

Minutes for December 12, 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>M</u>	_____
Gov. Szymczak	x <u>M</u>	_____
<u>1</u> /Gov. Vardaman	_____	x _____
Gov. Mills	x _____	_____
Gov. Robertson	x <u>R</u>	_____
Gov. Balderston	x <u>CEB</u>	_____
Gov. Shepardson	x <u>CS</u>	_____

- 1/ The attached set of minutes was sent to Governor Vardaman's office in accordance with the procedure approved at the meeting of the Board on November 29, 1955. The set was returned by Governor Vardaman's office with the statement (see Mr. Kenyon's memorandum of February 12, 1957) that hereafter Governor Vardaman would not initial any minutes of meetings of the Board at which he was not present. Therefore, with Governor Shepardson's approval, these minutes are being filed without Governor Vardaman's initial.

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Wednesday, December 12, 1956. The Board met in the Board Room at 10:00 a.m.

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

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

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 Mr. Dawes, Vice President and Secretary, Federal Reserve Bank of Chicago, reading as follows:

The Board of Governors approves the appointments of Messrs. C. Harvey Bradley, John W. Evers, Walter Harnischfeger, Edward M. Kerwin, and James L. Palmer as members of the Industrial Advisory Committee for the Seventh Federal Reserve District to serve for terms of one year each beginning March 1, 1957, in accordance with the action taken by the Board of Directors as reported in your letter of November 30, 1956.

It is noted from your letter that the Board of Directors also reappointed Mr. Ira A. Moore, President, Peoples National Bank of Grand Rapids, Grand Rapids, Michigan, as a director of the Detroit Branch for a further term of three years, commencing January 1, 1957.

Approved unanimously.

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

This refers to your letter of November 28, regarding a penalty of \$93.65 incurred by the Concord National Bank,

12/12/56

-2-

Concord, New Hampshire, on a deficiency of 6.6 per cent in its required reserves for the semi-monthly period ended November 15, 1956.

It is noted that the Concord National Bank resulted from a consolidation, at the close of business on November 9, of the First National Bank of Concord and the National State Capitol Bank of Concord (under the charter of the First National Bank of Concord); that these two banks held daily average excess reserves of \$258,000 and \$259,000, respectively, for the period November 1 through November 9; and that after the consolidation the Concord National Bank had a daily average deficiency of \$114,000 for the period November 10 through November 15.

In the Board's opinion it would be reasonable in such a case to consider the resulting national bank as a continuation of the two banks that existed prior to the consolidation, for the purpose of determining reserve requirements and any deficiency in reserves for the reserve computation period during which the consolidation occurred; and that therefore it would be appropriate to set off the aggregate excess reserves of the two banks before consolidation against the deficiency occurring after the consolidation, thereby eliminating any deficiency for the semi-monthly period, November 1-15, 1956.

Approved unanimously.

Letter to Mr. Wiltse, Vice President, Federal Reserve Bank of New York, reading as follows:

Reference is made to your letter of November 29, 1956, submitting the request of Camillus Bank, Camillus, New York, for a further extension of time within which it may establish a branch at the southeast corner of the intersection of New York Route 5 and Onondaga Road in the unincorporated area of Fairmount, Town of Camillus, New York. It is noted construction of the shopping center in which the branch is to be located has been delayed due to circumstances beyond the bank's control and that it will be impossible for the branch to open for business on or before January 11, 1957, as contemplated under the extension given by the Board in its letter of April 25, 1956. Inasmuch as the bank is committed under its lease for the proposed premises until September 1, 1957, you recommend the time within which the branch may be established be extended shortly beyond that date.

After consideration of the information submitted, the Board concurs in your recommendation and now extends to

12/12/56

-3-

October 1, 1957, the time within which Camillus Bank may establish the branch, as originally approved on July 11, 1955.

Approved unanimously.

Letter to Mr. McCreedy, Vice President, Federal Reserve Bank of Philadelphia, reading as follows:

This refers to your letter of December 4 regarding the penalty of \$9.04 incurred by The Peoples National Bank of Lemasters, Lemasters, Pennsylvania, on a deficiency in its required reserves for the semimonthly period ended November 15, 1956.

It is noted that the deficiency resulted from an oversight by the member bank and that it has an unbroken record of reserve maintenance for more than 26 years.

In the circumstances, the Board authorizes your Bank to waive the assessment of the penalty in this case.

Approved unanimously.

Telegram to Mr. Clark, First Vice President, Federal Reserve Bank of Atlanta, reading as follows:

Board approves acceptance of low bid of \$33,435 for installation of new elevator in the Silvey Building, in accordance with recommendation of Executive Committee as reported in your letter of November 26.

Approved unanimously.

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

Reference is made to your letter of November 26, 1956, submitting request of The Beloit State Bank, Beloit, Wisconsin, for approval, under the provisions of Section 24A of the Federal Reserve Act, as amended, of an additional direct and indirect investment of \$935,000 in bank premises.

After considering the available information and your favorable recommendation the Board of Governors approves an investment of an additional \$935,000 in bank premises by The Beloit State Bank, Beloit, Wisconsin, which will be accomplished by the purchase of \$335,000 capital stock of its

12/12/56

-4-

wholly-owned affiliate, which in turn will borrow \$600,000 from outside sources.

Approved unanimously.

Letters to Mr. McConnell, Vice President, Federal Reserve Bank of Minneapolis, reading as follows:

Reference is made to your letter of November 27, 1956, requesting approval for Farmers-Stockgrowers Bank, Glasgow, Montana, under the provisions of Section 24A of the Federal Reserve Act, of an investment of \$130,000 in banking premises (exclusive of the bank's investment in recently acquired real estate) in lieu of the \$113,000 investment approved by the Board on May 24, 1956.

After considering all available information, the Board of Governors concurs in the Reserve Bank's recommendation and approves this additional investment of \$17,000 in banking premises.

It is understood that approximately \$60,000 to be realized from sale of the present bank building and increment on U. S. Savings Bonds will be applied first to reduce the carrying value of the banking house to \$70,000 with the remainder to be used to reduce the investment in furniture and fixtures. It is assumed that the member bank will continue to reduce this investment on a planned and regular basis.

Reference is made to your letter of November 29, 1956, enclosing a true copy of a resolution adopted by the board of directors of The Bank of Rhame, North Dakota, Rhame, North Dakota, signifying its intention to withdraw from membership in the Federal Reserve System and requesting waiver of the six months' notice of such withdrawal.

In accordance with the bank's request, the Board of Governors waives the requirement of six months' notice of withdrawal. Accordingly, upon surrender of the Federal Reserve Bank stock issued to the bank, you are authorized to cancel such stock and make appropriate refund thereon. Under the provision of Section 10(c) of Regulation H, as amended effective September 1, 1952, the bank may accomplish termination of its membership at any time within eight months after notice of intention to withdraw is given. Please advise when cancellation is effected and refund is made.

12/12/56

-5-

The certificate of membership issued to the bank should be obtained, if possible, and forwarded to the Board. The State banking authorities should be advised of the bank's proposed withdrawal from membership and the date such withdrawal becomes effective.

It is our understanding that the bank has not filed a formal application with the Federal Deposit Insurance Corporation for continuance of deposit insurance after withdrawal from membership.

Approved unanimously.

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

The Board of Governors of the Federal Reserve System has considered the recommendation of the Management Committee of your Bank contained in your letter of November 30, 1956, and, pursuant to the provisions of Section 19 of the Federal Reserve Act, grants permission to the Citizens State Bank, El Paso, Texas, to maintain the same reserves against deposits as are required to be maintained by banks outside central reserve and reserve cities, effective as of the date the town of Ysleta was annexed to the city of El Paso.

Please advise the bank of the Board's action in this matter calling its attention to the fact that such permission is subject to revocation by the Board of Governors of the Federal Reserve System.

Approved unanimously.

Letter to Mr. J. B. Terrell, Vice President and Trust Officer, The American National Bank of Beaumont, Beaumont, Texas, reading as follows:

We have your letter dated November 23, 1956, regarding the provision of section 6(b) of the Board's Regulation F which provides, in part, that the acceptance of all trusts by a national bank shall be approved by its board of directors or a committee appointed by such board. Your inquiry concerns whether the required approval should be obtained prior to acceptance of the trust or whether such acceptance may subsequently be approved at the next regular meeting of the board of directors or a duly appointed committee.

Although section 6(b), Regulation F, does not state that approval should be obtained prior to acceptance of the

12/12/56

-6-

trust, the Board in 1938 had occasion to consider this question and, in administrative interpretations published at pages 440 and 762 of the 1938 Federal Reserve Bulletin, the Board stated that, in order to comply with the provisions of section 6(b), "the directors or an appropriate committee of a national bank must approve the acceptance of trusts by the bank prior to their acceptance rather than subsequent thereto."

In commenting on the considerations which prompted this view, the Board noted that the question whether or not a particular trust should be accepted by a bank is a matter of such importance that it felt the principle of collective judgment should be applied in such a case as well as in the case of investment of trust funds, and that if such collective judgment should not be exercised until after a new trust has been accepted, it might be embarrassing and in some instances impracticable for the bank to relinquish the trust.

As pointed out in the published interpretations, the board of directors of a bank, if it so desires, may designate a special committee solely for the purpose of passing on the acceptance of new trusts, and it is not necessary that such committee be composed of directors of the bank. Also, the Board stated that it would be consistent with the subject provisions of Regulation F for a new trust to be accepted by a bank upon the written approval of a majority of the members of the appropriate committee without a meeting of the committee, provided such action is promptly reported to the committee and the report incorporated in its minutes.

Approved unanimously.

Letter to Mr. U. E. Baughman, Chief, United States Secret Service, Main Treasury Building, Washington, D. C., reading as follows:

For some time the Federal Reserve Banks have been interested in the development of a machine that could count and sort \$1 bills. Battelle Memorial Institute of Columbus, Ohio, has been engaged as technical adviser to the System in connection with these studies.

From the reports received from the Institute, it seemed that such a machine could be developed, but the presidents of the Federal Reserve Banks directed that further work on project be suspended until it could be determined that a satisfactory device for the detection of counterfeits could

12/12/56

-7-

be incorporated in such a machine. Battelle Memorial Institute has recently submitted a report on this phase which seems quite encouraging but is based on tests of only a small number of counterfeits. The time has now come when it would be most helpful if the Institute could test the device on a large volume of counterfeit notes of various types.

The Board of Governors and the Federal Reserve Banks are deeply interested in this development and will appreciate your cooperation in working out arrangements to make the necessary counterfeits available to Battelle Memorial Institute for the purposes of the test.

Approved unanimously, with
copies to Mr. H. H. Kimball,
Chairman, Subcommittee on Elec-
tronics, Conference of Presi-
dents.

The Board then turned to consideration of the application made on behalf of the proposed Peoples Bank and Trust Company of Sylacauga, Sylacauga, Alabama, for membership in the Federal Reserve System, effective if and when the bank opened for business. Approval of the application was recommended both by the Federal Reserve Bank of Atlanta and by the Board's staff.

Governor Robertson stated that Governor Vardaman had called him, passing along comments made by former member of the Board Edward Norton to the effect that he had been asked to inform the Board that there was some local opposition to the organization of this new bank. It was mentioned in a brief discussion that requests had been received from two members of Congress that they be advised of the Board's action on the application.

Unanimous approval was given to a letter to the Organizers, Peoples Bank and Trust

12/12/56

-8-

Company of Sylacauga, Sylacauga, Alabama,
reading as follows:

The Board of Governors of the Federal Reserve System approves the application made on behalf of the Peoples Bank and Trust Company of Sylacauga, Sylacauga, Alabama, for stock in the Federal Reserve Bank of Atlanta, effective if and when the bank opens for business, subject to the numbered conditions hereinafter set forth:

1. Such bank at all times shall conduct its business and exercise its powers with due regard to the safety of its depositors, and, except with the permission of the Board of Governors of the Federal Reserve System, such bank shall not cause or permit any change to be made in the general character of its business or in the scope of the corporate powers exercised by it at the time of admission to membership.
2. The net capital and surplus funds of such bank shall be adequate in relation to the character and condition of its assets and to its deposit liabilities and other corporate responsibilities.
3. At the time of admission to membership such bank shall have paid-in capital stock of \$100,000, surplus of \$50,000, and other capital funds of not less than \$50,000.

In connection with the foregoing conditions of membership, particular attention is called to the provisions of the Board's Regulation H, as amended effective September 1, 1952, regarding membership of State banking institutions in the Federal Reserve System, with especial reference to Section 7 thereof. A copy of the regulation is enclosed.

It appears that the bank will be authorized under its charter to exercise trust powers but that it does not contemplate exercising such powers when it opens for business. Attention is invited to the fact that if the bank should desire to exercise trust powers at any time in the future, it will be necessary, under condition of membership numbered 1, to obtain the permission of the Board of Governors before exercising them.

If at any time a change in or amendment to the bank's charter is made, the bank should advise the Federal Reserve Bank, furnishing copies of any documents involved, in order

12/12/56

-9-

that it may be determined whether such change affects in any way the bank's status as a member of the Federal Reserve System.

Acceptance of the conditions of membership contained in this letter should be evidenced by a resolution adopted by the board of directors after the bank's Certificate of Authorization to transact a general banking business has been issued. The board of directors also should adopt, at the same time, a resolution ratifying the action which has been taken in the bank's behalf in making application for membership in the Federal Reserve System. A certified copy of each resolution, together with advice of compliance with the condition to be complied with prior to admission to membership, should be transmitted to the Federal Reserve Bank. Arrangements will thereupon be made to accept payment for an appropriate amount of Federal Reserve Bank stock, to accept the deposit of the required reserve balance, and to issue the appropriate amount of Federal Reserve Bank stock to the bank.

The time within which admission to membership in the Federal Reserve System in the manner described may be accomplished is limited to 90 days from the date of this letter, unless the bank applies to the Board and obtains an extension of time. When the Board is advised that all of the requirements have been complied with and that the appropriate amount of Federal Reserve Bank stock has been issued to the bank, the Board will forward to the bank a formal certificate of membership in the Federal Reserve System.

The Board of Governors sincerely hopes that you will find membership in the System beneficial and your relations with the Reserve Bank pleasant. The officers of the Federal Reserve Bank will be glad to assist you in establishing your relationships with the Federal Reserve System and at any time to discuss with representatives of your bank means for making the services of the System most useful to you.

In this connection, unanimous approval also was given to a letter to Mr. Bryan, President, Federal Reserve Bank of Atlanta, reading as follows:

The Board of Governors of the Federal Reserve System approves the application made on behalf of the Peoples Bank and Trust Company of Sylacauga, Sylacauga, Alabama, for membership in the Federal Reserve System, effective

12/12/56

-10-

if and when the bank opens for business, subject to the conditions prescribed in the enclosed letter, which you are requested to forward to the organizers of the institution. Two copies of such letter are also enclosed, one of which is for your files and the other of which you are requested to forward to the Superintendent of Banks for the State of Alabama, for his information.

Before issuing stock in the Federal Reserve Bank of Atlanta to the new State institution, you are requested to satisfy yourself that its capital stock of \$100,000 and surplus of \$50,000 have been paid in, that a Certificate of Authorization to transact a general banking business has been issued, and not less than \$50,000 of other capital funds provided as set forth in the plan submitted. At such time your Counsel should review all steps taken in the organization of the bank; and certified copies of all organization papers not previously submitted and resolutions adopted by the board of directors should be forwarded to the Board, together with a copy of Counsel's opinion. A Certificate of Counsel on Form 83E also should be furnished in order to complete the bank's application for membership.

During the above discussion, Messrs. Johnson, Comptroller, and Director, Division of Personnel Administration, and Stetson, Personnel Assistant, Division of Personnel Administration, entered the room.

The Board then considered memoranda from Mr. Vest and Mr. Walter H. Young dated December 11, 1956, which had been distributed prior to the meeting, summarizing comments of the Federal Reserve Banks regarding proposed legislation to amend the Federal Unemployment Tax Act to bring Reserve Bank employees under the unemployment compensation program and presenting several alternative actions. Mr. Vest pointed out that the Reserve Banks were not unanimous in their comments, the Atlanta, St. Louis, Kansas City, and Philadelphia Banks expressing approval; the Chicago, Minneapolis, and Richmond Banks expressing opposition; and the remainder of the Banks neither actively supporting nor opposing it.

12/12/56

-11-

The consensus seemed to be one of opposition based in large part on a belief that the cost would exceed the benefits to be obtained, but there was a reluctance on the part of the Banks to oppose the principle of unemployment compensation which has become an accepted national program.

Mr. Johnson commented that the severance pay program of the Reserve Banks which generally provided a half month's pay for each year of service up to 10 years offered more protection for older employees than did unemployment compensation, but that employees who had been working only a short time probably would gain by being able to obtain unemployment compensation. He agreed with Mr. Vest's view that if unemployment compensation were the law of the land, the Reserve Banks would not feel they would want to be an exception.

Governor Mills said he felt the latter point was particularly important and that he would favor including Reserve Banks in the program particularly since their employees are not employees of the Government. He questioned whether any other Federal agencies would seek to be excepted from the application of the law.

Chairman Martin stated that quite aside from whatever actions other agencies might take, he also favored the first recommendation in Mr. Vest's memorandum that the Board write a letter to the Bureau of the Budget approving the proposal on the ground that unemployment insurance is in effect a national policy and that there is no reason for excepting the Federal Reserve Banks.

With respect to the cost of this proposal to the Federal Reserve Banks, Governor Shepardson inquired whether, once the program was in operation, the costs were not related to an experience rating. He also made

12/12/56

-12-

the point that the severance payments were of more importance to the older employees receiving higher pay than they were to the newer and lower-paid employees. It was the latter group who might need the unemployment benefits most and who would, therefore, gain protection if the Reserve Banks were included in the program.

Mr. Vest indicated that payments were based on an experience rating, but even on that basis most of the Reserve Banks felt they would have to pay more than they were now paying under the severance pay program. He also pointed out that in some States such as California the employees themselves would have to pay a portion of the tax.

Mr. Johnson questioned the need of most new employees for the program since, in most instances, they were young persons without family obligations who were employed for trial periods and who were let go because their work proved to be unsatisfactory.

Governor Balderston expressed the view that, inasmuch as the Federal Reserve Banks were regarded as "private" corporations whose employees are not Government employees, it would seem inconsistent to seek an exception from an act which applied to all other private businesses.

At the conclusion of the discussion, it was unanimously agreed that a letter would be sent to the Bureau of the Budget, reading as follows:

This is to advise that the Board approves the extension of the coverage of unemployment insurance to employees of the Federal Reserve Banks as provided in the proposed amendments to the Federal Unemployment Tax Act submitted with your letter of November 29, 1956.

12/12/56

-13-

The Board next took up the matter of a reply to a letter dated November 23, 1956, from Mr. Maxwell Abbell, Chairman of the President's Committee on Government Employment Policy. This letter informed the Board that field conferences devoted to an explanation of Executive Order 10590 relating to nondiscriminatory employment practices would be held during January in Cleveland and Chicago and asked for the names and titles of employees of the Federal Reserve Banks of Cleveland and Chicago who would be designated to attend the meetings.

After a discussion, unanimous approval was given to the following letters:

Letter to Mr. Maxwell Abbell, Chairman, President's Committee on Government Employment Policy

Thank you for your letter of November 23, 1956, advising the Board that the President's Committee is scheduling a series of field conferences devoted to an explanation of Executive Order 10590 which will be held during January in Cleveland and Chicago.

With regard to the inclusion of the Federal Reserve Banks of Cleveland and Chicago in such conferences, it will be recalled that in previous conversations and correspondence with the Committee it has been understood that Federal Reserve Bank employees are not Government employees. While under the provisions of the Federal Reserve Act the Board of Governors approves the salaries of officers and employees of the Reserve Banks, the hiring and termination of employment of the staffs of the Banks are the responsibility of the boards of directors of those Banks.

Therefore, as you will see from the enclosed letter, the Board has advised the Federal Reserve Banks of Cleveland and Chicago that these conferences are being held. It has also been suggested that, if these Banks desire to be included in the discussions, they communicate with the Board and such information will be relayed immediately to you.

12/12/56

-14-

Letter to Mr. Fulton, President, Federal Reserve Bank of Cleveland, reading as follows, with a similar letter to Mr. Allen, President, Federal Reserve Bank of Chicago

The Board has received the enclosed letter from the President's Committee on Government Employment Policy outlining a program of conferences devoted to an explanation of Executive Order 10590. One of these conferences will be held in Cleveland on January 8 and one in Chicago on January 10 and 11.

A copy of the Board's reply to the letter from the Chairman of the President's Committee is enclosed. The decision whether to participate in these conferences is, of course, a matter for the determination of your Bank. Should you decide to accept the invitation of the Committee to attend the conference, please let us know the names and titles of the persons designated to attend the meetings and we will pass the information along to the President's Committee.

The Board then discussed the subject of proposed salaries for Presidents, First Vice Presidents, and other Federal Reserve Bank officers for 1957. Prior to the meeting, detailed memoranda dated December 7, 1956, from the Division of Personnel Administration had been distributed to the members of the Board.

Mr. Johnson summarized the memoranda pointing out that the proposals would provide increases for 230 out of 378 of the officers other than Presidents and First Vice Presidents, or about 60 per cent of the total. The total increases at the different Banks ranged from \$5,800 for the Atlanta Bank to \$61,000 at the New York Bank, and on a percentage basis from 2 per cent at the Atlanta Bank to 13 per cent at the Cleveland Bank. On the basis of a thorough review and discussion of the salary proposals at each Federal Reserve Bank, there was concurrence with the recommendations of the Reserve Banks with the following exceptions:

1. The salary of Mr. Leedy, President of the Kansas City Bank, should remain at \$35,000 rather than being

12/12/56

-15-

increased to \$38,500 as recommended by the Kansas City directors.

2. The salary of Edward A. Wayne, First Vice President of the Richmond Reserve Bank, be increased to \$25,000 rather than \$27,000 recommended by the Bank.

3. The salary of Henry O. Koppang, First Vice President of the Kansas City Reserve Bank, remain at \$25,000 rather than being increased to \$27,500 as recommended by the Kansas City Bank.

4. No action should be taken at this time regarding officer salaries at the Federal Reserve Bank of New York and Chairman Martin should invite President Hayes to meet with the Board on Tuesday, December 18, for a further discussion of the proposed salaries for that Bank.

5. A proposed change in the salary of Mr. Lewis M. Clark, First Vice President of the Federal Reserve Bank of Atlanta should be discussed in executive session.

Taking into account the above noted exceptions, the Board approved unanimously the sending of letters to the Federal Reserve Banks indicated. The increased salaries at the Federal Reserve Bank of San Francisco were approved with the understanding that at an appropriate time the Board would meet with Mr. Mangels to discuss the levels of officers' salaries at his Bank.

Secretary's Note: In accordance with the foregoing action, and with an action taken later during this meeting, the following letters were mailed under date of December 19, 1956. The letters regarding the salaries of Presidents and First Vice Presidents were for Chairman Martin's signature:

Letters to Chairman Sprague, Federal Reserve Bank of Boston

The Board of Governors approves the payment of salaries to Mr. Erickson as President and to Mr. Latham as First Vice President of the Federal Reserve Bank of Boston,

12/12/56

-16-

for the period January 1, 1957 through December 31, 1957 at the rates of \$35,000 and \$25,000 per annum, respectively, which are the rates fixed by your Board of Directors as reported in your letter of November 8, 1956.

The Board of Governors approves the payment of salaries to the following officers of the Federal Reserve Bank of Boston for the period January 1, 1957 through December 31, 1957, at the rates indicated, which are the rates fixed by your Board of Directors as reported in your letter of November 8, 1956:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
D. Harry Angney	Vice President	\$16,000
Ansgar R. Berge	Vice President	15,000
John E. Lowe	Cashier	13,500
Dana D. Sawyer	Vice President	14,500
Oscar A. Schlaikjer	Vice President and General Counsel	20,000
Eliot S. Boardman	Assistant Vice President	13,500
George H. Ellis	Director of Research	14,000
Edward W. O'Neil	Assistant Vice President	13,000
David L. Strong	General Auditor	13,000
Wallace Dickson	Director of Public Information	12,500
Frank C. Gilbody	Assistant Vice President	13,000
Parker B. Willis	Financial Economist	11,000
Louis A. Zehner	Assistant Vice President	12,500
William R. King	Assistant Cashier	11,000
James D. MacDonald	Chief Examiner	10,500
Loring C. Nye	Assistant Cashier	11,000
John J. Rock	Assistant Cashier	10,000
Laurence H. Stone	Secretary and Assistant Counsel	10,000
Charles E. Turner	Assistant Cashier	11,500
G. Gordon Watts	Assistant Cashier	10,500

It is noted from your letter that Mr. John J. Rock will retire on April 30, 1957, and, accordingly, payment of salary to him is approved only to that date.

You will be advised in a separate letter with respect to the salaries of the President and First Vice President.

Letters to Chairman Meinel, Federal Reserve Bank of Philadelphia

The Board of Governors approves payment of salaries to Mr. Williams as President and to Mr. Davis as First Vice President

12/12/56

-17-

of the Federal Reserve Bank of Philadelphia for the period January 1, 1957 through December 31, 1957, at the rates of \$35,000 and \$25,000 per annum, respectively, which are the rates fixed by your Board of Directors as reported in your letter of November 29, 1956.

The Board of Governors approves the payment of salaries to the following officers of the Federal Reserve Bank of Philadelphia for the period January 1, 1957 through December 31, 1957, at the rates indicated, which are the rates fixed by your Board of Directors as reported in your letters of October 9 and November 29, 1956:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
Karl R. Bopp	Vice President	\$20,000
Robert N. Hilkert	Vice President	19,000
Ernest C. Hill	Vice President	18,000
William G. McCreedy	Vice President and Secretary	18,000
Philip M. Poorman	Vice President	18,000
James V. Vergari	Vice President and General Counsel	17,000
Richard G. Wilgus	Cashier and Assistant Secretary	15,000
Joseph R. Campbell	Assistant Vice President	12,000
Wallace M. Catanach	Assistant Vice President	13,000
Norman G. Dash	Assistant Vice President	13,000
George J. Lavin	Assistant Vice President	14,000
Murdoch K. Goodwin	Assistant General Counsel and Assistant Secretary	12,000
Edward A. Aff	Assistant Cashier	10,000
Ralph E. Haas	Assistant Cashier	10,000
Roy Hetherington	Assistant Cashier	11,000
Henry J. Nelson	Assistant Cashier	11,000
Harry W. Roeder	Assistant Vice President	12,000
Evan B. Alderfer	Industrial Economist	13,000
Clay J. Anderson	Financial Economist	13,000
Zell G. Fenner	Chief Examiner	11,000
Fred A. Murray	Director of Plant	11,000
Hugh Barrie	Machine Methods Officer	12,000
Herman B. Haffner	General Auditor	12,000
David P. Eastburn	Financial Economist	10,000
Walter H. Wray	Assistant Cashier	10,500
Russell P. Sudders	Assistant Cashier	8,000

You will be advised in a separate letter with respect to the salaries of the President and First Vice President.

12/12/56

-18-

Letters to Chairman Virden, Federal Reserve Bank of Cleveland

The Board of Governors approves the payment of salaries to Mr. Fulton as President and to Mr. Thompson as First Vice President of the Federal Reserve Bank of Cleveland, for the period January 1, 1957 through December 31, 1957, at the rates of \$35,000 and \$25,000 per annum, respectively, which are the rates fixed by your Board of Directors as reported in your letter of November 12, 1956.

The Board of Governors approves the payment of salaries to the following officers of the Federal Reserve Bank of Cleveland and its Branches for the period January 1, 1957 through December 31, 1957, at the rates indicated, which are the rates fixed by your Board of Directors as reported in your two letters of November 12, 1956:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
D. L. Allen	Vice President	\$17,500
R. R. Clouse	Vice President and Secretary	17,500
Clyde Harrell	Vice President	14,000
A. H. Laning	Vice President	18,500
Martin Morrison	Vice President	17,500
H. E. J. Smith	Vice President	15,500
P. C. Stetzelberger	Vice President	18,500
L. M. Hostetler	Vice President	16,000
G. H. Emde	Cashier	15,500
C. F. Ehninger	General Auditor	15,500
P. B. Didham	Assistant Vice President	12,000
E. A. Fink	Assistant Vice President	10,000
J. M. Miller	Assistant Vice President	13,000
J. J. Balles	Assistant Vice President	12,000
H. M. Boyd	Chief Examiner	12,000
G. T. Quast	Assistant Chief Examiner	10,500
John J. Hoy	Assistant Cashier	9,500
C. J. Bolthouse	Assistant Cashier	11,000
C. E. Crawford	Assistant Cashier	9,750
E. V. Denton	Assistant Cashier	9,500
Anne J. Erste	Assistant Cashier	8,000
John E. Orin	Assistant Cashier	10,000
E. F. Fricek	Assistant Cashier	10,000
H. B. Flinkers	Assistant Secretary	9,500

12/12/56

-19-

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
<u>CINCINNATI BRANCH</u>		
R. G. Johnson	Vice President	\$17,500
P. J. Geers	Cashier	14,000
John Bierman, Jr.	Assistant Cashier	10,000
G. W. Hurst	Assistant Cashier	10,000
W. H. MacDonald	Assistant Cashier	9,000

<u>PITTSBURGH BRANCH</u>		
J. W. Kossin	Vice President	20,000
A. G. Foster	Cashier	14,500
W. H. Nolte	Assistant Cashier	11,000
J. R. Price	Assistant Cashier	11,000
J. A. Schmidt	Assistant Cashier	11,000
R. J. Steinbrink	Assistant Cashier	11,000

You will be advised in a separate letter with respect to the salaries of the President and First Vice President.

Letters to Chairman Woodward, Federal Reserve Bank of Richmond

The Board of Governors approves the payment of salary to Mr. Leach as President for the period January 1, 1957 through December 31, 1957 at the rate of \$35,000 per annum fixed by your Board of Directors as reported in your letter of November 12, 1956. Payment of salary to Mr. Wayne as First Vice President for the period January 1, 1957 through December 31, 1957, is approved at the rate of \$25,000 per annum, if fixed at that rate by your Board of Directors.

In approving Mr. Wayne's salary at a level below that set by your Board of Directors, the Board wishes to make it clear that this action in no way reflects on the outstanding manner in which Mr. Wayne has performed his official duties. The Board believes, however, that the salary for the First Vice President should not be approved for an amount in excess of \$25,000 at this time.

The Board of Governors approves the payment of salaries to the following officers of the Federal Reserve Bank of Richmond and its Branches for the period January 1, 1957, through December 31, 1957, at the rates indicated, which

12/12/56

-20-

are the rates fixed by your Board of Directors as reported in your letter of November 12, 1956:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
N. L. Armistead	Vice President	\$20,000
A. N. Heflin	Vice President and General Counsel	18,000
C. B. Strathy	Vice President and Secretary	15,500
J. M. Slay	Vice President	15,500
T. I. Storrs	Vice President	14,500
R. S. Brock, Jr.	General Auditor	14,000
J. D. Daane	Vice President	14,000
U. S. Martin	Vice President	15,500
J. L. Nosker	Assistant Vice President	13,000
J. M. Nowlan	Vice President and Cashier	15,000
C. W. Williams	Economic Adviser	14,000
J. W. Dodd, Jr.	Assistant Vice President	11,500
R. G. Howard	Assistant Vice President	11,000
V. E. Pregeant, III	Assistant General Counsel	10,000
G. H. Snead	Chief Examiner	10,500
C. B. Beavers	Assistant Cashier	8,600
E. B. Coleman	Assistant Cashier	9,000
J. G. Deitrick	Assistant Cashier	9,000
J. G. Dickerson, Jr.	Assistant Cashier	9,500
H. E. Ford	Assistant Cashier	9,300
W. B. Wakeham	Assistant Cashier	9,400
R. P. Lumpkin	Financial Economist	9,500
E. F. MacDonald	Assistant Vice President	11,000
G. W. McKinney, Jr.	Assistant Vice President	10,500

BALTIMORE BRANCH

D. F. Hagner	Vice President	16,500
A. A. Stewart, Jr.	Cashier	12,500
B. F. Armstrong	Assistant Cashier	8,600
E. R. Jones, Jr.	Assistant Cashier	8,100
A. C. Wienert	Assistant Cashier	9,600

CHARLOTTE BRANCH

R. L. Cherry	Vice President	17,000
S. A. Ligon	Cashier	13,000
R. L. Honeycutt	Assistant Cashier	9,100
E. C. Mondy	Assistant Cashier	9,000

You will be advised in a separate letter with respect to the salaries of the President and First Vice President.

12/12/56

-21-

Letters to Chairman Mitchell, Federal Reserve Bank of Atlanta

The Board of Governors approves the payment of salary to Mr. Bryan as President of the Federal Reserve Bank of Atlanta, for the period January 1, 1957, through December 31, 1957, at the rate of \$35,000 per annum, if so fixed by your Board of Directors.

Your informal suggestion that the salary of Mr. Clark as First Vice President of the Federal Reserve Bank of Atlanta be fixed at \$25,000 for the period January 1, 1957, through December 31, 1957, has been discussed with the Board and it was decided that if the directors of your Bank fix Mr. Clark's salary at that figure, the Board will approve.

The Board of Governors approves the payment of salaries to the following officers of the Federal Reserve Bank of Atlanta and its Branches for the period January 1, 1957 through December 31, 1957, at the rates indicated, which are the rates fixed by your Board of Directors as reported in your letter of September 25, 1956:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
Harold T. Patterson	Vice President and General Counsel	\$20,000
John L. Liles, Jr.	Vice President and Cashier	16,700
M. L. Shaw	Vice President, New Orleans	16,700
V. K. Bowman	Vice President	16,700
T. A. Lanford	Vice President, Jacksonville	16,000
Earle L. Rauber	Vice President and Director of Research	14,000
J. E. Denmark	Vice President	15,000
S. P. Schuessler	Vice President	15,000
L. B. Raisty	Vice President	14,000
R. E. Moody, Jr.	Vice President, Nashville	15,000
H. E. Frazer	Vice President, Birmingham	14,000
J. E. McCorvey	Assistant Vice President	12,000
E. C. Rainey	Assistant Vice President, Birmingham	12,000
R. M. Stephenson	Assistant Vice President, New Orleans	12,000
Charles T. Taylor	Assistant Vice President	11,000

12/12/56

-22-

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
DeWitt Adams	General Auditor	\$11,000
T. C. Clark	Assistant Vice President, Jacksonville	11,500
W. H. Sewell	Assistant Vice President, Nashville	11,500
George W. Sheffer	Chief Examiner	11,000
Brown R. Rawlings, Jr.	Assistant General Auditor	10,000
Dowdell Brown, Jr.	Assistant Vice President	10,500
J. W. Snyder	Cashier, Jacksonville	10,500
L. Y. Chapman	Cashier, New Orleans	10,000
L. W. Starr	Cashier, Nashville	10,000
Fred I. Breck	Assistant Cashier	10,600
F. H. Martin	Assistant Vice President	10,000
R. E. Milling	Assistant Vice President	10,000
C. Mason Ford	Assistant Cashier, Jacksonville	10,000
I. H. Martin	Assistant Vice President	9,500
William A. Waller, Jr.	Cashier, Birmingham	9,000
R. M. Junca	Assistant Cashier, New Orleans	8,500
Stuart H. Magee	Assistant Cashier, Nashville	8,500
Melvin McIlwain	Assistant Cashier, Birmingham	8,000

You will be advised in a separate letter with respect to the salaries of the President and First Vice President.

Letters to Chairman Prall, Federal Reserve Bank of Chicago

The Board of Governors approves the payment of salaries to Mr. Allen as President and to Mr. Harris as First Vice President of the Federal Reserve Bank of Chicago, for the period January 1, 1957 through December 31, 1957, at the rates of \$50,000 and \$30,000 per annum, respectively, if so fixed by your Board of Directors.

The Board of Governors approves the payment of salaries to the following officers of the Federal Reserve Bank of Chicago and its Detroit Branch for the period January 1, 1957 through December 31, 1957, at the rates indicated,

12/12/56

-23-

which are the rates fixed by your Board of Directors as reported in Mr. Dawes' letters of September 12, 1956, and November 2, 1956:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
Baughman, E. T.	Assistant Vice President	\$15,000
Bierbauer, C.	Assistant Cashier	8,800
Bristow, E. D.	Assistant Cashier	10,500
Carroll, P. C.	Assistant Vice President	14,500
Davis, L. A.	Assistant Cashier	10,000
Dawes, N. B.	Vice President and Secretary	22,000
Dawson, L.	Assistant Cashier	10,000
Diercks, W. R.	Vice President	21,500
Dons, F. A.	Assistant General Auditor	13,000
Endres, J. J.	General Auditor	18,500
Grimm, F. H.	Assistant Cashier	10,000
Gustavson, A. M.	Vice President	14,000
Heath, E. A.	Assistant Vice President and Assistant Secretary	12,500
Helmer, H. J.	Assistant Vice President	14,000
Hodge, P. C.	Vice President and General Counsel*	18,000
Hume, W. O.	Assistant Cashier	9,000
Jones, L. H.	Cashier	17,000
Laibly, C. T.	Vice President	15,500
Mitchell, G. W.	Vice President	20,500
Newman, H. J.	Vice President	15,000
Olson, A. L.	Vice President	22,000
Ross, L. M.	Assistant Chief Examiner	12,000
Scanlon, C. J.	Chief Examiner	14,000
Schultz, H. S.	Assistant Cashier	10,000
Shirey, E. F.	Assistant Cashier	10,000
Smyth, B. L.	Assistant Vice President	15,000
Srp, Joseph J.	Assistant Cashier	11,000
Tucker, G. T.	Assistant Cashier	12,000
Turner, W. W.	Vice President	20,500
Van Zante, C. P.	Assistant Vice President	14,000
Wilson, H. F.	Assistant Vice President	14,500

* Also Assistant Secretary through date of next annual meeting.

DETROIT BRANCH

Bloomfield, R. W.	Assistant Vice President	13,500
Carey, Paul F.	Assistant Cashier	9,100

12/12/56

-24-

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
Diehl, H. L.	Cashier	\$13,000
Lamphere, G. W.	Assistant General Counsel	12,000
Swaney, R. A.	Vice President	17,000
Wiegandt, A. J.	Assistant Cashier	12,000

It is noted that Mr. E. F. Shirey will reach retirement age during 1957 and, accordingly, payment of salary to him is approved only to the date of his retirement.

You will be advised in a separate letter with respect to the salaries of the President and First Vice President.

Letters to Chairman Alexander, Federal Reserve Bank of St. Louis

The Board of Governors approves the payment of salaries to Mr. Johns as President and to Mr. Deming as First Vice President, of the Federal Reserve Bank of St. Louis, for the period January 1, 1957 through December 31, 1957, at the rates of \$35,000 and \$25,000 per annum, respectively, which are the rates fixed by your Board of Directors, as reported in your letter of November 6, 1956.

The Board of Governors approves the payment of salaries to the following officers of the Federal Reserve Bank of St. Louis and its Branches, for the period January 1, 1957, through December 31, 1957, at the rates indicated in Mr. Johns' letter of November 13, 1956, if so fixed by the Board of Directors:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
Howard H. Weigel	Vice President and Secretary	\$16,000
Joseph C. Wotawa	Vice President	16,000
Dale M. Lewis	Vice President	16,000
William J. Abbott, Jr.	Vice President	16,000
George E. Kroner	Vice President	13,500
Fred Burton	Vice President, Little Rock Branch	15,500
Victor M. Longstreet	Vice President, Louisville Branch	14,500
Darryl R. Francis	Vice President, Memphis Branch	16,000
Earl R. Billen	Assistant Vice President	12,000

12/12/56

-25-

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
John J. Christ	Assistant Vice President	\$12,500
Willis L. Johns	Assistant Vice President	12,000
Stephen Koptis	Assistant Vice President	12,500
Guy S. Freutel	Assistant Vice President	12,000
Orville O. Wyrick	Chief Examiner	10,500
George W. Hirshman	General Auditor	12,500
W. W. Gilmore	Assistant Vice President	10,700
John J. Hofer	Assistant Vice President	9,500
Marvin L. Bennett	Assistant Vice President	10,500
Paul Salzman	Assistant Vice President	10,000
Gerald T. Dunne	Counsel and Assistant Secretary	10,000
Sherley C. Davis	Cashier, Little Rock Branch	9,000
Donald L. Henry	Cashier, Louisville Branch	9,500
Wilbur H. Isbell	Cashier, Memphis Branch	9,500
W. E. Walker	Assistant Vice President	8,300
Clifford Wood	Assistant Cashier, Little Rock Branch	7,500
William J. Bryan	Assistant Cashier, Little Rock Branch	8,200
L. K. Arthur	Assistant Cashier, Louisville Branch	7,500
L. S. Moore	Assistant Cashier, Louisville Branch	8,200
H. C. Anderson	Assistant Cashier, Memphis Branch	8,000
Benjamin B. Monaghan	Assistant Cashier, Memphis Branch	7,500

You will be advised in a separate letter with respect to the salaries of the President and First Vice President.

Letters to Chairman Perrin, Federal Reserve Bank of Minneapolis

The Board of Governors approves the payment of salaries to Mr. Powell as President and to Mr. Mills as First Vice President of the Federal Reserve Bank of Minneapolis, for the period January 1, 1957, through December 31, 1957, at the rates of \$30,000 and \$22,000 per annum, respectively, which are the rates fixed by your Board of Directors as reported in Mr. Powell's letter of December 13, 1956.

12/12/56

-26-

The Board of Governors approves the payment of salaries to the following officers of the Federal Reserve Bank of Minneapolis and its Branch for the period January 1, 1957 through December 31, 1957, at the rates indicated, which are the rates fixed by your Board of Directors as reported in Mr. Powell's letter of December 13, 1956:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
H. G. McConnell	Vice President	\$19,000
Sigurd Ueland	Vice President and Counsel	16,000
C. W. Groth	Vice President and Cashier	15,000
E. B. Larson	Vice President and Cashier	14,000
M. H. Strothman, Jr.	Vice President	14,500
F. L. Parsons	Director of Research	14,000
A. W. Johnson	Vice President	12,000
M. B. Holmgren	Vice President	12,000
A. J. McNulty	General Auditor	11,000
C. A. Van Nice	Assistant Vice President	11,000
O. W. Ohnstad	Assistant Vice President	10,500
C. Ries	Assistant Vice President	10,000
M. E. Lysen	Operating Research Officer	11,500
R. K. Grobel	Chief Examiner	11,000
O. F. Litterer	Business Economist	10,500
John J. Gillette	Assistant Cashier	10,000
G. M. Rockwell	Assistant Cashier	9,000
M. O. Sather	Assistant Cashier	9,000
C. E. Bergquist	Assistant Cashier	8,500
W. C. Bronner	Assistant Cashier	9,000
F. J. Cramer	Personnel Officer	9,000
K. K. Fossum	Vice President	12,000
H. A. Berglund	Assistant Vice President	9,500
J. L. Heath	Assistant Cashier	7,200

It is noted from Mr. Powell's letter that Messrs. E. B. Larson and G. M. Rockwell will retire on February 1, 1957, and, accordingly, payment of salary to them is approved only to that date.

You will be advised in a separate letter with respect to the salaries of the President and First Vice President.

Letters to Chairman Hall, Federal Reserve Bank of Kansas City

The Board of Governors approves the payment of salaries to Mr. Leedy as President and to Mr. Koppang as First

12/12/56

-27-

Vice President for the period January 1, 1957 through December 31, 1957, at the rates of \$35,000 and \$25,000 per annum, respectively, if fixed by your Board of Directors at those rates.

In approving these salaries at levels below those set by your Board of Directors, the Board believes that salaries should not be approved for amounts in excess of \$35,000 for the President and \$25,000 for the First Vice President at this time.

The Board of Governors approves the payment of salaries to the following officers of the Federal Reserve Bank of Kansas City and its Branches, for the period January 1, 1957, through December 31, 1957, at the rates indicated, which are the rates fixed by the Board of Directors as reported in your letter of November 23, 1956:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
D. W. Woolley	Vice President	\$22,000
Clarence W. Tow	Vice President	18,000
John T. Boysen	Vice President and Cashier	15,000
E. D. Vanderhoof	Vice President	13,600
C. L. Bollinger	General Auditor	13,000
L. F. Mills	Chief Examiner	12,700
E. U. Sherman	Assistant Vice President	11,800
F. H. Larson	Assistant Vice President	11,600
J. S. Handford	Assistant Vice President	11,200
C. A. Cravens	Assistant Vice President	11,200
J. T. White	Assistant Cashier	10,500
J. R. Euans	Assistant Cashier	10,400
George C. Rankin	Assistant Cashier	11,000
J. C. Craig	Assistant Cashier	9,100

DENVER BRANCH

Cecil Puckett	Vice President	16,000
H. L. Stempel	Cashier	12,000
Hubert G. Duck	Assistant Cashier	10,200
J. R. Zahourek	Assistant Cashier	9,000

12/12/56

-28-

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
<u>OKLAHOMA CITY BRANCH</u>		
R. L. Mathes	Vice President	\$16,600
F. W. Alexander	Cashier	11,500
F. R. Fritz	Assistant Cashier	10,100
E. P. Farley	Assistant Cashier	8,800

<u>OMAHA BRANCH</u>		
P. A. Debus	Vice President	16,100
H. W. Pritz	Cashier	11,100
W. P. Doran	Assistant Cashier	10,000
W. L. Pleiss	Assistant Cashier	9,000

It is noted that Mr. E. D. Vanderhoof will retire during 1957, and payment of his salary is approved only to the date of his retirement.

You will be advised in a separate letter with respect to the salaries of the President and First Vice President.

Letters to Chairman Smith, Federal Reserve Bank of Dallas

The Board of Governors approves the payment of salaries to Mr. Irons as President and to Mr. Gentry as First Vice President of the Federal Reserve Bank of Dallas, for the period January 1, 1957 through December 31, 1957, at the rates of \$35,000 and \$25,000 per annum, respectively, which are the rates fixed by your Board of Directors as reported in your letter of September 27, 1956.

The Board of Governors approves the payment of salaries to the following officers of the Federal Reserve Bank of Dallas and its Branches for the period January 1, 1957 through December 31, 1957, at the rates indicated, which are the rates fixed by your Board of Directors as reported in Mr. Irons' letter of November 8, 1956:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
E. B. Austin	Vice President	\$19,500
L. G. Pondrom	Vice President	17,500

12/12/56

-29-

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
W. H. Holloway	Vice President and Cashier	\$14,500
Harry A. Shuford	Vice President and General Counsel	16,500
Morgan H. Rice	Vice President and Secretary	14,000
Thomas W. Plant	Vice President	12,700
G. R. Murff	General Auditor	15,000
Thomas A. Hardin	Assistant Vice President	11,000
Herman W. Kilman	Assistant Cashier	10,300
E. H. Berg	Assistant Cashier	9,800
James A. Parker	Director of Personnel	10,700
Philip E. Coldwell	Director of Research	11,000
Moss E. Hulsey, Jr.	Chief Examiner	11,000
Wm. M. Pritchett	Assistant Cashier	10,700
Charls E. Walker	Economic Adviser	11,000
James L. Cauthen	Assistant Cashier	9,300
Carl H. Moore	Assistant Cashier	11,300
George F. Rudy	Assistant Counsel and Assistant Secretary	10,000

EL PASO BRANCH

Howard Carrithers	Vice President	11,700
Alvin E. Russell	Cashier	9,800
T. C. Arnold	Assistant Cashier	8,000

HOUSTON BRANCH

J. L. Cook	Vice President	15,500
H. K. Davis	Cashier	10,500
B. J. Troy	Assistant Cashier	9,100
T. R. Sullivan	Assistant Cashier	9,100

SAN ANTONIO BRANCH

W. E. Eagle	Vice President	14,500
A. E. Mundt	Cashier	10,100
F. C. Magee	Assistant Cashier	8,800
Fredric W. Reed	Assistant Cashier	8,200

It is noted that Messrs. H. K. Davis and F. C. Magee will reach retirement age during 1957 and, accordingly, payment of salary to them is approved only to the respective dates of their retirements.

You will be advised in a separate letter with respect to the salaries of the President and First Vice President.

12/12/56

-30-

Letters to Chairman Brawner, Federal Reserve Bank of San Francisco

The Board of Governors approves the payment of salaries to Mr. Mangels as President and to Mr. Swan as First Vice President of the Federal Reserve Bank of San Francisco, for the period January 1, 1957 through December 31, 1957, at the rates of \$35,000 and \$22,500 per annum, respectively, which are the rates fixed by your Board of Directors as reported in your letter of September 14, 1956.

The Board of Governors approves the payment of salaries to the following officers of the Federal Reserve Bank of San Francisco and its Branches for the period January 1, 1957 through December 31, 1957, at the rates indicated, which are the rates fixed by your Board of Directors as reported in Mr. Mangels' letters of September 17, 1956 and November 14, 1956:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
E. R. Millard	Vice President	\$18,000
H. F. Slade	Vice President	19,000
R. H. Morrill	Vice President	14,000
O. P. Wheeler	Vice President	17,000
H. E. Hemmings	Cashier	13,000
J. L. Barbonchielli	Assistant Vice President	11,000
Robert S. Einzig	Assistant Vice President	11,000
T. W. Barrett	Assistant Cashier	10,000
P. W. Cavan	Assistant Cashier	9,000
D. M. Davenport	Assistant Cashier	9,500
R. C. Milliken	Assistant Cashier	10,000
A. H. Price	Assistant Cashier	9,000
H. Armstrong	General Auditor	13,500
E. H. Galvin	Chief Examiner	11,500
J. A. O'Kane	General Counsel	16,000
Gault W. Lynn	Senior Economist	11,000
Harry S. Schwartz	Senior Economist	11,000

LOS ANGELES BRANCH

W. F. Volberg	Vice President	20,000
C. H. Watkins	Assistant Manager	14,500
M. J. Davies	Assistant Manager	8,500

12/12/56

-31-

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
G. D. Parker	Assistant Manager	\$ 9,500
J. R. Robinson	Assistant Manager	9,500
V. E. Vigus	Assistant Manager	8,500

PORTLAND BRANCH

J. A. Randall	Vice President	17,000
A. B. Merritt	Assistant Manager	12,000
W. M. Brown	Assistant Manager	8,500
C. H. Mercer	Assistant Manager	9,000

SALT LAKE CITY BRANCH

E. R. Barglebaugh	Vice President	13,000
A. L. Price	Assistant Manager	11,000
A. G. Holman	Assistant Manager	8,000
T. M. Simmons	Assistant Manager	9,000

SEATTLE BRANCH

J. M. Leisner	Vice President	17,500
R. E. Everson	Assistant Manager	13,000
W. R. Sandstrom	Assistant Manager	10,000
D. E. Simms	Assistant Manager	9,500

You will be advised in a separate letter with respect to the salaries of the President and First Vice President.

All of the members of the staff then withdrew and the Board went into executive session.

Secretary's Note: Following the executive session, the Chairman notified the Secretary's Office that the Board had taken the following actions by unanimous vote:

1. Acceptance of the resignation of Mr. Caffey Robertson, Class C director and Deputy Chairman of the Federal Reserve Bank of St. Louis, effective December 31, 1956, as submitted with his letter of December 6, 1956.

12/12/56

-32-

2. In the light of the above resignation and the fact that Mr. A. H. Shepley had not been willing to accept the appointment tendered by the Board of Governors, Chairman Alexander of the Federal Reserve Bank of St. Louis would be asked to ascertain and advise whether (1) Mr. Pierre B. McBride, President, Porcelain Metals Corporation, Louisville, Kentucky, would accept appointment, if tendered, as Class C director of the St. Louis Reserve Bank for the three-year term beginning January 1, 1957, with the understanding that, if he would accept, the appointment would be made and Mr. McBride would be designated as Chairman and Federal Reserve Agent of the Bank for the year 1957, and that his compensation would be fixed on the same basis as for the same position at other Federal Reserve Banks; and (2) Mr. John Harwood Longwell, Dean, College of Agriculture, University of Missouri, Columbia, Missouri, would accept appointment, if tendered, as Class C director of the St. Louis Reserve Bank for the unexpired portion of the three-year term ending December 31, 1958, with the understanding that if he would accept, the appointment would be made.

3. Mr. Joseph H. Moore, Class C director of the Federal Reserve Bank of St. Louis, was appointed Deputy Chairman of that Bank for the year 1957.

4. Chairman Crane of the Federal Reserve Bank of New York was requested to ascertain and advise whether Mr. Raymond E. Olson, President, Taylor Instrument Companies, Rochester, New York, would accept appointment, if tendered, as a director of the Buffalo Branch for the three-year term beginning January 1, 1957, with the understanding that if he would accept, the appointment would be made.

5. In accordance with an informal suggestion made by Chairman Mitchell of the Federal Reserve Bank of Atlanta that the salary of Lewis M. Clark, First Vice President of the Atlanta

12/12/56

-33-

Bank be fixed at \$25,000 for the year 1957, it was decided that if the directors of the Bank fixed Mr. Clark's salary at that figure the Board would approve.

The meeting then adjourned.

Secretary's Note: Governor Shepardson today approved on behalf of the Board the following letters:

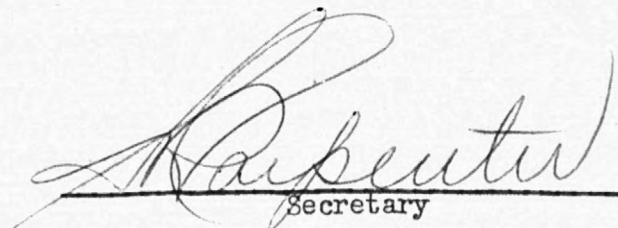
Letter to Mr. Wiltse, Vice President, Federal Reserve Bank of New York, reading as follows:

In accordance with the request contained in your letter of December 7, 1956, the Board approves the appointment of James J. Clark as an assistant examiner for the Federal Reserve Bank of New York. Please advise as to the date upon which the appointment is made effective.

The Board also approves the designation of Bernard G. Nelson as a special assistant examiner for the Federal Reserve Bank of New York. It is noted that Mr. Nelson is indebted to The Chase Manhattan Bank, New York, New York, in the amount of approximately \$500. Accordingly, the Board's approval is given with the understanding that Mr. Nelson will not participate in any examinations of The Chase Manhattan Bank until his indebtedness has been liquidated or otherwise eliminated.

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

In accordance with the request contained in your letter of December 7, 1956, the Board approves the appointment of Joseph J. Wehrle as an assistant examiner for the Federal Reserve Bank of St. Louis. Please advise the Board if the appointment is not made effective on January 1, 1957, as planned.


Secretary