

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Tuesday, May 4, 1954. The Board met in the Board Room at 10:00 a.m.

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

Mr. Carpenter, Secretary
 Mr. Sherman, Assistant Secretary
 Mr. Thurston, Assistant to the Board
 Mr. Riefler, Assistant to the Chairman
 Mr. Thomas, Economic Adviser to the Board
 Mr. Vest, General Counsel

The following members of the staff of the Division of Research and Statistics also were present:

Mr. Young, Director
 Mr. Garfield, Adviser on Economic Research
 Mr. Williams, Assistant Director
 Mr. Gehman, Chief, Business Conditions Section
 Mr. Koch, Chief, Banking Section
 Mr. Weiner, Chief, National Income, Moneyflows, and Labor Section
 Mr. Jones, Chief, Consumer Credit and Finances Section
 Mr. Simpson, Acting Chief, Business Finance and Capital Markets Section
 Mr. Miller, Economist
 Mr. Wernick, Economist
 Mr. Wood, Economist

Members of the staff of the Division of Research and Statistics presented a review of the economic and financial situation following which there was a general discussion of current conditions and prospects.

At Chairman Martin's request Mr. Thomas reviewed briefly the opening sessions of the Fourth Meeting of Technicians of Central Banks of the American Continent, which convened in Washington yesterday morning, May 3, 1954.

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

Minutes of actions taken by the Board of Governors of the Federal Reserve System on May 3, 1954, were approved unanimously.

Letter to Mr. Morrill, Assistant Vice President, Federal Reserve Bank of San Francisco, reading as follows:

In accordance with the request contained in your letter of April 27, 1954, the Board of Governors approves the appointment of Robert C. Ward as an Assistant Examiner for the Federal Reserve Bank of San Francisco.

Please advise as to the date upon which the appointment is made effective.

Approved unanimously.

Letter to the Board of Directors, The Annapolis Banking and Trust Company, Annapolis, Maryland, reading as follows:

Pursuant to your request submitted through the Federal Reserve Bank of Richmond, the Board of Governors approves the establishment of a branch at the corner of West Street and Chinquapin Round Road, Annapolis, Maryland, by The Annapolis Banking and Trust Company, Annapolis, 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.

Telegram to Mr. Millard, Vice President, Federal Reserve Bank of San Francisco, reading as follows:

Reurlet April 22, 1954, Board of Governors gives its consent under applicable provisions of Section 18(c) of the Federal Deposit Insurance Act to the absorption of Torrance National Bank, Torrance, California, by

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California Bank, Los Angeles, California, provided fixed assets acquired are not placed on books of California Bank at amounts in excess of depreciated value computed for Federal income tax purposes. Board of Governors also approves establishment and operation of a branch in Torrance in premises now occupied by the national bank provided (a) the absorption of Torrance National Bank is completed substantially in accordance with the program submitted to Reserve Bank, (b) formal approval is obtained from State authorities, (c) the branch is established within six months. Usual letters follow.

Approved unanimously, together with a letter to the Board of Directors, California Bank, Los Angeles, California, advising that bank of the foregoing action.

Letter to the Guaranty Bank and Trust Company, Huntington, West Virginia, 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 Guaranty National Bank of Huntington, Huntington, West Virginia, the national bank into which the Guaranty Bank and Trust Company, Huntington, West Virginia, 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 West Virginia. 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 Guaranty Bank and Trust Company into The Guaranty National Bank of Huntington becomes effective and the Comptroller of the Currency authorizes the national bank to commence business, you are requested

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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 Richmond 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 Richmond.

Letter to the Security National Bank of Battle Creek, Battle
Creek, Michigan, 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 registrar of stocks and bonds 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 Michigan. The exercise of these powers, in addition to those heretofore granted to act as trustee, executor, administrator, guardian of estates, assignee, receiver, and committee of estates of lunatics, 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 Security National Bank of Battle Creek is now authorized to exercise will be forwarded to you in due course.

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


Secretary