

Minutes for July 10, 1956.

To: Members of the Board

From: Office of the Secretary

Attached is a copy of the minutes of the Board of Governors of the Federal Reserve System on the above date.

It is not proposed to include a statement with respect to any of the entries in this set of minutes in the record of policy actions required to be maintained pursuant to section 10 of the Federal Reserve Act.

Should you have any question with regard to the minutes, it will be appreciated if you will advise the Secretary's Office. Otherwise, if you were present at the meeting, please initial in column A below to indicate that you approve the minutes. If you were not present, please initial in column B below to indicate that you have seen the minutes.

	A	B
Chm. Martin	_____	x (M) _____
Gov. Szymczak	x NKS _____	_____
Gov. Vardaman	x (V) _____	_____
Gov. Mills	_____	x _____
Gov. Robertson	_____	x R _____
Gov. Balderston	x CCB _____	_____
Gov. Shepardson	x SPS _____	_____

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Tuesday, July 10, 1956. The Board met in the Board Room at 10:00 a.m.

PRESENT: Mr. Balderston, Vice Chairman
Mr. Szymczak
Mr. Vardaman
Mr. Shepardson

Mr. Carpenter, Secretary
Mr. Kenyon, Assistant Secretary
Mr. Vest, General Counsel
Mr. Sloan, Director, Division of
Examinations
Mr. Hexter, Assistant General Counsel
Mr. Shay, Assistant General Counsel

The following actions taken by Governors Balderston and Szymczak on behalf of the Board on July 3, 1956, pursuant to the authority granted to them at the meeting on June 29, 1956, were ratified by unanimous vote:

Letter to Mr. Virden, Federal Reserve Agent, Federal Reserve Bank of Cleveland, reading as follows:

In accordance with the request contained in your letter of June 25, 1956, the Board of Governors approves the appointment of Mr. Robert H. Pollock as Alternate Assistant Federal Reserve Agent, effective June 25, 1956.

This approval is given with the understanding that Mr. Pollock will be placed upon the Federal Reserve Agent's pay roll and will be solely responsible to him or, during a vacancy in the office of the Federal Reserve Agent, to the Assistant Federal Reserve Agent, and to the Board of Governors, for the proper performance of his duties. When not engaged in the performance of his duties as Alternate Assistant Federal Reserve Agent he may, with the approval of the

7/10/56

-2-

Federal Reserve Agent or, during a vacancy in the office of the Federal Reserve Agent, of the Assistant Federal Reserve Agent, and the President, perform such work for the Bank as will not be inconsistent with his duties as Alternate Assistant Federal Reserve Agent.

Mr. Pollock should execute the usual Oath of Office which should be forwarded to the Board of Governors.

Approved unanimously.

Letter to The First National City Bank of New York, New York, New York, reading as follows:

In view of the request contained in your letter of June 19, 1956, addressed to the Federal Reserve Bank of New York, a copy of which has been furnished to the Board of Governors, and on the basis of the information contained therein, the Board extends to June 1, 1957, the time within which you may establish a third branch in Mexico City, Mexico, to be located on, or adjacent to, Avenida Insurgentes, under the authority granted in the Board's letter of September 9, 1955.

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

Letter to Mr. Kenneth C. Bell, Vice President and Secretary, The Chase Manhattan Bank, New York, New York, reading as follows:

This will acknowledge your letter of June 14, 1956, transmitted through the Federal Reserve Bank of New York, advising the Board of Governors that your Heidelberg Branch, referred to in your letter as a Military Banking Facility, would move on or about June 23, 1956, from Rohrbacherstrasse 11, Heidelberg, Germany, to Army built premises located within the U. S. Army Shopping Center on "Czerny Ring" on the outskirts of Heidelberg.

The Board interposes no objection to such change in location, but will appreciate being informed, through the

7/10/56

-3-

Federal Reserve Bank of New York, as to the actual date the change in location was made.

Approved unanimously, with
a copy to the Federal Reserve
Bank of New York.

Letter to Mr. Stetzelberger, Vice President, Federal Reserve Bank of Cleveland, reading as follows:

In view of the information submitted in your letter of June 27, 1956, and the Reserve Bank's favorable recommendation, the Board of Governors extends until January 11, 1957, the time within which The Union Bank of Commerce Company, Cleveland, Ohio, may establish a branch at the northeast corner of Cedar and Warrensville Center Roads, South Euclid, Ohio, under the authorization contained in its letter of July 11, 1955.

Approved unanimously.

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

This will acknowledge receipt of your letter of June 19, 1956, advising that the California Bank, Los Angeles, California, plans to move the location of its North Hollywood Office from 5223 Lankershim Boulevard to 5123-29 Lankershim Boulevard, Los Angeles, California.

We concur in your opinion that the proposed change in location constitutes a relocation of an existing branch in the immediate neighborhood without affecting the nature of its business or customers served, and, therefore, does not require the formal consent of the Board of Governors.

Approved unanimously.

Memorandum dated June 28, 1956, from Mr. Sloan, Director, Division of Examinations, recommending that letters submitted with the memorandum be sent to the following foreign banking corporations calling for the submission of reports of condition as of June 30, 1956:

Bankers Company of New York	New York, New York
First of Boston International Corporation	New York, New York

7/10/56

-4-

International Banking Corporation	New York, New York
Morgan & Cie. Incorporated	New York, New York
American Overseas Finance Corporation	New York, New York
Bank of America	New York, New York
The Chase Bank	New York, New York

Approved unanimously, with the understanding that copies of the letters would be sent to the Federal Reserve Bank of New York and that the reports of condition would be submitted through that Bank.

The following matters, which had been circulated to the members of the Board, were presented for consideration and the action taken in each instance was as stated:

Letter to Bank of America, New York, New York, reading as follows:

The Board of Governors of the Federal Reserve System authorizes Bank of America, New York, New York, pursuant to the provisions of Section 25(a) of the Federal Reserve Act and the Board's Regulation K, to establish a branch in Guatemala City, Republic of Guatemala, and to operate and maintain such branch subject to the provisions of such section and regulation; upon condition that, unless the branch is actually established and opened for business on or before July 1, 1957, all rights hereby granted shall be deemed to have been abandoned, and the authority hereby granted shall automatically terminate on such date.

Please advise the Board of Governors in writing, through the Federal Reserve Bank of New York, when the branch is opened for business, together with information as to its location in Guatemala City. It is understood, of course, that no change will be made in the location of such branch without the prior approval of the Board of Governors.

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

7/10/56

-5-

Letter to the Board of Directors, State Bank of Pearl River, New York, Pearl River, New York, reading as follows:

Pursuant to your request submitted through the Federal Reserve Bank of New York, the Board of Governors approves the establishment by State Bank of Pearl River, New York, of a branch in the Pearl River Shopping Center at 102 North Middletown Road, at the intersection of North Middletown Road and Blauvelt Road in an unincorporated area of the Town of Orangetown, Rockland County, New York, provided the branch is established within six months from the date of this letter and the approval of the appropriate State authorities is in effect at the time of establishment of the branch.

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

Letter to the Board of Directors, Peoples Trust Company of Wyomissing, Pa., Wyomissing, Pennsylvania, reading as follows:

Pursuant to your request submitted through the Federal Reserve Bank of Philadelphia, the Board of Governors hereby gives its written consent under the provisions of Section 18(c) of the Federal Deposit Insurance Act to the merger of Peoples Trust Company of Wyomissing, Pa., Wyomissing, Pennsylvania, and Womelsdorf Bank and Trust Company, Womelsdorf, Pennsylvania, and approves the establishment of a branch of the resulting bank in Womelsdorf, Pennsylvania, provided (a) formal approval of the appropriate State authorities is obtained, (b) the proposed transaction is effected substantially in accordance with the joint plan of merger transmitted with your request, and (c) the merger and establishment of the branch are accomplished within six months from the date of this letter.

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

Letter to the Presidents of all Federal Reserve Banks reading as follows:

As you know, it is the practice of the Comptroller of the Currency to request the Board's comments and recommendations with respect to applications received by the Comptroller

7/10/56

-6-

for the organization of new national banks and such requests are transmitted by the Board to the Federal Reserve Bank of the district in which the application originated for investigation and submission of the views and recommendations of the Reserve Bank to the Board.

Under the recently enacted Bank Holding Company Act of 1956, no bank holding company may acquire voting shares of any bank, except with the prior approval of the Board; and the Act prescribes certain procedures to be followed in connection with applications for such prior approval and requires the Board to consider certain factors in determining whether or not to give its approval. Consequently, where stock of a new national bank is to be acquired by a bank holding company, the Board in effect would be required to consider substantially the same questions and factors under the Bank Holding Company Act as would be considered if the Board were to make a recommendation to the Comptroller with respect to the chartering of the new bank.

In these circumstances, after consultation with the Comptroller, the present procedure has been modified to the extent that the Comptroller will not request the views of the Board with respect to the chartering of any new national bank if stock of such bank is proposed to be acquired by a bank holding company; and consequently the Federal Reserve Banks will not be expected to investigate and make recommendations with respect to applications for new national bank charters in such cases. The Board's letters of October 28, 1952, and April 22, 1954 (F.R.L.S. #3016) are modified to the extent to which they are inconsistent with this letter.

In this connection, it is to be noted that in any case in which there is a proposal to organize a new bank, whether national or State, and stock of the bank is to be acquired by a bank holding company, no purpose would be served by the filing of an application by the bank holding company under the Bank Holding Company Act unless it is reasonably likely that the new bank will be chartered. Unless the Comptroller of the Currency, in the case of a national bank, or the State supervisory authority, in the case of a State bank, has indicated at least preliminary or tentative approval of the proposed charter, an application to the Board by the

7/10/56

-7-

bank holding company for prior approval of the company's acquisition of stock in the new bank would be premature. Accordingly, in cases of this kind it would seem desirable, in the absence of exceptional circumstances, for the Federal Reserve Banks to suggest that the filing of applications with the Board under the Bank Holding Company Act be withheld until receipt of information that the chartering authority has given preliminary or tentative approval to the proposed charter.

Approved unanimously.

There were presented telegrams proposed to be sent to the following Federal Reserve Banks approving the establishment without change on the dates indicated of the rates of discount and purchase in their existing schedules:

Boston	July 2
Atlanta	July 2
New York	July 5
Philadelphia	July 5
Kansas City	July 5

Approved unanimously.

Under date of June 21, 1956, the Federal Reserve Bank of Minneapolis transmitted to the Board for consideration copies of a form of savings certificate proposed to be issued by Midland National Bank of Minneapolis which would state, among other things, that the bank had received a deposit of a certain amount on a specified date from a named depositor, that the deposit would be payable to the depositor on presentation of the certificate six months after date or, if not then presented,

7/10/56

-8-

60 days after written notice from the depositor of the intended withdrawal, and that interest at the rate of 2-1/2 per cent per annum or some lesser specified rate would be paid six months from the date of deposit and semi-annually thereafter. According to the member bank, the certificate would be used only for deposits of individuals and "non-profit organizations".

It was the view of the Minneapolis Reserve Bank that a deposit evidenced by such a certificate would qualify as a savings deposit under Regulation Q, Payment of Interest on Deposits, as amended May 16, 1955, and that the certificate could properly be used by the member bank. The Reserve Bank also stated that if such a savings certificate was issued by Midland National Bank, it was not unlikely that a number of other banks would soon follow suit.

A draft of reply to the Reserve Bank had been circulated to the members of the Board which would call attention to the classes of persons whose deposits may be classified as savings deposits; namely, (a) individuals and (b) corporations, associations, and other organizations "operated primarily for religious, philanthropic, charitable, educational, fraternal, or other similar purposes" and not operated for profit. The draft would also call attention to the specific limitation in the May 16, 1955, amendment to Regulation Q which provides that a savings deposit must be one in respect to which "the depositor is required, or may at

7/10/56

-9-

any time be required, by the bank to give notice in writing of an intended withdrawal not less than 30 days before such withdrawal is made", and it would go on to state that the form of proposed certificate did not contain such a limitation in the case of a withdrawal six months from date of deposit. The draft would further state that the use of such a certificate in the form and for the purpose proposed would tend to confuse the differences which Regulation Q seeks to preserve between savings deposits and time deposits. It would point out that the proposed certificate would meet the definition of a time certificate of deposit contained in section 1(c) of Regulation Q if the rate of interest payable in the case of withdrawal pursuant to 60 days' advance written notice was reduced to one per cent per annum (that being the maximum rate permissible under the regulation for time deposits payable upon advance written notice of less than 90 days).

In a discussion of the matter, Governor Vardaman said that although the draft of reply might be technically accurate, he felt in principle that it was unfortunate for the Board to discourage efforts on the part of commercial banks designed to prevent other types of financial institutions from making inroads on their business. It was his view that the Board had been rather severe in its interpretations regarding proposals by banks "to preserve or recover some of the business being taken away from them." The current proposal, he said, had nothing to do with the

7/10/56

-10-

safety of depositors, and he saw no essential objection to the use of the proposed form of savings certificate. He added that if, upon examination or otherwise, it should be found that the privilege was being abused, appropriate steps could be taken. With respect to the more general aspects of the question of payment of interest on deposits, it was his feeling that the Board should make a thorough study of the provisions of Regulation Q.

In connection with Governor Vardaman's statement, reference was made to the decision at the meeting of the Board on June 4, 1956, to review the provisions of Regulation Q in the fall in order to determine whether any recommendations for changes in the law should be made to the Congress.

In response to a series of questions from the members of the Board, Messrs. Vest and Shay discussed the distinctions between time and savings deposits, the basis for restricting the opening of savings accounts to individuals and designated kinds of corporations, associations, and other organizations, and the background of the definition of "savings deposit" currently contained in Regulation Q. They also referred to questions raised with the Board previously in this general area.

With regard to the case now before the Board, Governor Shepardson brought out that the member bank had indicated that it proposed to accept only deposits of individuals and nonprofit organizations under the

7/10/56

-11-

suggested plan, so that the portion of the proposed reply dealing with that phase of the matter was merely in the nature of a precautionary statement and did not go to the substance of the question that had been raised regarding the use of the form of savings certificate. He went on to point out that deposits made in accordance with the terms of the certificate would seem to be even more restricted as to withdrawal than required by Regulation Q, because funds could not be withdrawn for an initial period of six months and after such time 60 days' written notice would be required. In the circumstances, it appeared to him that it could be held that a deposit evidenced by such a certificate would qualify as a savings deposit under the present provisions of the regulation.

Mr. Vest commented that it would be possible to take that approach and that the question was essentially one of policy rather than a matter of law. On the other hand, he said, it should be kept in mind that the certificate would permit payment of interest at the rate of 2-1/2 per cent per annum on what would be basically a time certificate of deposit with a fixed maturity date. For this reason, he felt that some question was raised from the standpoint of possible conflict with the reasons which prompted the Board to establish a schedule of maximum rates of interest payable on time deposits.

7/10/56

-12-

Mr. Shay reported having discussed the proposal with a member of the legal staff of the Federal Deposit Insurance Corporation who appeared somewhat concerned that use of the certificate would tend to confuse the distinctions between time and savings deposits. Because of the fact that the provisions of the Corporation's regulation regarding payment of interest on deposits by insured nonmember banks are comparable to those of Regulation Q, he suggested that a further exchange of views with the Corporation might be appropriate.

Following further discussion, Governor Balderston suggested that the Legal Division prepare for the Board's consideration at a meeting tomorrow an alternative draft of letter to the Minneapolis Reserve Bank which would reflect the views expressed by Governor Shepardson, and there was agreement with this suggestion.

Governor Balderston then commented that he shared the opinion of Governor Vardaman that serious consideration should be given by the Board to the various provisions of Regulation Q. It occurred to him, for example, that a regulation which would be appropriate for banks in large metropolitan areas to prevent excesses of competition could work a hardship in remote country areas where there are not enough people or businesses to support specialized financial institutions and where the commercial bank ought to be encouraged to perform a variety of services.

7/10/56

-13-

He could understand that the small businessman in such an area would want an opportunity to get a higher rate of interest on his deposits than is permitted in the case of a time certificate of deposit. He also said that it was difficult for him to see why the several distinctions were made originally between time and savings deposits and that he doubted whether the ethical connotations inherent in those distinctions could stand critical analysis. At the same time, he recognized that the requirements of the Board's regulation might keep demand deposits from being held as time and savings deposits by some procedural arrangement and that interest rate limitations tended to prevent banks from being driven by competitive pressures to paying rates of interest higher than they could afford.

Mr. Shay then withdrew from the meeting.

There had been sent to the members of the Board prior to this meeting copies of a memorandum dated June 27, 1956, in which Mr. Vest reported that on Friday, June 22, he and Mr. Hexter attended a meeting with legal representatives of the Comptroller of the Currency and the Federal Deposit Insurance Corporation on the general subject of whether the use by a commercial bank of an armored car to collect money and checks from certain customers of the bank at their places of business constitutes the receiving of deposits by the bank and involves the operation of a branch. By way of background, the memorandum pointed out

7/10/56

-14-

that in 1953 the Board took the position that such a practice on the part of the Commercial Trust Company of Jersey City, New Jersey, constituted the receiving of deposits and involved the operation of a branch without the approval of the Board in violation of section 9 of the Federal Reserve Act. It appeared that the Commissioner of Banking of New Jersey was now of the opinion that this practice constituted a violation of the State banking law, and it was proposed to hold a meeting in New Jersey within the next few days which would be attended by the Commissioner, representatives of the Federal Deposit Insurance Corporation, representatives of the Federal Reserve Banks of New York and Philadelphia, and probably representatives of the Comptroller of the Currency. Also present would be representatives of the two national banks and two State member banks in New Jersey which engaged in this practice.

Mr. Vest's memorandum brought out that a question of this kind can be definitely determined only in the light of all of the facts of a particular case. It went on to state, with regard to a related question, that the delivery of payrolls to a customer's place of business by a bank by armored car would of itself not appear to constitute the operation of a branch and that this view was expressed by participants at the meeting on June 22. However, if a bank should deliver payrolls by

7/10/56

-15-

armored truck to a customer's plant and the bank's employees were to go into the plant and perform various services, such as actually paying the individual employees of the plant their wages, it seemed more likely that the operation should be considered the operation of a branch, although the question would turn on the facts of the particular case.

The purpose of bringing the matter before the Board at this time was to ascertain whether the Board would want the staff to express any oral views to the Federal Reserve Banks concerned and to the other Federal bank supervisory agencies before the forthcoming meeting in New Jersey.

In reviewing the situation, Mr. Vest commented that it had now been learned that the meeting would be held on July 12. It was hoped, he said, that all of the supervisory agencies represented would take the same position on the questions to be discussed and that the four commercial banks concerned would be told that the pickup of deposits by armored car should be discontinued. This, he pointed out, would be in accord with the position already taken by the Board in 1953.

Mr. Vest also reported that following the interagency meeting on June 22, he had a brief discussion with Governor Robertson, who thought it would be desirable for the Federal Reserve Banks to have some indication of the Board's views for their guidance in connection with the meeting. He understood it to be Governor Robertson's position that a simple

7/10/56

-16-

delivery of currency should not be considered a branch operation but that if other services were rendered a branch operation might be involved.

Mr. Sloan stated that the situation was somewhat complicated by an indication that the New Jersey Commissioner of Banking was inclined to feel that even the delivery of payrolls should be discontinued. If the Commissioner should express such an attitude, he said, it might mean that the bank supervisory authorities could not present a united front.

In a general discussion which followed, the opinion was stated by the members of the Board present that the delivery of payrolls to a customer's place of business would not of itself constitute the operation of a branch. The view also was expressed that the rendering of additional services incident to the delivery of payrolls would have to be studied on the basis of the facts of a particular case and that it would not be advisable to make any general statement.

During the discussion Governor Vardaman stated views favorable to the principle of mobile banking, saying that such services were in his opinion becoming increasingly necessary due to the expansion of plant facilities in suburban areas. He felt that the principal objections which had been raised were related to a desire to protect the smaller

7/10/56

-17-

banking institutions and that considerations of this kind were not as important as the providing of banking facilities in a way which would best serve the public interest. He also was inclined to believe that the disbursement of payrolls by bank employees on the premises of a customer should not be regarded as a branch banking operation, but he agreed with the suggestion of other members of the Board that the facts involved in any such activity would have to be examined in order to reach a conclusion.

After further discussion it was suggested that the Federal Reserve Banks of New York and Philadelphia and the other Federal bank supervisory agencies be advised informally that the views of the Board were substantially as follows: (1) that, as indicated in 1953, the Board had taken the position that the use of an armored car to collect money and checks from bank customers at their places of business would constitute a receipt of deposits and the operation of a branch; and (2) that the delivery of currency or payrolls, where not accompanied by any complicating circumstances, would not be regarded as a branch banking operation, but that if, in addition, bank employees were to go on the premises of a customer and perform various services, the position of the Board would depend on the facts of the particular case.

There was unanimous
agreement with this sugges-
tion.

7/10/56

-18-

Messrs. Sloan and Hexter then withdrew from the meeting.

The Secretary reported receipt of a telegram dated July 9, 1956, from Mr. Prall, Chairman of the Federal Reserve Bank of Chicago, which confirmed that the Board of Directors of the Bank had unanimously appointed Mr. Carl E. Allen, Jr., as President of the Bank for the unexpired portion of the five-year term commencing March 1, 1956, at a salary of \$50,000 a year. The telegram stated that Mr. Allen would take office on October 1, 1956, and that no public announcement would be made until his successor at the company with which he is presently connected had been selected. The telegram was in confirmation of a wire read by Mr. Prall during a telephone conversation with Chairman Martin on June 28, at which time the following reply was read to Mr. Prall: "Reyourwire. Board of Governors approves as recommended".

Unanimous approval was
given to a telegram from Vice
Chairman Balderston to Chair-
man Prall reading as follows:

Replying your wire July 9. This wire confirms tele-
phone advice given you on June 28, 1956 by Chairman Martin
of approval by Board of Governors of appointment by your
directors effective October 1, 1956 of Carl E. Allen, Jr.,
as President of the Federal Reserve Bank of Chicago for un-
expired portion of five-year term beginning March 1, 1956
with salary at the rate of \$50,000 per annum for the period
October 1 through December 31, 1956.

Governor Vardaman referred to a memorandum from Mr. Vest dated
July 6, 1956, which was in circulation to the Board, regarding steps

7/10/56

-19-

taken and proposed to be taken to obtain the services of a hearing examiner for the proceeding against The Continental Bank and Trust Company, Salt Lake City, Utah. He suggested that the matter should be handled in such a way as to make it clear on the record that the hearing examiner was not selected by the Board of Governors. Accordingly, it was his suggestion that a letter be sent to the Civil Service Commission which would state the need for a hearing examiner and request that the necessary arrangements be made.

Agreement was expressed with the procedure proposed by Governor Vardaman and it was understood that a letter along the lines suggested would be prepared for the Board's consideration.

Reference was made to the visit to the Board's offices tomorrow by Mr. Thomas M. Bland, President of the British Institute of Bankers, and a question was raised regarding the luncheon arrangements which would be most suitable.

It was agreed that the luncheon should be in the Blue Room and that it would be attended by the available members of the Board.

The meeting then adjourned.

Secretary's Note: On July 2, 1956, Governor Balderston approved the following items on behalf of the Board:

7/10/56

-20-

Memorandum dated June 29, 1956, from Mr. Young, Director, Division of Research and Statistics, recommending the appointment of Margaret Olivia Tucker as Clerk-Typist in that Division, with basic salary at the rate of \$3,345 per annum, effective the date she assumes her duties.

Memorandum dated June 29, 1956, from Mr. Sloan, Director, Division of Examinations, recommending that J. Earle McGearry, Senior Federal Reserve Examiner in that Division, be granted leave of absence without pay for the period beginning July 1, 1956, and ending August 31, 1956.

On July 3, 1956, Governor Balderston approved the following item on behalf of the Board:

Memorandum dated June 28, 1956, from Mr. Johnson, Director, Division of Personnel Administration, recommending that the resignation of R. H. Van Devanter, Administrative Assistant in that Division, be accepted effective July 7, 1956.

On July 5, 1956, Governor Balderston approved on behalf of the Board the following telegram to Mr. MacDonald, Chief Examiner, Federal Reserve Bank of Boston:

Reurtel July 3, 1956, Board approves designation of Frank Michael Hillery as a special assistant examiner for the Federal Reserve Bank of Boston.

On July 6, 1956, Governor Balderston approved the following item on behalf of the Board:

Memorandum dated July 6, 1956, from Mr. Bethea, Director, Division of Administrative Services, recommending the appointment of Margaret Frances McMillan Cummings as Clerk in that Division, with basic salary at the rate of \$3,260 per annum, effective the date she assumes her duties.

7/10/56

-21-

On July 9, 1956, Governor Balderston approved on behalf of the Board memoranda from appropriate individuals concerned recommending that the basic annual salaries of the following employees be increased in the amounts indicated, effective July 15, 1956:

<u>Name and title</u>	<u>Division</u>	<u>Basic annual salary</u>	
		<u>From</u>	<u>To</u>
<u>Office of the Secretary</u>			
Beatrice Hunter, Assistant Chief, Records Section		\$5,980	\$6,115
Mildred E. Pilger, Supervisor, Ad- ministrative, Subject, and FOMC Files		5,645	5,780
<u>Research and Statistics</u>			
C. Lavon Watson, Clerk		3,515	3,600
<u>Bank Operations</u>			
Nyart S. Sharigan, Clerk-Stenographer		3,670	3,755
<u>Examinations</u>			
H. H. Hagler, Federal Reserve Examiner		6,820	7,035
<u>International Finance</u>			
J. Herbert Furth, Chief, Financial Operations and Policy Section		12,150	12,420
Arthur B. Hersey, Chief, Special Studies Section		12,150	12,420
<u>Administrative Services</u>			
Robert H. Craft, Operator, Tabu- lating Equipment		3,670	3,755
Mary F. Murphy, Clerk		3,300	3,385
James E. Caldwell, Messenger		3,115	3,200

7/10/56

-22-

Governor Balderston today
approved the following
items on behalf of the
Board:

Memorandum dated June 27, 1956, from Mr. Young, Director, Division of Research and Statistics, recommending the appointment of Eleanor Jean Pratt as Clerk in that Division, with basic salary at the rate of \$3,415 per annum, effective the date she assumes her duties.

Memorandum dated June 27, 1956, from Mr. Carpenter, Secretary of the Board, recommending that Joann J. Connor be transferred from the position of Clerk-Typist in the Division of Research and Statistics to the position of Minutes Clerk in the Office of the Secretary, effective upon assuming her new duties, and that her basic annual salary be increased from \$3,345 to \$3,500, effective as of the beginning of the first payroll period following the date that her actual transfer becomes effective.

Letter to Mr. Stetzelberger, Vice President, Federal Reserve Bank of Cleveland, reading as follows:

In accordance with the request contained in your letter of July 3, 1956, the Board approves the appointment of Leroy R. Hoffman, Jr. as an assistant examiner for the Federal Reserve Bank of Cleveland. Please advise as to the date upon which the appointment is made effective.

Letter to Mr. Armistead, Vice President, Federal Reserve Bank of Richmond, reading as follows:

In accordance with the requests contained in your letters of July 3, 1956, the Board approves the appointment of Truett Evans Allen and Charles Eugene Cox as assistant examiners for the Federal Reserve Bank of Richmond, effective July 1, 1956.

It is noted that effective July 6, 1956, Mr. Allen will be on military leave. In line with the Board's letter S-883-a of November 16, 1945 (F.R.L.S. # 9189) it is requested that the Board's Division of Examinations be informed when he returns to active duty.


Secretary