

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Thursday, June 4, 1953.

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

Mr. Carpenter, Secretary
 Mr. Kenyon, Assistant Secretary

Minutes of actions taken by the Board of Governors of the Federal Reserve System on June 3, 1953, were approved unanimously.

Letter to Mr. Shepard, Chairman, Federal Reserve Bank of Minneapolis, reading as follows:

"The Board of Governors has reviewed the job evaluation and performance appraisal plans which were forwarded recently. It is evident that your Bank has put a large amount of work into the development of these plans, and we appreciate the efforts and the speed with which the job was completed. The Board of Governors approves the plans as submitted.

"As indicated in our letter of Friday, May 29, it will not be necessary for you to resubmit your plans after formal action by your directors. When your directors have given their official approval, the next step will be the fixing of official salary ranges for the various groups.

"Experience gained in the administration of the plans will in all probability suggest modifications from time to time in the various plans. In this connection, it is believed that the Board and the Reserve Banks will benefit from a periodic exchange of views as to the methods of evaluation and the manner in which the plans are administered.

"Your willingness to cooperate in the difficult task of developing executive compensation and appraisal plans is appreciated.

"A copy of this letter is being sent to the President of your Bank."

Approved unanimously, together
 with the following letter to Mr. Powell,
 President of the Federal Reserve Bank of
 Minneapolis:

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"There is enclosed a copy of a letter from the Board of Governors which was mailed today to your Chairman.

"There are also enclosed excerpts taken from two letters written to the Board by Booz, Allen, and Hamilton, the firm retained as consultants in connection with consideration by the Board of the Banks' evaluation and performance appraisal plans, and specific comments on your plans made by the same firm. This material is sent to you in the thought that you would be interested in having available the comments made on your plans."

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

"In view of your recommendation and the information contained in your letter of May 29, 1953, the Board of Governors further extends until December 13, 1953, the time within which Norfolk County Trust Company, Brookline, Massachusetts, may establish a branch in East Milton, Massachusetts, under authority granted in the Board's letter of April 10, 1951."

Approved unanimously.

Letter to the Board of Directors, Cicero State Bank, Cicero, New York, stating that, subject to conditions of membership numbered 1 and 2 contained in the Board's Regulation H, and the following special condition, 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 New York:

3. Prior to admission to membership, such bank shall increase its outstanding common capital stock to not less than \$100,000.

The letter also contained the following special paragraph:

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"The Board of Governors also approves the retention and operation of the out-of-town branch located in North Syracuse, New York."

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

Letter to the Board of Directors, Northern Westchester Bank,
Katonah, New York, reading as follows:

"Pursuant to your request submitted through the Federal Reserve Bank of New York, the Board of Governors' letter of May 19, 1953, approving the establishment of a branch by Northern Westchester Bank in the unincorporated village of Yorktown Heights is hereby amended to provide that such branch shall be established at a site on the easterly side of Saw Mill River Road (Route 118) approximately one hundred fifty (150) feet southerly from the southeast corner of Saw Mill River Road and Hanover Road."

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

Letter to Mr. W. N. Stamus, Vice President and Secretary, Pyramid
Life Insurance Company of Little Rock, Arkansas, Little Rock, Arkansas,
reading as follows:

"This refers to your letter of May 28, 1953, addressed to the Federal Reserve Bank of St. Louis, requesting a determination as to the status of your company as a holding company affiliate.

"From the information supplied it appears that the Pyramid Life Insurance Company of Little Rock, Arkansas is engaged in the life, accident and health insurance business; that it is a holding company affiliate of The City National Bank of Ft. Smith, Ft. Smith, Arkansas, by reason of the fact that it owns 1,095 of the 1,500 outstanding shares of preferred 'B' stock and

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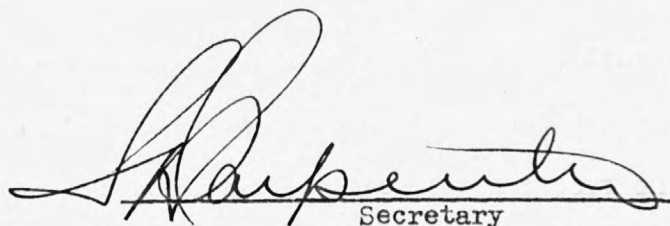
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"5,715 of the 6,000 outstanding shares of common stock of that bank; that it also owns 300 of the 75,000 outstanding shares of common stock of the Union National Bank of Little Rock, Little Rock, Arkansas, but does not own or control, directly or indirectly, any other bank stock; and that it does not manage or control, directly or indirectly, any banking institution other than The City National Bank of Fort Smith.

"In view of these facts, the Board has determined that the Pyramid Life Insurance Company of Little Rock, Arkansas is not engaged, directly or indirectly, as a business, in holding the stock of, or managing or controlling, banks, banking associations, savings banks, or trust companies, within the meaning of Section 2(c) of the Banking Act of 1933, as amended, and, accordingly, the Pyramid Life Insurance Company of Little Rock, Arkansas is not deemed to be a holding company affiliate except for the purposes of section 23A of the Federal Reserve Act, and does not need a voting permit from the Board of Governors in order to vote the bank stock which it owns.

"If, however, the facts should at any time differ from those set out above to an extent which would indicate that the Pyramid Life Insurance Company of Little Rock, Arkansas might be deemed to be so engaged, this matter should again be submitted to the Board. The Board reserves the right to rescind this determination and make a further determination of this matter at any time on the basis of the then existing facts."

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



Secretary