

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Tuesday, October 20, 1953. The Board met in the Board Room at 10:00 a.m.

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

Mr. Carpenter, Secretary
Mr. Kenyon, Assistant Secretary
Mr. Thurston, Assistant to the Board

The following requests for travel authorization were presented:

<u>Name and title</u>	<u>Duration of travel</u>
Lowell Myrick, Assistant Director, Division of Bank Operations	October 26-29, 1953
To travel to St. Louis, Missouri, to attend, as an associate member, a meeting of the Presidents' Conference Subcommittee on Accounting.	
Frank R. Garfield, Adviser on Economic Research, Division of Research and Statistics	October 20-21, 1953
To travel to New York, New York, to attend a meeting of the System Committee on Current Business Developments.	
Susan S. Burr, Assistant Director, Division of Research and Statistics	October 22-23, 1953
To travel to New York, New York, to attend a meeting of a subcommittee of the System Committee on Education and Publications.	

Approved unanimously.

There was a brief discussion of a memorandum dated October 16, 1953, from the Division of Personnel Administration, copies of which had been sent to the members of the Board prior to this meeting, regarding

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the recommendation of the board of directors of the Federal Reserve Bank of St. Louis that the salaries of Mr. Johns, President, and Mr. Deming, First Vice President, be increased from \$25,000 to \$30,000 and from \$18,000 to \$22,000, respectively. At the suggestion of Governor Robertson, it was understood that this matter would be considered further at the meeting of the Board tomorrow.

The meeting then adjourned. During the day the following additional actions were taken by the Board with all of the members except Governor Evans present:

Minutes of actions taken by the Board of Governors of the Federal Reserve System on October 19, 1953, were approved unanimously.

Memorandum dated October 20, 1953, from the Division of Personnel Administration, stating that Laura K. McMains (formerly Laura K. Thomas), formerly a Stenographer in the office of Governor Vardaman, had been discharged from military service and, as indicated in an attached memorandum of October 16, 1953, had stated that she did not wish to apply for reinstatement as an employee of the Board of Governors. The memorandum recommended that the Board accept this notification.

Approved unanimously.

Letter to Mr. Hodgkinson, Federal Reserve Agent, Federal Reserve Bank of Boston, reading as follows:

In accordance with the request contained in your letter of October 9, 1953, the Board of Governors approves the appointment of Mr. Donald A. Pelletier as Alternate Assistant

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Federal Reserve Agent with a salary at the rate of \$4,400 per annum, effective November 1, 1953, to succeed Mr. Jasper A. Lane.

This approval is given with the understanding that Mr. Pelletier will be placed upon the Federal Reserve Agent's pay roll and will be solely responsible to him or, during a vacancy in the office of the Agent, to the Assistant Federal Reserve Agent, and to the Board of Governors, for the proper performance of his duties. When not engaged in the performance of his duties as Alternate Assistant Federal Reserve Agent he may, with the approval of the Federal Reserve Agent or, during a vacancy in the office of the Federal Reserve Agent, of the Assistant Federal Reserve Agent, and the President, perform such work for the Bank as will not be inconsistent with his duties as Alternate Assistant Federal Reserve Agent.

Mr. Pelletier should execute the usual oath of office which should be forwarded to the Board of Governors.

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 October 9, 1953, the Board approves the designation of Joseph E. Condon, John J. Molesphini, and Charles E. Vasoll as special assistant examiners for the Federal Reserve Bank of New York.

Approved unanimously.

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

In accordance with the request contained in your letter of October 8, 1953, the Board of Governors approves the payment of salaries in excess of grade maximums to the employees listed in your letter at the rates indicated opposite each of the names and as of the dates also indicated in your letter.

Approved unanimously.

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Letter to The Covington National Bank, Covington, Virginia,
reading as follows:

The Board of Governors of the Federal Reserve System has given consideration to your supplemental application for fiduciary powers, and grants you authority to act, when not in contravention of State or local law, as guardian of estates, assignee, receiver, committee of estates of lunatics, or in any other fiduciary capacity in which State banks, trust companies, or other corporations which come into competition with national banks are permitted to act under the laws of the State of Virginia. The exercise of these powers, in addition to those heretofore granted to act as trustee, executor, administrator, and registrar of stocks and bonds, shall be subject to the provisions of the Federal Reserve Act and the regulations of the Board of Governors of the Federal Reserve System.

A formal certificate indicating the fiduciary powers which The Covington National Bank is now authorized to exercise will be forwarded to you in due course.

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

Letter to the First National Bank in Lake Worth, Lake Worth,
Florida, reading as follows:

The Board of Governors of the Federal Reserve System has given consideration to your application for fiduciary powers and grants you authority to act, when not in contravention of State or local law, as trustee for Profit-Sharing Retirement Plan of First National Bank in Lake Worth, Florida, the exercise of such authority to be subject to the provisions of the Federal Reserve Act and the regulations of the Board of Governors of the Federal Reserve System.

A certificate covering such authorization, as well as the specific fiduciary power heretofore granted, is enclosed.

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

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

Referring to your two letters and recommendations of October 9, 1953, the Board of Governors extends until March 1, 1954, the time within which The Detroit Bank, Detroit, Michigan, may establish a branch on Mound Road near the corner of Eight Mile Road, East, and a branch on Eight Mile Road, East, between Dresden and Strasburg, both within the city limits of Detroit, Michigan, as approved by the Board under dates of November 5, 1952, and November 18, 1952, respectively.

Approved unanimously.

Letter to the Board of Directors, Old Kent Bank, Grand Rapids, 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 41 Pearl Street, N. W., Grand Rapids, Michigan, by Old Kent Bank, provided the branch is established within six months after the date of this letter.

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

Letter to Mr. Peterson, Vice President, Federal Reserve Bank of St. Louis, reading as follows:

Reference is made to your letter of October 6, 1953, submitting with a favorable recommendation the request of the Arnold Savings Bank, Arnold, Missouri, for permission to invest approximately \$139,700 in new banking premises, including \$13,800 for new custom-made bank fixtures.

The Board approves the investment of approximately \$139,700 in new banking premises and fixtures by the Arnold

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Savings Bank, provided the capital structure of the bank is increased not less than \$75,000 through the sale of \$25,000 par value of new common stock at a premium of \$50,000 as outlined in your letter. Please advise the bank accordingly.

Approved unanimously.

Letter to The First National Bank of Scott City, Scott City, Kansas, reading as follows:

The Board of Governors of the Federal Reserve System has given consideration to your application for fiduciary powers, and grants you authority to act, when not in contravention of State or local law, as executor, administrator, guardian of estates, and committee of estates of lunatics, the exercise of all such rights to be subject to the provisions of the Federal Reserve Act and the regulations of the Board of Governors of the Federal Reserve System.

A formal certificate indicating the fiduciary powers which The First National Bank of Scott City is now authorized to exercise will be forwarded to you in due course.

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

Memorandum dated October 16, 1953, from Mr. Sloan, Director, Division of Examinations, recommending that the Board authorize the expenditure of such funds as might be necessary for defraying the costs of a reception in the staff dining room on October 20, 1953, and a luncheon, also in the staff dining room, on October 23, 1953, both in connection with the School for Examiners currently being conducted by the

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Inter-Agency Bank Examination School. The memorandum stated that the total cost was estimated at approximately \$100.

Approved unanimously.

[Handwritten Signature]
Secretary

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