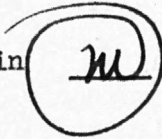


The attached set of minutes of the Board of Governors of the Federal Reserve System on November 30, 1956, which you have previously initialed, has been amended at the request of Governor Szymczak to revise the last sentence of paragraph one on page 15. If you approve these minutes as amended, please initial below.

Chairman Martin

Handwritten initials 'M' inside a circle, which is a signature mark for Chairman Martin.

Minutes for November 30, 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 <u><i>mw</i></u>	_____
Gov. Szymczak	x <u><i>ms</i></u>	_____
Gov. Vardaman	x <u><i>V</i></u>	_____
Gov. Mills	x <u><i>M</i></u>	_____
Gov. Robertson	x <u><i>R</i></u>	_____
Gov. Balderston	x <u><i>CCB</i></u>	_____
Gov. Shepardson	x <u><i>CS</i></u>	_____

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Friday, November 30, 1956. The Board met in the Board Room at 10 a.m.

PRESENT: Mr. Martin, Chairman
 Mr. Balderston, Vice Chairman
 Mr. Szymczak
 Mr. Vardaman
 Mr. Mills
 Mr. Robertson
 Mr. Shepardson

Mr. Carpenter, Secretary
 Mr. Fauver, Assistant Secretary
 Mr. Vest, General Counsel
 Mr. Sloan, Director, Division of
 Examinations

Mr. Howard C. Sheperd, Chairman of the Board of The First National City Bank of New York, Mr. Alan H. Temple, Executive Vice President, and their counsel, Messrs. Charles Parlin and Henry Harfield, of the firm of Shearman & Sterling & Wright, of New York City were also present.

Mr. Sheperd explained that he and his colleagues had requested an opportunity to discuss with the Board certain aspects of their application for permission to organize The First New York Corporation -- a bank holding company. They were seeking particularly the Board's advice as to the time schedule that might be followed in connection with the application in order that they could appropriately advise their stockholders.

He said that the annual stockholders' meeting of the First National City Bank was scheduled for January 8 and notices for this meeting must be issued 30 days in advance. If there were a reasonable expectation that the application might be finally acted upon not later than March 15, it was their feeling that notices for the annual stockholders' meeting should contain as much information as possible about the proposed action and that

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proxies for that annual meeting should include the power to act in regard to the proposal. This would be accomplished by temporary adjournments of the annual meeting following January 8 until such time as the Board had acted. If, on the other hand, circumstances pointed to a date later than March 15 for final action, it would seem more desirable that the annual meeting and notices therefor be confined to the election of officers and other routine matters. The proposal for formation of the holding company would then be the basis of a special meeting to be called with appropriate notice after Board action had been completed.

Mr. Sheperd explained that the Board had received copies of the initial letters on this subject sent to all shareholders of the First National City Bank and that while it was still early to have the complete reaction, indications were that the plan was being well received.

Chairman Martin replied to Mr. Sheperd's opening statement by indicating that the Board was sympathetic to the problems of a time schedule faced by the applicant but that it was extremely difficult for the Board to deal with this problem involving not only new legislation but also many new and complicating factors. Moreover, in this instance, the time schedule is not determined by the Board alone, but is dependent on many outside factors, including the actions of other supervisory agencies, both State and Federal. Therefore, the Board could give the First National City Bank no guidance in the decisions they faced, but he was certain that the members of the Board would be glad to discuss its various aspects briefly.

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There followed a general discussion during which it was brought out that one of the first decisions the Board would have to make was the question of holding a hearing. If none were to be held, the procedure would be materially shortened. If, on the other hand, a hearing were to be scheduled, it was unlikely that it could be convened before the holidays. How long it would take, once under way, could not be determined at this time. It was made clear that the trial examiner to conduct such a hearing would be borrowed from another agency, and the availability of such a person would depend on factors not under the Board's control. Whether the trial would take a day, a week, or a month would also be dependent on many factors which were not now known, such as the number of witnesses and the issues to be discussed. At the conclusion of the hearing, the trial examiner would have to prepare his report to be presented to the Board for its consideration.

Mr. Sheperd explained that the Comptroller's Office had tentatively indicated that it did not favor his bank proceeding with any proxy action with regard to this matter until there had been a final order by the Board on the application. The bank recognized, he said, that there were advantages to both procedures -- i.e., having the stockholders vote prior to the Board's order or having the stockholders vote following the Board's order -- but that they had tentatively made the choice favoring an action at the annual meeting approving the proposal contingent upon favorable action by the appropriate Governmental authorities.

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At the conclusion of the discussion, Chairman Martin reiterated his comments made at the beginning of the meeting that the Board was in no position to guide the First National City Bank in its problem of procedure. He expressed the appreciation of the Board for the consideration that had been given to it by the applicant bank and assured its representatives that every effort would be made to proceed to a conclusion of this matter without delay, recognizing the many complications that were involved in dealing with a new law and a new area of operation. He emphasized that in this particular instance there were many factors outside the Board's control bearing upon the length of time involved in reaching a decision.

Messrs. Sheperd, Temple, Parlin, and Harfield then withdrew from the meeting, and Messrs. Young, Director, Division of Research and Statistics, Noyes, Adviser, Division of Research and Statistics, Leonard, Director, Division of Bank Operations, and Shay, Assistant General Counsel, entered the room.

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:

Memorandum dated November 20, 1956, from Mr. Young, Director, Division of Research and Statistics, and Mr. Vest, General Counsel, recommending that the staff be authorized to cooperate with the American Association of Law Libraries in microcarding a legislative history of the Federal Reserve Act for dissemination to libraries and other interested organizations or individuals.

Approved unanimously.

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

The indicated number of copies of the following forms are being forwarded to your Bank under separate cover for use of State member banks and their affiliates in submitting

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reports as of the next call date. A copy of each form is attached.

Number of copies

Form F.R. 105 (Call No. 142), Report of condition of State member banks.

Form F.R. 105e (Revised November 1955), Publisher's copy of report of condition of State member banks.

Form F.R. 105e-1 (Revised November 1955), Publisher's copy of report of condition of State member banks.

Form F.R. 105e-2 (Revised November 1955), Publisher's copy supplement.

Form F.R. 220 (Revised March 1952), Report of affiliate or holding company affiliate.

Form F.R. 220a (Revised March 1952), Publisher's copy of report of affiliate or holding company affiliate.

All of the forms are the same as those used on September 26, 1956.

Reports of condition received by the Federal banking supervisory agencies have indicated inaccuracies by some banks in reporting "all other loans (including overdrafts)." Recent letters of the Comptroller of the Currency and the Federal Deposit Insurance Corporation, transmitting reports of condition, have included a paragraph similar to the following, which may be helpful in those districts where similar conditions prevail with respect to State member banks:

Item 7, "All Other Loans," of Schedule A should not include any loans made to individuals (except overdrafts). The principal types of loans to be included in this item will be loans (other than real estate loans) to churches, hospitals, educational and charitable institutions, savings and loan associations, insurance companies, credit unions, personal loan companies, Federal Land and Intermediate Credit banks, Federal Home Loan banks, clubs and similar associations, and advances to trust departments. Any loans to INDIVIDUALS which are not real estate loans (item 1), loans for purchasing or carrying securities (item 3), farm loans

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(item 4), or **business** loans (item 5) should be shown in the appropriate sub-item under item 6 of the Schedule.

This paragraph is consistent with the present instructions pamphlet of the Comptroller of the Currency but not with those of the other two agencies with respect to advances to trust departments. At the next reprinting of the Board's instructions, Form F. R. 105(a), the first paragraph under item 7 on page 17 will be revised to include "advances to trust departments" among the types of loans to be included in "all other loans."

Approved unanimously.

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

In view of the circumstances described in your letter of November 14, 1956, the Board of Governors approves the continuation of the payment of salary to Mr. Leonard E. Knapp, Supervisor, Check Collection Department, for the period from November 22, 1956, through December 31, 1956, at his present rate of \$6,396 per annum.

Approved unanimously.

Letter to the Board of Directors, Central Bank and Trust Company, Great Neck, 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 Central Bank and Trust Company, Great Neck, New York, of a branch at 1 Old Westbury Road in the Village of East Hills, Nassau County, New York, provided the branch is established within six months from the date of this letter and the approval of the State authorities is in effect at the time of the establishment of the branch.

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

Letter to the Board of Directors, The Chase Manhattan Bank, New York, 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 The Chase Manhattan Bank,

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New York, New York, of a branch at 121 East 170th Street, Borough and County of Bronx, New York, New York, provided the branch is established within one year from the date of this letter and the approval of the State authorities is in effect at the time of the establishment of the branch.

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

Letter to the Board of Directors, Southern Arizona Bank and Trust Company, Tucson, Arizona, reading as follows:

Pursuant to your request submitted through the Federal Reserve Bank of Dallas, the Board of Governors approves the establishment of a branch at the northeast corner of the intersection of Speedway and Rook Avenue, one mile east of the corporate limits of Tucson, Arizona, provided the branch is established within one year from the date of this letter and that formal approval of the Arizona State Superintendent of Banks is effective at the time the branch is established.

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

Letter to the Board of Directors, Greenfield State Bank, Greenfield, California, reading as follows:

Pursuant to your request submitted through the Federal Reserve Bank of San Francisco, the Board of Governors of the Federal Reserve System approves the establishment of a branch in the vicinity of the intersection of Truxton Avenue and "I" Street, Bakersfield, California, by Greenfield State Bank, Greenfield, California, provided the branch is established within one year from the date of this letter and the approval of the State authorities is in effect as of the date the branch is established.

It is understood that approval by the Superintendent of Banks of California includes provisions for an increase of at least \$265,000 in capital structure of the bank through the sale of common stock, and the leasing of premises to be occupied by the branch.

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

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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:

St. Louis	November 26
Atlanta	November 26
San Francisco	November 28
New York	November 29
Richmond	November 29
Chicago	November 29
Minneapolis	November 29
Kansas City	November 29

Approved unanimously.

The Board then turned to consideration of Mr. Young's memorandum of November 27, which was distributed prior to the meeting, relating to the publication of the Board's study of consumer instalment credit. The memorandum recommended that in view of the time schedule and the magnitude of the job, the work be done at the Government Printing Office at an estimated cost of approximately \$45,000. Six separate volumes would be printed with an over-all page size approximately the same as in the Board's Annual Report. Four thousand copies of each volume would be printed, with an additional 800 copies of Part V containing the digest of views of the consumer credit industry regarding the regulation of instalment credit. These extra copies would be sent to participants in the survey conducted by Mr. Bailey. Mr. Young pointed out that additional copies of the report could be purchased through the Superintendent of Documents at the Government Printing Office.

The only question raised in the ensuing discussion related to the number of buckram-bound copies, and it was the consensus that an

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increase to 1,000 copies from the original 600 proposed would be authorized.

With the above modification, the recommendations regarding the printing of the consumer installment credit study contained in Mr. Young's memorandum of November 27 were unanimously approved.

Resuming its discussion of maximum interest rates under Regulation Q, Chairman Martin reported that he had been in communication with officials at the Federal Deposit Insurance Corporation and that Mr. Carpenter had sent to Mr. Cook a schedule of new rates tentatively agreed on at the meeting yesterday. He also said he had talked with Secretary Humphrey and Dr. Burgess, at the Treasury. Dr. Burgess was in complete agreement with the tentative proposal, while Secretary Humphrey felt it was not a particularly important matter whichever way it was decided.

He indicated that the officials of the Federal Deposit Insurance Corporation were meeting at 2:30 to discuss the matter but did not feel they had been given sufficient time to consider it fully. In trying to decide on timing of Board action, he had checked with President Hayes at the New York Reserve Bank, who expressed the view that it would make little difference to the banks whether the Board acted today or the first of next week. In response to a question from Governor Vardaman as to the position the Board would be in if the Federal Deposit Insurance Corporation disagreed with the move, Chairman Martin replied that so far as member banks were concerned the decision was one which the Board would have to decide regardless of the decision of the Federal Deposit Insurance Corporation.

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Governors Balderston and Robertson emphasized the importance of informing the supervisors of State banks of whatever action the Board might take.

In opening general discussion on the matter, Governor Robertson read a statement in which he explained his reasons for opposing an increase in the maximum rates which member banks could pay on time and savings deposits. The statement was as follows:

- A. An increase to 3% in the maximum interest rates that member banks may pay on (1) savings deposits and (2) time deposits not payable within six months would make it possible for commercial banks to compete more effectively against other savings institutions for time deposits. This might have these undesirable results:
1. It would increase bank operating costs and make it more difficult for banks to raise additional capital that they need. Since any bank offering higher rates would have to pay them on existing as well as new deposits, net profits after taxes of some member banks could be reduced by as much as 25% - or more in the case of country banks - and this would lower net profits to below 6% of capital accounts, compared with an average of around 8% for many years.
 2. To offset such additional costs, banks would be under pressure to seek higher yielding assets, which would probably be less liquid and more risky, and thus impair the liquidity and solvency of the commercial banking system. Probably the principal purpose of the legislation authorizing regulation of interest rates on time deposits was to prevent a development which was to some extent responsible for the banking difficulties of the 1930's.

Furthermore, I have some doubts as to the effectiveness of such a ceiling increase in attracting savings to banks, because competing institutions could always pay higher rates. Their ability to pay more is not due to this limitation on

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banks but to other advantages with respect to such matters as taxation and restrictions as to the nature of assets that can be acquired. In addition, it is questionable whether generally higher rates on savings deposits would bring about a material increase in aggregate savings or would merely influence the form in which savings are held.

It is plausibly argued that banks should be permitted to distribute to their customers as much of their earnings as they think they can afford, and that since bank earnings are higher than they have been at times in the past, banks should be permitted to pay higher rates of interest on savings deposits. My answer is that Congress imposed on the Board the duty of preventing that very thing to the extent that it might jeopardize the soundness of the whole banking system. If the ceiling should be raised whenever a few banks feel they can afford to pay higher rates, there is no point in having a ceiling.

In view of these possible undesirable results, the possible consequences to the commercial banking system, and my doubts concerning the effectiveness of such an increase, I would question the wisdom of raising the ceiling at this time and would vote to retain the present maximum rates. The number of banks which are now paying ceiling rates is small and only a fractional percent of these banks actively seeks the privilege of paying higher rates. I would not permit those few banks to call the tune and perhaps adversely affect the whole banking system.

- B. An increase in the maximum rate which can be paid by banks on time deposits payable in less than six months is questionable for a number of reasons:
1. Many of the funds thus held are not genuine savings but are liquid balances subject to withdrawal either to meet cash needs or to invest in other liquid assets whenever a rise in short-term market rates of interest makes such a shift profitable.
 2. Banks would tend to treat such deposits the same as savings and determine their asset structure accordingly. This tendency is illustrated by the present situation in New York City banks, which have substantial time deposits consisting of foreign central banks' balances and other liquid

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funds, such as trust department deposits, but have permitted their holdings of liquid assets to fall to exceptionally low levels. They now want to raise interest rates payable on such deposits to keep from losing them because they are so ill-prepared to meet the withdrawals.

3. Payment of high rates on short-term time deposits would encourage evasion of the prohibition against the payment of interest on demand deposits.
4. Any resulting tendency to shift from demand to time deposits would reduce required reserves and thus release reserves for lending. This would not be in harmony with existing Federal Reserve credit restraint policies.
5. Liquid funds of this nature should be invested in open-market paper, so that holders would have to bear the burden and risks of fluctuating rates and not shift that risk to the banking system.

Finally, it should be noted that if the ceilings are raised sufficiently to be effective, they will enable commercial banks to attract funds now invested in government securities - short and long. This may have a detrimental effect on the government securities market and even lead to higher levels of interest rates generally, as applied to the borrowing public. I doubt the need for, and prospective benefits of, a present change in the ceiling rates on time and savings deposits are such as to warrant risking this possible consequence.

At this point Mr. Thomas, Economic Adviser to the Board, entered the meeting.

Governor Vardaman commented that Governor Robertson's statement was one of the best presentations of views on that side of the question he had heard. He expressed a desire to see the statement in the record to indicate that such views had been given careful consideration before a decision was reached.

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The discussion then turned to consideration of the effect that a raise in maximum rates might have on bank earnings. Governor Robertson pointed out that country banks now in a low earnings position may be forced by competition as well as by the impetus of Federal Reserve action to reach out for the less desirable loans in an effort to improve earnings. Even though some portion might come out of taxes, he said, a substantial portion would still have to be paid from earnings.

Governor Balderston commented that based on over-all statistics if all country banks raised their rates an average of $1/2$ of 1 per cent, the present ratio of earnings to capital of 8.1 per cent would be lowered to 7.2 per cent and would cost about \$55 million. This was a reasonable burden to assume, he felt.

Governor Robertson said he felt the answer to this question depended on a wide variety of reactions which might result from this move. It could be interpreted by some that the Board felt that the recent increases in interest rates generally were permanent and that rates might go still higher. It also could precipitate a demand by the public for an even greater share in bank earnings. Such a move, he believed, would impair the ability of individual banks to get additional capital.

Governor Vardaman said he did not share this concern. On the other hand, he felt that higher rates on savings would help to stem the flow of savings to other institutions and would stimulate banks to work more actively for good loans to cover the interest requirements for their savings deposits. He agreed that it would require alertness on the part

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of supervisory officials and examiners to see that Governor Robertson's fears were not realized.

The Chairman said an action of this kind might arouse a good many crosscurrents that could not be foreseen. He expressed the view that although some criticism and opposition to the move will come from banks themselves, he did not feel that such objection would be warranted. He said he continued to look at this matter from the point of view of the savers and that it was inequitable when there was a regulation that prevented the savers from enjoying the benefits of a generally higher level of rates on all forms of investment. In his view, higher rates would tend to increase savings and to reduce spending, which were desirable objectives in the present economic situation.

Governor Shepardson said he agreed that a change in rates would bring about some differences in savings and that to contend otherwise was to contend that the factors of supply and demand did not affect the savings area. He reiterated his view that he did not believe there should be any change in the short-term deposits, which was in line with Governor Robertson's position. Admitting that banks were under pressure now to make loans under existing conditions, he failed to see why a 3 per cent rate would put them under any different pressures with regard to making unsound loans than the 2-1/2 per cent rate had placed them under earlier and easier conditions.

Governor Szymczak indicated that he would like an opportunity to study the comments in Governor Robertson's statement. He recalled that the staff position originally had been that the level of rates

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should not be changed. Further consideration had been brought about by the request of the New York City banks. If the Board, however, did not change the maximum interest rate for time deposits having thirty, sixty, or ninety days to run, but moved across the board on long-term time deposits and savings deposits, it might be acting contrary to the recommendations from the New York City banks.

Governor Mills indicated that he discounted the effects on the basic interest rate structure of a purely permissive change in the maximum rate on time and savings deposits. He pointed out that only a relatively small portion of banks was now at the maximum rate and that a change did not mean that banks generally were going to move quickly to the new ceiling. He felt that steps would be made gradually and that effects would be spread over a relatively long period of time. The individual saver, he felt, would be oblivious to the action until the time that his own bank might increase its rate.

Governor Vardaman said he wanted the record clear that any action at this time was not predicated only on the request of the New York City banks. He pointed out that discussions on this subject had been going on for 12 to 14 months and that the request of the New York banks was coincidental with this action. In this connection, Governor Szymczak said he felt the record would show that most of the communications from individual banks on this subject were not in favor of raising the ceiling.

The Chairman suggested that the Board resume consideration of this matter at 2:45 in the afternoon and that, in the meantime, copies of Governor Robertson's statement be made available to all members of the Board.

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Mr. Vest said he wanted to point out to the Board that the supplement to Regulation Q provides that any postal savings deposit which constitutes a time deposit would be entitled to the highest maximum interest rate provided by the regulation. He said he was not advocating any change in the regulation, but wanted the Board to be aware of this point.

The Board then turned to the consideration of Mr. Vest's confidential memorandum of November 28, 1956, copies of which had been distributed prior to the meeting, regarding the proposal by the Treasury Department of a plan to reorganize the Reconstruction Finance Corporation and the Federal Facilities Corporation. This new plan contemplated the liquidation of both organizations. Mr. Vest summarized the provisions of the proposal under which the Federal Reserve Banks would be assigned the administration of all loans of the Defense Lending Division of the Treasury Department, which now administers certain programs in connection with the process of liquidation of the Reconstruction Finance Corporation. The number of loans and blocks of securities which the Reserve Banks would be asked to administer was said to be 83. Each Federal Reserve Bank would be authorized to take such action on loans and other assets as it considered to be in the best interests of the Government. This authority would be unrestricted, except that foreclosure action or sale or refinancing would need prior approval of the Treasury.

There being no objection on the part of the members of the Board to the proposal, Chairman Martin indicated that he would inform

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the Treasury Department accordingly, it being understood that it would proceed through the usual channels of the System Committee on Fiscal Agency Operations.

The meeting then recessed and reconvened at 2:45 p.m. with all of the members of the Board present. Messrs. Carpenter, Sherman, Fauver, Thurston, Riefler, Molony, Leonard, Vest, and Young of the staff also were present.

Governor Robertson distributed copies of a memorandum which had been prepared at the suggestion of the Subcommittee on Federal Reserve Matters of the Advisory Committee to the Senate Banking and Currency Committee. The memorandum discussed the background and substance of the Board's recommendation to the Senate Committee that fiscal agency operations of the Federal Reserve Banks shall be subject to the supervision and regulation of the Board.

After a discussion, it was agreed that Governor Robertson would send a letter to Mr. John J. McCloy, Chairman of the Subcommittee on Federal Reserve Matters of the Advisory Committee to the Senate Banking and Currency Committee, enclosing a copy of the memorandum.

Secretary's Note: Pursuant to the above action, the following letter was sent on November 30, 1956, by Governor Robertson to Mr. McCloy:

When Mr. Kane and Mr. Haberkern were here last Friday on behalf of you as a member of the Advisory Committee assisting the Senate Banking and Currency Committee in its current study of banking laws, some questions were raised regarding the Board's recommendation that the fiscal agency operations of the Federal Reserve Banks be subject to the supervision and regulation of the Board.

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Following some discussion of the matter, it was suggested that the point of view I then expressed be put in memorandum form. Attached is a copy of such a memorandum. I might add that I have discussed the matter with the Board, and the Board concurs in the views expressed in the memorandum.

The Board then resumed discussion of the maximum interest rates under Regulation Q. During the discussion Chairman Martin was in touch with Mr. Cook, Chairman of the Federal Deposit Insurance Corporation and on the basis of their conversation, it was decided to defer action on the matter until Monday, December 3.

The meeting then adjourned.

Secretary's Note: Pursuant to recommendations contained in memoranda from appropriate individuals concerned, Governor Shepardson today approved on behalf of the Board increases in the basic annual salaries of the following employees in the amounts indicated, effective December 2, 1956:

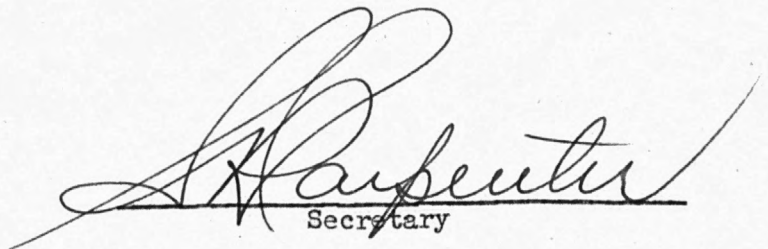
<u>Name and title</u>	<u>Division</u>	<u>Basic annual salary</u>	
		<u>From</u>	<u>To</u>
Joan V. Caulfield, Records Clerk	Office of the Secretary	\$ 3,500	\$ 3,585
Walter H. Young, Assistant Counsel	Legal	10,965	11,180
M. Patricia McShane, Training Assistant	Examinations	4,075	4,210
William R. McDonald, Clerk	Administrative Services	3,840	3,925
Ralph A. Sherrod, Photographer (Offset)	Administrative Services	4,410	4,638
George Psomos, Cafeteria Laborer	Administrative Services	3,255	3,340

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Governor Shepardson also approved today on behalf of the Board the following letter to Mr. James D. MacDonald, Chief Examiner, Federal Reserve Bank of Boston:

In accordance with the request contained in your letter of November 26, 1956, the Board approves the designation of George J. Lazar and J. Richard Smith as special assistant examiners for the Federal Reserve Bank of Boston for the purpose of participating in the examinations of Depositors Trust Company, Augusta, Maine, The Merrill Trust Company, Bangor, Maine, The Connecticut Bank and Trust Company, Hartford, Connecticut, and Rhode Island Hospital Trust Company, Providence, Rhode Island.



Secretary