

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Monday, October 25, 1954. The Board met in the Board Room at 10:00 a.m.

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

Mr. Carpenter, Secretary
 Mr. Sherman, Assistant Secretary
 Mr. Kenyon, Assistant Secretary
 Mr. Thurston, Assistant to the Board
 Mr. Young, Director, Division of Research and Statistics
 Mr. Noyes, Assistant Director, Division of Research and Statistics

The following matters, which had been circulated among the members of the Board, were presented for consideration and action taken as indicated:

Memorandum dated October 15, 1954, from Mr. Thomas, Economic Adviser to the Board, stating that the Conference of Business Economists was planning to have a quarterly meeting in Washington, D. C., on January 28 and 29, 1955, and inquiring whether the Board would wish to invite the members of the Conference to have luncheon with the Board and some of the Board's staff and thereafter have the staff give a visual presentation on the economic situation. The memorandum suggested that the visual presentation might be followed by a discussion of business conditions and prospects by members of the Conference, who would report on particular industries and activities in which they are engaged.

Approved unanimously.

Memorandum dated October 12, 1954, from Mr. Sloan, Director, Division of Examinations, recommending that G. Harold Snead, Chief Examiner of the Federal Reserve Bank of Richmond, be assigned to the Board's field examining staff for a one-year tour of duty during the calendar year 1955 and that he be appointed a Federal Reserve Examiner for the period of his service. The memorandum stated that Mr. Snead would remain on the pay roll of the Federal Reserve Bank of Richmond on a reimbursable basis, with reimbursement to the Federal Reserve Bank to include his salary and all related payments such as retirement system, social security, hospitalization-surgical insurance, and group life insurance; that the Board would pay his

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travel expenses and per diem in lieu of subsistence on the same basis as is applicable to the other members of the field examining staff; that his headquarters would be Richmond, Virginia; and that it was contemplated that he would report in Washington, D. C., on January 3, 1955, and would join the field staff shortly thereafter.

Approved unanimously.

Letter to Mr. Kroner, Chief Examiner, Federal Reserve Bank of St. Louis, reading as follows:

In accordance with the request contained in your letter of October 11, 1954, the Board of Governors approves the designation of Ray J. Wesemann as special assistant examiner for the Federal Reserve Bank of St. Louis. Please advise as to the date upon which the designation is made effective.

The information furnished regarding Mr. Wesemann states that he has no obligation to any bank, but your letter did not indicate whether he had any other indebtedness as requested by item number 5 in the Board's letter of August 25, 1939 (F.R.L.S. #9181). In order that the Board's records may be complete, it will be appreciated if you will advise as to whether he has any other indebtedness.

Approved unanimously.

Letter to Mr. Latham, Vice President, Federal Reserve Bank of Boston, reading as follows:

Reference is made to your letter of September 29, 1954, submitting the request of the Brattleboro Trust Company, Brattleboro, Vermont, for the Board's approval, under the provisions of Section 24A of the Federal Reserve Act, for an investment directly and indirectly in banking premises exceeding its capital stock.

After consideration of all available information, the Board of Governors approves an investment, direct and indirect, of not to exceed \$261,559 in banking premises by the Brattleboro Trust Company provided the board of directors of the Brattleboro Trust Company agree to take immediate steps to insure the raising of at least \$200,000 of additional capital funds through the sale of new stock.

Approved unanimously.

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Letter to Mr. Diercks, Vice President, Federal Reserve Bank of Chicago, reading as follows:

Reference is made to your letter of October 8, 1954, submitting a letter dated October 4, 1954, addressed to the Board of Governors by The Medaryville State Bank, Medaryville, Indiana, enclosing a resolution adopted by its board of directors on September 24, 1954, signifying its intention to withdraw from membership in the Federal Reserve System as of April 1, 1955.

As this resolution was received by your Bank on October 6 and by the Board on October 11, the period of six months' notice of intention to withdraw, required by the statute, will not have elapsed by April 1, 1955. However, it is apparent that the bank wishes to withdraw from membership on that date and the Board is authorized, in its discretion, to waive such six months' notice in individual cases. Therefore, the Board of Governors will interpose no objection to withdrawal of the member bank on April 1, 1955.

Accordingly, upon surrender on that date of the Federal Reserve Bank stock issued to the member bank, the Federal Reserve Bank is authorized to cancel such stock and make appropriate refund thereon. Please advise the Board 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. State banking authorities should be advised of the bank's proposed withdrawal from membership and the reason therefor, if they are not already familiar with the situation. Such authorities should also be advised when withdrawal is actually effected.

It is noted that the bank is aware of the necessity for application to the Federal Deposit Insurance Corporation if it desires continuance of deposit insurance after withdrawal from membership.

Approved unanimously.

Letter to Mr. Pondrom, Vice President, Federal Reserve Bank of Dallas, reading as follows:

Reference is made to your letter of October 6, 1954, concerning a proposal by the Southern Arizona Bank & Trust Company, Tucson, Arizona, to move a branch office a distance of about five blocks from 3344 to 3856 East Speedway, Tucson, Arizona.

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We concur in your view that the proposal constitutes a relocation of an existing branch in the immediate neighborhood without affecting the nature of the business or the customers served, and, therefore, the approval of the Board of Governors is not necessary.

Approved unanimously.

Letter to the Board of Directors, American Trust Company, San Francisco, California, reading as follows:

Pursuant to your request submitted through the Federal Reserve Bank of San Francisco, the Board of Governors approves the establishment of a branch at 1093 Minnesota Avenue, San Jose, California, by the American Trust Company, provided the branch is established within six months from the date of this letter.

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

Letter to the Comptroller of the Currency, Treasury Department, Washington, D. C., (Attention: Mr. L. A. Jennings, Deputy Comptroller of the Currency), reading as follows:

Reference is made to a letter from your office dated August 12, 1954, enclosing photostatic copies of an application to organize a national bank at Clearwater, Florida, and requesting a recommendation as to whether or not the application should be approved.

Information contained in a report of investigation of the application made by an examiner for the Federal Reserve Bank of Atlanta discloses favorable findings with respect to the factors usually considered in connection with such proposals. The Board of Governors, therefore, recommends 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.

There was presented a request from Mr. Thurston for authority to travel to Philadelphia, Pennsylvania, November 7-10, 1954, to attend the

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System Bank and Public Relations Conference to be held at the Federal Reserve Bank of Philadelphia.

Approved unanimously.

Prior to this meeting there had been sent to the members of the Board copies of a draft of letter to Mr. Erickson, President of the Federal Reserve Bank of Boston, reading as follows:

As you are aware, the Talle Subcommittee of the Joint Committee on the Economic Report requested the Board to evaluate the available statistical information in the fields of savings, business inventories, and business and consumer expectations.

In order to accommodate this request, the Board proposes to establish five committees composed of outstanding experts in the various fields who will be asked to prepare a report on the available data in their area of special competence. The committees are now being selected and they should all be appointed within the next few weeks.

A member of the Board's staff or the staff of another Government agency will be assigned to each committee to act as secretary and provide staff assistance. It will also be necessary, however, to provide for the coordination of the work of the five committees to assure that there is neither an overlapping nor the inadvertent omission of any important statistical area. It will also be necessary to provide general administrative assistance to the committee chairmen and, perhaps, stimulate some of the committees which may fall behind their time schedule.

The Board would appreciate it very much if Mr. D. H. Angney, Assistant Vice President of your Bank, could be made available to perform this important coordinating and expediting function. Mr. Angney's services will probably not be required until after January 1, 1955, and it is hoped that the assignment will be completed by June 30, 1955. During the period when the committees are in active operation, it would probably be desirable that Mr. Angney spend at least a part of each week in Washington and there will undoubtedly be some periods when he will need to be here continuously for a week at a time.

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At the request of the Board, Mr. Young summarized the functions which Mr. Angney would be expected to perform while engaged in the assignment described in the above letter. Mr. Young also stated that the availability of Mr. Angney had been cleared informally with President Erickson and Mr. Neal, First Vice President of the Boston Bank.

Thereupon, the letter to President Erickson was approved unanimously in the form set forth above.

All of the members of the staff except Mr. Carpenter left the meeting at this point.

Governor Robertson stated that on occasion in the past the Board has given to a member of the Board who was resigning or whose term had expired the chair which he had occupied in the Board Room or in his own office. In view of Governor Miller's death, he suggested that the Board authorize the offering to Mrs. Miller of the chair occupied by Governor Miller in the Board Room should she desire to have it.

This suggestion was approved unanimously.

Governor Vardaman stated that he would be absent for a month beginning the end of this week and that he would like to discuss informally with the Board actions that might be taken with respect to the appointment of Class C directors, Chairmen, and Deputy Chairmen at some of the Federal Reserve Banks for terms beginning January 1, 1955. For the consideration of the Board in the event action were taken in his absence, he expressed

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informally his views with respect to these appointments.

Minutes of actions taken by the Board of Governors of the Federal Reserve System on October 22, 1954, were approved unanimously.

The meeting then adjourned.

[Handwritten Signature]
 Secretary

The following members of the Board, were present:

Indicated:

Letter to Mr. [Name], Bureau, reading as follows:

In accordance with the letter of October 11, 1954, the resignation of [Name] as a member of the Federal Reserve Board of Governors is hereby accepted. The original appointment is hereby cancelled.