bank at Beverly Hills, California, under the title of 'City National Bank of Beverly Hills' which, we understand, has been changed to 'National City Bank of Beverly Hills', and requesting a recommendation as to whether or not the application should be approved.

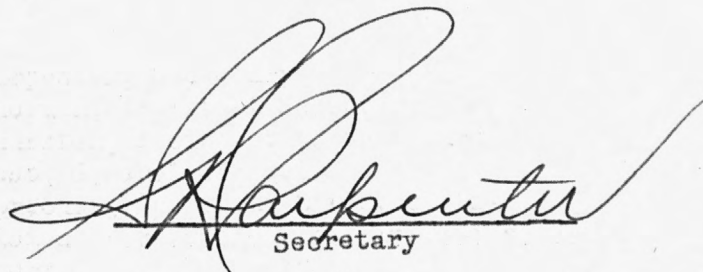
"The Board has received a report of investigation made by an examiner for the Federal Reserve Bank of San Francisco covering the factors usually considered in connection with such applications. The information submitted indicates that all factors may be favorably regarded except with respect to the adequacy of capital and definite provision for satisfactory management. The initial capital structure proposed in the application amounted to \$280,000, but it is understood that this figure has been revised to \$1,000,000. The organizers estimate that deposits will reach \$3,000,000 to \$5,000,000 at the end of the first year of operation, \$10,000,000 at the end of the second year, and \$15,000,000 the third year. The Reserve Bank's examiner considers the estimate of the organizers conservative. The organizers appear to be representative business men of substantial means, and it is reported that they are prepared to pay substantial salaries for competent management; but the managing officers have not been selected. Subject to provision of capital and management satisfactory to your office, the Board would recommend approval of the application.

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

Approved unanimously.

Mr. [Name]
Mr. [Name]
Mr. [Name]
Mr. [Name]


Secretary

Reference was made to the report of the
Director, Office of Defense Loans, dated July 15, 1953,
which, a bill cited as the bill for the purpose of the
purpose of which had been referred to the Board of Examinations
and the Board of Examinations, advised that the Board of Examinations
be authorized and directed to conduct an investigation of the
agents in the general particular of the [Name] and the
started by the Board of Examinations, which is being conducted
as the V-Loan program is being handled by the [Name] and the
of Defense Loans and the credit [Name] and the [Name].
Governor [Name] stated that [Name] and the [Name] in [Name].
Director's memorandum to the effect that [Name] and the [Name].
formation of depositary, [Name] and the [Name].