

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Tuesday, April 6, 1954. The Board met in the Board Room at 10:00 a.m.

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

Mr. Sherman, Assistant Secretary
Mr. Kenyon, Assistant Secretary
Mr. Riefler, Assistant to the Chairman

Governor Vardaman suggested that the Board's staff be requested to compile data which would be pertinent to a discussion by the Board, at a meeting next week, of the current level of member bank reserve requirements, including the need of the banking system for additional reserves, the amount of additional reserves which it might be appropriate to provide, the question whether such reserves, if needed, should be supplied through a reduction in reserve requirements instead of through System open market operations, and the current status of the economy.

Following a discussion, it was understood that data of the kind suggested by Governor Vardaman would be compiled by the staff preparatory to consideration of the material at a meeting of the Board next week.

Governor Robertson referred to the letter which was sent to Mr. Roger W. Jones, Assistant Director, Legislative Reference, Bureau of the Budget, on March 31, 1954, commenting, in response to a request from the Bureau, with respect to a draft of a bill proposed by the Treasury Department which would modify the present statutory requirement that every

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national bank be examined at least twice in each calendar year by authorizing the Comptroller of the Currency, in his discretion, to waive one such examination. He said that according to advice which he had received from Mr. Jennings, Deputy Comptroller of the Currency, the Budget Bureau apparently had reported to that Office that the Board had "vetoed the legislation", and that he told Mr. Jennings that the Board, of course, had no such veto power and had merely expressed views with respect to the proposed bill. Governor Robertson went on to say that Mr. Jennings asked whether he and possibly the Comptroller might come to the Board's offices next Monday to discuss the matter and, while Governor Robertson felt that the position taken in the letter of March 31 was correct, he thought that as a matter of courtesy it would be advisable to arrange such a discussion. He also stated that a copy of the Board's letter to the Budget Bureau had been furnished Mr. Jennings.

The other members of the Board present agreed that Governor Robertson should meet with Messrs. Gidney and Jennings next Monday and that any other members of the Board who so desired should join in the discussion.

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

Minutes of actions taken by the Board of Governors of the Federal Reserve System on April 5, 1954, were approved unanimously.

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Memorandum dated April 2, 1954, from Mr. Leonard, Director, Division of Bank Operations, recommending that the resignation of Mary K. Joyce, Statistical Clerk in that Division, be accepted effective April 5, 1954.

Approved unanimously.

Letter to the Manatee River Bank and Trust Company, Bradenton, Florida, reading as follows:

The Board of Governors of the Federal Reserve System has given consideration to the application for permission to exercise fiduciary powers made by you on behalf of the Manatee River National Bank of Bradenton, Bradenton, Florida, the national bank into which the Manatee River Bank and Trust Company, Bradenton, Florida, is to be converted, and grants such national bank authority, effective if and when it is authorized by the Comptroller of the Currency to commence business, to act, when not in contravention of State or local law, as trustee, executor, administrator, registrar of stocks and bonds, 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 Florida. The exercise of all such rights shall be subject to the provisions of the Federal Reserve Act and the regulations of the Board of Governors of the Federal Reserve System.

After the conversion of the Manatee River Bank and Trust Company into the Manatee River National Bank of Bradenton becomes effective and the Comptroller of the Currency authorizes the national bank to commence business, you are requested to have the board of directors of the national bank adopt a resolution ratifying your application for permission to exercise fiduciary powers, and a certified copy of the resolution so adopted should be forwarded to the Federal Reserve Bank of Atlanta for transmittal to the Board for its records. When a copy of such resolution has been received by the Board, a formal certificate covering the national bank's authority to exercise trust powers will be forwarded.

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

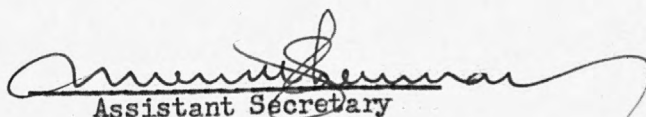
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Letter to the Board of Directors, Bank of the Commonwealth,
 Detroit, Michigan, reading as follows:

Pursuant to your request submitted through the Federal Reserve Bank of Chicago, the Board of Governors approves the removal of the branch operated by your bank at 15111 Livernois Avenue, Detroit, Michigan, to the corner of Livernois and Santa Maria Avenues, Detroit, Michigan, provided the branch is established at the new location within nine months from the date of this letter.

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


 Assistant Secretary