

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Thursday, August 13, 1953. The Board met in the Board Room at 10:00 a.m.

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

Mr. Carpenter, Secretary
 Mr. Sherman, Assistant Secretary
 Mr. Kenyon, Assistant Secretary
 Mr. Thurston, Assistant to the Board
 Mr. Riefler, Assistant to the Chairman
 Mr. Thomas, Economic Adviser to the Board
 Mr. Young, Director, Division of Research and Statistics
 Mr. Solomon, Assistant General Counsel
 Mr. Noyes, Assistant Director, Division of Research and Statistics
 Mr. Youngdahl, Assistant Director, Division of Research and Statistics
 Mr. Cherry, Legislative Counsel
 Mr. Wood, Economist, Division of Research and Statistics

At its meeting on July 30, 1953, the Board considered a request made of Chairman Martin by Mr. Cole, Administrator of the Housing and Home Finance Agency, that Mr. Thomas accompany him on a visit to different parts of the United States during the ensuing week to inquire into the mortgage credit situation, Mr. Thomas to act as an observer and to answer questions regarding the current monetary policies of the Federal Reserve System that might be raised by those with whom Mr. Cole would confer. Chairman Martin was authorized by the Board to make a decision as to whether Mr. Thomas should accompany Mr. Cole and subsequently he authorized Mr. Thomas to do so.

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At this meeting Mr. Thomas reported on the discussions which were held by Mr. Cole and his party with groups in various cities throughout the United States.

Following a general discussion based on the comments made by Mr. Thomas, the meeting adjourned. During the day the following additional actions were taken by the Board with all of the members except Chairman Martin and Governor Robertson present:

Minutes of actions taken by the Board of Governors of the Federal Reserve System on August 12, 1953, were approved unanimously.

Letter to Mr. Wiltse, Vice President, Federal Reserve Bank of New York, reading as follows:

"In accordance with the request contained in your letter of August 7, 1953, the Board approves the designation of John T. Keane, an employee of the Buffalo Branch, as a special assistant examiner for the Federal Reserve Bank of New York."

Approved unanimously.

Letter to the Board of Directors, The Fidelity Trust Company, Baltimore, Maryland, reading as follows:

"Pursuant to your request submitted through the Federal Reserve Bank of Richmond, the Board of Governors of the Federal Reserve System approves the establishment and operation of a branch at Erdman Avenue and Federal Street, Baltimore, Maryland, by The Fidelity Trust Company, Baltimore, Maryland, provided the branch is established within six months of the date of this letter."

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

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Letter to the Board of Directors, Wachovia Bank and Trust Company, Winston-Salem, North Carolina, reading as follows:

"Pursuant to your request submitted through the Federal Reserve Bank of Richmond, the Board of Governors of the Federal Reserve System approves the establishment and operation of a branch at Merrimon Avenue and Colonial Place, Asheville, North Carolina, by Wachovia Bank and Trust Company, Winston-Salem, North Carolina, provided the branch is established within one year from the date of this letter."

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

Letter to the Board of Directors, Grosse Pointe Bank, Grosse Pointe, Michigan, reading as follows:

"Pursuant to your request submitted through the Federal Reserve Bank of Chicago, the Board of Governors approves the establishment and operation of a branch at 93 Kercheval Avenue, Grosse Pointe Farms, Michigan, by the Grosse Pointe Bank, Grosse Pointe, Michigan, provided the management of the bank will agree to provide additional capital funds of at least \$300,000 through the sale of common stock on or before December 31, 1954, and provided the branch is established within one year from the date of this letter."

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

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:

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"Reference is made to a letter dated June 5, 1953, from your office regarding an application to organize a national bank at Surfside, Florida, and requesting a recommendation as to whether or not the application should be approved.

"The Board has received a report of an investigation made by an examiner for the Federal Reserve Bank of Atlanta covering the factors usually considered in connection with such applications. This report indicates that the organizers plan to increase the proposed capital structure of the bank from \$400,000, shown in the application, to \$800,000 consisting of \$500,000 capital stock, \$200,000 surplus, and \$100,000 undivided profits which would seem to be adequate based upon the estimated volume of business in the first three years of operation. It appears that the community could support a bank sponsored by experienced business men and under the guidance of competent management. These factors do not appear to be resolved satisfactorily, and in the absence of convincing proof that competent management is available and will be provided, the Board would not recommend approval of the application.

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

Approved unanimously.

Memorandum dated August 11, 1953, from Mr. Young, Director, Division of Research and Statistics, recommending that Frank R. Garfield, Adviser on Economic Research in that Division, be authorized to serve as a member of the official delegation of the United States Government at the forthcoming meeting of the International Statistical Institute to be held in Rome, Italy, September 6-12, 1953; and that Mr. Garfield also be authorized to confer with appropriate members of the staffs of the Bank of England, the Bank of France, and the Bank for

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International Settlements while in Europe to familiarize himself with current work in the field of statistical and economic analysis being carried on at those institutions. The memorandum stated that these assignments would involve Mr. Garfield's absence from the Board from approximately August 24 to September 26, 1953, and recommended that in connection with the trip Mr. Garfield be granted:

- (1) While absent from Washington, D. C., upon the discharge of the above described duty, his actual necessary transportation expenses, plus a per diem in lieu of subsistence of \$14 covering the entire period of his absence except while on board ship, when actual traveling expenses would be allowed.
- (2) A representational allowance of \$500, with the understanding that any voucher concerning the trip would be accompanied by satisfactory evidence or explanations (not necessarily receipts) regarding expenditures chargeable to this allowance.

Approved unanimously, together
with a letter for the signature of
the Acting Chairman to The Honorable,
The Secretary of State, reading as
follows:

"Since our letter of June 9, 1953, regarding U. S. Government participation in the 28th Session of the International Statistical Institute which is scheduled to be held at Rome during the period September 6-12, 1953, we are advised informally that it is likely that the United States will send an official delegation to the session.

"As indicated in our letter, we feel that it would be desirable, in the light of the agenda, that a member of the Board's staff familiar with the measurement of industrial production in the United States be included in the

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"delegation. For this purpose we recommend Mr. Frank R. Garfield, Adviser on Economic Research of the Board's Division of Research and Statistics. It is understood that Mr. Garfield's participation would be at no expense to the Department of State.

"Mr. Garfield has been a member of the Board's staff since 1929 and has been cleared on various occasions for the handling of material of the highest security classifications. The Board is prepared to assume full responsibility for his loyalty and security.

"The Board would appreciate being advised at the earliest possible moment whether or not Mr. Garfield is selected to be a member of the delegation to represent the United States at the meeting."

Secretary