

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Friday, September 3, 1954.

PRESENT: Mr. Szymczak, Acting Chairman
Mr. Mills
Mr. Robertson

Mr. Carpenter, Secretary
Mr. Kenyon, Assistant Secretary

Telegrams to the Federal Reserve Banks of Boston, New York, Philadelphia, St. Louis, and San Francisco stating that the Board approves the establishment without change by the Federal Reserve Banks of Boston and St. Louis on August 30, by the Federal Reserve Bank of San Francisco on September 1, and by the Federal Reserve Banks of New York and Philadelphia on September 2, 1954, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Letter to the Board of Directors, The Bank of Virginia, Richmond, Virginia, stating that subject to conditions of membership numbered 1 and 2 contained in the Board's Regulation H, the Board approves the bank's application for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of Richmond. The letter also contained the following paragraphs:

The Board of Governors also approves the retention and operation of the present branches of The Bank of Virginia now being operated in Richmond, Norfolk, Portsmouth, and Roanoke, Virginia, which were established subsequent to February 25, 1927.

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It appears that the bank possesses certain powers which are not being exercised and which are not necessarily required in the conduct of a banking and trust business, such as power to engage in the business of guaranteeing the payment of bonds, bills, notes, and obligations having not more than six months to run. Attention is invited to the fact that if the bank desires to exercise any powers not actually exercised at the time of admission to membership, it will be necessary under condition of membership numbered 1 to obtain the permission of the Board of Governors before exercising them. In this connection, the Board understands that there has been no change in the scope of the corporate powers exercised since the date of application for membership.

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

Letter to Mr. Young, Chairman, Conference of Presidents of
the Federal Reserve Banks, c/o Federal Reserve Bank of Chicago,
reading as follows:

The Board requests that the agenda for the coming
Conference of Presidents include the following topic:

Review of defense planning for continuation
of operations of the Reserve Banks in case of
emergency, and consideration of measures that
the individual Reserve Banks, the Conference
of Presidents, and the Board of Governors
might take to assure, so far as practicable,
effective functioning of the Federal Reserve
System in the event of emergency.

In the four years since the Conference of Presi-
dents undertook a program of planning for such emer-
gencies there have been significant developments both
in the destructive power of bombs and in the ability
to deliver them. It is believed important, therefore,
that the planning be reviewed to take into consider-
ation the current situation.

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The plans of the Reserve Banks for continued operation in case of emergency are in various stages of development. It is also believed to be important that each Bank's plan be developed to the point where it is truly an effective working plan.

Approved unanimously.

Memorandum dated September 2, 1954, from the Office of the Secretary and the Division of International Finance recommending (1) that Mr. Alvaro Galvan be retained to serve as interpreter, at a fee of \$160, in connection with the visit to the Board of 16 trainees from the Center for Latin American Monetary Studies during the week of September 13, 1954, and (2) that the trainees be invited to have lunch in the staff dining room as guests of the Board on September 17, 1954.

Approved unanimously.



Secretary