

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Monday, August 10, 1953. The Board met in the Board Room at 10:00 a.m.

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

Mr. Carpenter, Secretary
Mr. Sherman, Assistant Secretary
Mr. Kenyon, Assistant Secretary
Mr. Thurston, Assistant to the Board
Mr. Vest, General Counsel
Mr. Cherry, Legislative Counsel

Unanimous approval was given to a request that Mr. Horbett, Assistant Director, Division of Bank Operations, be authorized to travel to Philadelphia, Pennsylvania, on August 12, 1953, to visit the Federal Reserve Bank of Philadelphia pursuant to the Board's policy that senior representatives of the Division of Bank Operations should visit each Federal Reserve Bank annually.

Mr. Cherry presented a review of legislative developments during which he commented on certain bills introduced during the last session of Congress concerning which the views of the Board had been requested and on which it was understood that hearings probably would be held at the beginning of the next session of Congress. Mr. Cherry also summarized the provisions of the Small Business Act of 1953 (Public Law 163, 83rd Congress).

The meeting then adjourned. During the day the following additional actions were taken by the Board with Governors Szymczak, Evans, and Mills present:

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Letter to Mr. John J. McCloy, Chairman of the Board of Directors, The Chase Bank, New York, New York, reading as follows:

"There is enclosed a copy of the report of examination of the Head Office of The Chase Bank, New York, New York, made as of May 29, 1953, by examiners for the Board of Governors of the Federal Reserve System. The figures for the foreign branches shown in the combined statement of condition, as well as the figures for The Chase National Executors and Trustees Corporation Limited and Union Provinciale Immobiliere, were supplied by the Head Office.

"Your courtesy in acknowledging receipt of the report will be appreciated."

Approved unanimously, with
a copy to the Federal Reserve Bank
of New York.

Letter to C. Edward Dahlin, Esquire, Attorney at Law, 1757
First National Bank Building, 33 South Clark Street, Chicago, Illinois,
reading as follows:

"Receipt is acknowledged of your letter of August 3, 1953, and the enclosed answer of Devon-North Town State Bank to the complaint of the Board of Governors.

"Mr. Paul C. Hodge, General Counsel for the Federal Reserve Bank of Chicago, has confirmed orally what appears from the answer, namely that the respondent does not contest the truth of the allegations contained in the complaint and waives a hearing on those allegations.

"In the circumstances the hearing is postponed until further notice in order to allow time for taking

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"the steps which it is understood are being taken to remedy completely the conditions which led to the issuance of the complaint. It is hoped that no hearing will be necessary and that whatever information the Board will need can be obtained by correspondence or by an examination of the bank at the proper time."

Approved unanimously.

Telegram to Mr. O'Kane, General Counsel, Federal Reserve Bank of San Francisco, reading as follows:

"Reurtel August 7. Please inform United States Attorney that Board has no objection to his furnishing attorneys for Hamric copy of transcript of testimony of Hamric taken during the Board's formal Regulation W investigation."

Approved unanimously.

Letter to Mr. R. Gibb, Treasurer, Commodity Credit Corporation, Washington, D. C., reading as follows:

"This refers to your letter of August 5, 1953, addressed to Mr. Lowell Myrick, Assistant Director of the Board's Division of Bank Operations, requesting information as to the authority of the Federal Reserve Banks to purchase Certificates of Interest used pursuant to the 1953 cotton program of Commodity Credit Corporation.

"Certificates of this kind, as you are no doubt aware, are expressly made eligible as collateral for advances by Federal Reserve Banks to member banks under provisions of section 2(a) of the Board's Regulation A issued pursuant to section 13 of the Federal Reserve Act. However, purchases of paper by the Federal Reserve Banks are governed by other provisions of law, particularly those of section 14 of the Federal Reserve Act; and there is no authority for the purchase

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"by the Federal Reserve Banks of Certificates of Interest of the kind in question.

"If the Board can give you any further assistance in connection with this matter, it will be glad to do so."

Approved unanimously.

Mr. Chairman

Mr. Mills

Mr. Largent

Mr. Sherman

Mr. Ferguson

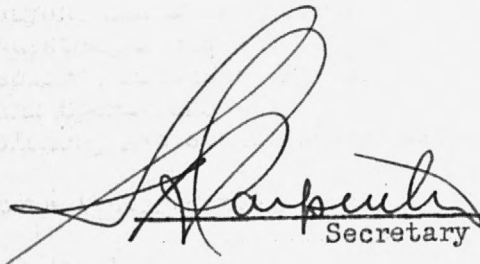
Mr. Thompson

Mr. ...

Mr. ...

Mr. ...

Mr. ...


Secretary

Reference was made

to the minutes of the meeting

as follows:

This refers to the report of the ...
and since 15, 1953, up to our last ...
and February 17, 1953, regarding ...
Bank of an office in New York, ...
of liquidating the collection of ...
As previously reported, ...
Flight Representative ...
and a list of the ...
of ...
Stam ...
appointed to the location of the ...
and for the purpose of ...
plan, it was deemed advisable to ...
representatives of the ...
Directors' ...
started approval of the plan ...
in New York, and ...
Cedar Rapids, ...
passed and ...