

Minutes of actions taken by the Board of Governors of the
Federal Reserve System on Tuesday, June 29, 1954.

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

Mr. Carpenter, Secretary
Mr. Sherman, Assistant Secretary
Mr. Kenyon, Assistant Secretary

Memorandum dated June 25, 1954, from Mr. Marget, Director,
Division of International Finance, recommending that the resignation
of Anne S. Temple, Research Assistant in that Division, be accepted
effective July 2, 1954.

Approved unanimously.

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

This refers to your letter of June 9, 1954, regarding
the classification for reserve purposes of funds received
by the First National Bank of Portland, Oregon, from its
stockholders in payment for additional shares of stock to
be issued by the bank, while such funds were held pending
the receipt of approval by the Comptroller of the Currency
and the actual issuance of such new shares.

It is understood that the funds in question were credited
by the bank to a special account on the books of its trust
department which in turn was carried on the books of the
banking department under "Other Demand Deposits", and that,
as a result, a penalty against the bank was assessed on May
18, 1954, for a deficiency in reserves for the weekly per-
iod ending April 14.

Notwithstanding the manner in which the funds in ques-
tion were carried by the member bank on its books in the
present case, it would appear that normally funds received
by a bank in payment for additional shares of stock to be
issued by the bank would not be regarded as representing

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deposit liabilities for purposes of reserve requirements. In any event, without determining whether the funds should be treated as deposits in such a case, the Board would not object to the substitution of an amended reserve report for the week in question and to the reversal of the reserve penalty previously assessed, as suggested in your letter.

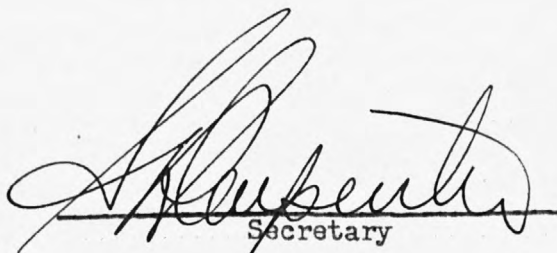
Approved unanimously.

Letter for the signature of the Chairman to Mr. Stanley N. Barnes, Assistant Attorney General, Department of Justice, Washington, D. C., reading as follows:

In your letter of June 3, you related that a preliminary survey has been made by the Antitrust Division of the Department of Justice because of complaints that commercial banks in various communities have agreed among themselves upon the charges to be made to checking account customers. You related further that, as a result of the preliminary survey, you have decided that an investigation is advisable to verify information that an agreement fixing service charges for checking accounts exists among the banks in a certain city.

It does not appear that the Board has ever made a study of any kind that would be of any assistance to you in respect to this matter. Whether or not charges of the kind in question might in certain circumstances be contrary to the anti-trust laws is a matter upon which the Board does not feel that it should express an opinion, since the enforcement of the law in this connection is within the jurisdiction of your Department. Therefore, it would not appear at this time to be appropriate for the Board to express any view with respect to the matter covered in your letter. However, should there develop any specific questions upon which you think we might be of assistance, please let us know.

Approved unanimously.


Secretary