

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Thursday, October 29, 1953.

PRESENT: Mr. Szymczak, Acting Chairman
Mr. Mills

Mr. Carpenter, Secretary
Mr. Kenyon, Assistant Secretary

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 23, 1953, the Board approves the designation of Bertram Breit as a special assistant examiner for the Federal Reserve Bank of New York.

Approved unanimously.

Letter to Mr. Willis, Secretary, Federal Reserve Bank of New York, reading as follows:

Thank you for your letter of October 26, 1953, advising that, at the request of the Commission on Foreign Economic Policy, the services of Mr. Arthur I. Bloomfield, Senior Economist, are being made available to the Commission to enable him to participate in the preparation of a report for this organization. It is noted from your letter that Mr. Bloomfield has been granted a leave of absence with pay for such period or periods, not to exceed five months in the aggregate, as the Commission on Foreign Economic Policy may request, upon the understanding that the Commission will pay Mr. Bloomfield's transportation and subsistence expenses incurred during the period of his service.

The Board of Governors interposes no objection to the arrangement with respect to Mr. Bloomfield as described in your letter.

Approved unanimously.

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Letter to Mr. Hill, Vice President, Federal Reserve Bank of Philadelphia, reading as follows:

Reference is made to your letter of October 23, 1953, enclosing the request of Temple State Bank, Temple, Pennsylvania, for a waiver of the six months' notice of withdrawal from membership in the Federal Reserve System. It is understood that the Temple State Bank proposes to merge with the Berks County Trust Company, Reading, Pennsylvania, a nonmember State bank.

In accordance with the bank's request, the Board of Governors waives the requirement of six months' notice of withdrawal. Accordingly, upon surrender of the Federal Reserve Bank stock issued to the bank, you are authorized to cancel such stock and make appropriate refund thereon. Under the provisions of section 10(c) of Regulation H, as amended effective September 1, 1952, the bank may accomplish termination of its membership at any time within eight months after notice of intention to withdraw was first given. Please advise when cancellation is effected and refund is made.

The certificate of membership issued to the bank should be obtained, if possible, and forwarded to the Board. The State banking authorities should be advised of the bank's proposed withdrawal from membership and the date such withdrawal becomes effective.

Approved unanimously.

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 1602 English Street, High Point, North Carolina, by Wachovia Bank and Trust Company, Winston-Salem, North Carolina, provided the branch is established within six months from 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, Louisiana Bank & Trust Company, New Orleans, Louisiana, reading as follows:

Pursuant to your request submitted to the Federal Reserve Bank of Atlanta, the Board of Governors approves the establishment and operation of a branch at or near the intersection of Chef Menteur Highway and France Road, in the Gentilly Section of the City of New Orleans, Louisiana, provided the branch is established within six months after the date of this letter.

It is understood that the capital structure of the Louisiana Bank & Trust Company is to be increased by January 2, 1955, by not less than \$350,000 through the sale of additional stock.

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

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

In your letter of August 31, 1953, to the Board of Directors of the Normandy State Bank, Normandy, Missouri, you called attention to the failure of the bank to obtain an agreement from its holding company affiliate (Form P-5) within the time prescribed in section 3 of Regulation P and advised the bank that the question of its continued membership in the System had been referred to the Board of Governors for such action as it deemed necessary or appropriate under the law.

An agreement (Form P-5) executed by the Capital Investment Company, the holding company affiliate, and dated September 3, 1953, was submitted with your letter of September 14, 1953, in which the delay was said to have been caused by a misunderstanding.

In the circumstances of this case, the Board believes that no further action is necessary or appropriate.

Approved unanimously.

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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 a letter from your office dated September 14, 1953, enclosing photostatic copies of an application to convert the Myrtle Beach Bank and Trust Company, Myrtle Beach, South Carolina, into a national banking association and requesting a recommendation as to whether or not the application should be approved or disapproved.

Information contained in a report of investigation of the application made by a representative of the Federal Reserve Bank of Richmond indicates generally favorable findings with respect to the factors usually considered in connection with such applications. Accordingly, the Board of Governors recommends approval of the application.

Our informant advises that while the proposed capital structure of the bank is considered adequate at this time in view of the ability of the management, quality of assets, and liquid condition maintained, it would be desirable to sell additional stock which the management indicated will probably be done in 1954.

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

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 a letter from your office dated June 5, 1953, enclosing photostatic copies of an application to organize a national bank at Miami Springs, Florida, and requesting a recommendation as to whether or not the application should be approved or disapproved.

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We have received a report of investigation of the application made by a representative of the Federal Reserve Bank of Atlanta setting forth information with respect to the factors usually considered in connection with such applications. This information indicates that the proposed capital structure of the bank would be somewhat weak; that the prospects for future earnings would be only fair; that the capabilities of the proposed management are open to question; and that no serious need exists for additional banking facilities in the community. After careful consideration of the situation and the factors set forth in your letter, the Board of Governors does not feel justified in recommending approval of the application.

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

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 a letter from your office dated September 22, 1953, transmitting photostatic copies of documents evidencing the desire of the organizers of the proposed Kewanee National Bank, Kewanee, Illinois, to make certain amendments to the application and requesting advice as to whether or not the Board would care to withdraw its previous unfavorable decision and make a favorable recommendation on the application.

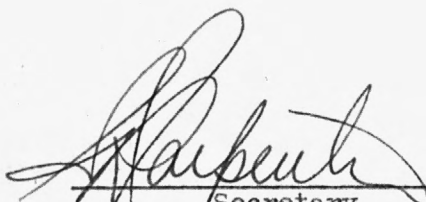
Based upon information obtained from the Federal Reserve Bank of Chicago on the application as revised, we understand that the proposed capital structure of the bank is to be increased from \$225,000 to \$300,000; that the investment in fixed assets will be substantially less than originally planned; and that the management as now proposed would include capable and experienced men. This information permits more favorable consideration of the factors usually considered in connection with such applications and, therefore, the Board of Governors feels justified in withdrawing the unfavorable recommendation contained in its letter of August 28, 1953, and in recommending approval of the application as amended.

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

Approved unanimously.


Secretary