

The attached minutes of the Board  
for June 20, 1957, which you have previously  
initialed, have been amended to correct a  
technical error in the sentence beginning  
at the bottom of page 2 and ending at the  
top of page 3.

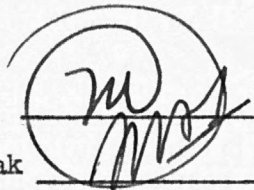
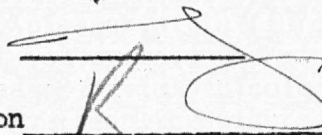
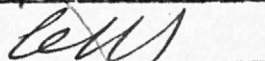
Chm. Martin

Gov. Szymczak

Gov. Mills

Gov. Robertson

Gov. Shepardson

A handwritten signature, likely of Chm. Martin, written over a horizontal line. The signature is circular and stylized.A handwritten signature, likely of Gov. Szymczak, written over a horizontal line. The signature is long and flowing.A handwritten signature, likely of Gov. Mills, written over a horizontal line. The signature is stylized and compact.

Minutes for June 20, 1957

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>[Signature]</u>	_____
Gov. Szymczak	X <u>[Signature]</u>	_____
Gov. Vardaman	X <u>[Signature]</u>	_____
Gov. Mills	X <u>[Signature]</u>	_____
Gov. Robertson	X <u>R</u>	_____
Gov. Balderston	X <u>CCB</u>	_____
Gov. Shepardson	_____	<u>[Signature]</u>

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Thursday, June 20, 1957. The Board met in the Board Room at 2:15 p.m.

PRESENT: Mr. Martin, Chairman  
 Mr. Balderston, Vice Chairman  
 Mr. Szymczak  
 Mr. Vardaman 1/  
 Mr. Mills  
 Mr. Robertson

Mr. Sherman, Assistant Secretary  
 Mr. Kenyon, Assistant Secretary  
 Mr. Leonard, Director, Division  
 of Bank Operations  
 Mr. Johnson, Controller, and Director,  
 Division of Personnel Administration  
 Mr. Hackley, General Counsel  
 Mr. Sprecher, Assistant Director, Division  
 of Personnel Administration

Mr. Johns, President, Federal Reserve Bank  
 of St. Louis

Proposed changes in the Bank Plan of the Retirement System of the Federal Reserve Banks. The discussion at this meeting was for the purpose of exploring further the proposals of the Special Joint Committee for changes in the Bank Plan of the Retirement System of the Federal Reserve Banks, presented in that Committee's report of January 18, 1957, particularly in the light of certain suggestions made in a letter addressed to the Board by Industrial Relations Counselors Service, Inc., under date of May 15, 1957.

At the beginning of the discussion, President Johns stated that the views which he would express concerning the suggestions of Industrial

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1/ Withdrew from meeting at point indicated in minutes.

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Relations Counselors Service had been concurred in by the other members of the Presidents' Conference, the Chairman of the Retirement Committee of the Retirement System, and the Actuary and Legal Counsel for the Retirement System.

The first of the suggestions by the counseling firm concerned the fact that, since no contributions to the Retirement System would now be required on the first \$4,200 of an employee's salary, the requirement for vesting that employees leave their own contributions on deposit would eventually have no effect for the majority of employees. Without such a conditional requirement, the firm believed that vesting after only 10 years of service was unnecessarily liberal and that consideration should be given to an additional requirement of the attainment of age 40 or 45.

With regard to this comment, Mr. Johns said he had been informed by the Actuary that the suggested change would make no difference in the expense of the Retirement System to the Federal Reserve Banks. This left for consideration the question whether a ten-year vesting period was unnecessarily liberal and the question of administrative difficulties that would be posed by having small amounts of deferred pensions outstanding. In expressing the view that a ten-year vesting period was not too liberal, Mr. Johns said that the vesting privilege was becoming of considerable importance in the field of personnel management. Of even more importance was the question of morale, in view of the fact that the ten-year



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vesting privilege had been included in the Federal Reserve Retirement System for a number of years and any attempt to change it might be misunderstood and unsettling.

Mr. Johns went on to say that Counsel for the Retirement System had drafted a tentative amendment to the Rules and Regulations which would provide, in effect, that persons having a vested interest would assume responsibility for communicating with the Retirement System office when eligible to receive their allowance. If they failed to do so within a stated period, they would forfeit their claim.

Mr. Johns then turned to the comment by Industrial Relations Counselors Service which concerned the following point. The proviso in the Special Joint Committee's suggested formula for pensions, which would provide that the benefit for service prior to January 1, 1951, with respect to the first \$4,200 of final average salary would be one per cent for each year of service, seemed to the counseling firm to go further than necessary to prevent the impairment of accrued pension rights. It seemed sufficient to provide that the benefit for each year of such service would be not less than one per cent of total final average salary. This would protect all accrued rights in the sense that everybody would receive for such service either his "accrued" pension or a pension based on the new formula, whichever was larger. The new basic formula would provide a larger pension than that already accrued on salaries in excess

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of \$6,300, and there seemed to be no reason why persons at higher salary levels should receive benefits for such service at a rate higher than that provided by the basic formula.

Mr. Johns said that he was in no position to argue against this recommendation, since it dealt with a matter on which there had been an erroneous legal conclusion on the part of the Special Joint Committee. The Presidents of the Federal Reserve Banks had concurred in the view that the plan should be changed to the extent suggested by Industrial Relations Counselors Service, and this change would reduce the accrued liability payment by the Reserve Banks to the Retirement System from approximately \$14 million to a payment in the neighborhood of \$8 million.

The next point that Mr. Johns took up was the statement in the letter from Industrial Relations Counselors Service that it was presumed that some provision would be made for a required minimum contribution on salaries only slightly in excess of \$4,200. Mr. Johns commented that this was a minor matter and that it could be handled by a simple provision in the Rules and Regulations of the Retirement System.

Governor Vardaman then asked Mr. Johns several questions relating to the effects of the proposed changes in the Bank Plan, including whether the proposals of the Special Joint Committee would

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produce any greater inconsistency than now existed between benefits under the Bank Plan and under the Civil Service Retirement System.

The response of Mr. Johns was in terms that, taking into account the integration of the Bank Plan with Social Security, which produced a rather complex situation, the benefits would be about as nearly comparable as possible. He also noted that employer contributions under the proposed plan would not be quite as high a percentage of payroll as contributions under the Board Plan of the Retirement System.

Governor Vardaman then stated that he continued to be opposed in principle to "private" retirement systems and that he felt the Federal Reserve System should have gone to the Congress long ago and requested special legislation for a uniform Federal Reserve retirement system which would be administered by the Civil Service Commission. Because of this opposition in principle, he would have to oppose any changes which would increase the present expenditures for the Retirement System of the Federal Reserve Banks. This, he said, was not a new position on his part, and it applied to all of the so-called "private" retirement systems within the Government. In response to a question by Chairman Martin, Governor Vardaman said that, apart from his opposition in principle, he considered the proposals of the Special Joint Committee to be generally in keeping with the over-all scheme of the Retirement System.

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Governor Mills said he understood that the objective of the current proposals was to provide a pension for a retiring Bank employee having 30 years' service of roughly 50 per cent of his final average salary, and that this was roughly the pension that a Federal Government employee having similar service would obtain upon retirement. When Mr. Johns replied that there was no substantial difference and that Industrial Relations Counselors Service had found the plan also to be comparable to private business, Governor Mills said that the latter comment raised a question whether the Federal Reserve Retirement System should follow the retirement privileges of private business or keep its benefits in line with those of the Federal Government. He then said that, in his recollection, when this study was begun the objective was to develop a plan that would meet the criticisms expressed at the time the Social Security Amendments of 1954 were being discussed by the Congress. At that time it was contended that when the Federal Reserve Retirement System integrated with Social Security in 1951, the effect was to give Federal Reserve Bank employees retirement privileges that were not available to Civil Service employees. While it had been felt that it would be well-nigh impossible to correct the situation at the time of the Congressional discussion in 1954, as he remembered it the purpose of the study was to escape future criticism by providing an integration of the Federal Reserve Retirement System with Social Security that in the future would eliminate any area of overlapping benefits.



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The principal question in his mind therefore was whether the current proposal actually eliminated the criticism of the Federal Reserve Retirement System that was made in 1954.

Mr. Johns replied by saying that although objections might have been raised, he did not feel that the overlapping argument ever had validity. He said that Social Security provides a bare minimum retirement as a kind of uniform base, on which it had been necessary, with Governmental encouragement, to build other retirement income through private plans. It was true that when the amount of salary subject to Social Security tax was advanced to \$4,200, the integration point for the Bank Plan was not raised from \$3,600, and the Special Joint Committee now recommended that this be done. While the current study was originally suggested as a means of preparation for meeting attacks such as occurred in 1954, Mr. Johns stated that the objectives of the study were thereafter extended, with the approval of the Board of Governors, to include a fundamental review of the Retirement System.

Governor Mills then inquired whether the original recommendations of Industrial Relations Counselors Service had not proposed a different kind of integration that would eliminate the overlapping and Mr. Johns replied in the negative, stating that the counseling firm's recommendation in this respect was not different from the recommendation of the Special Joint Committee.

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In this connection, Governor Balderston commented that in the early days of Social Security there was some opinion that the total amount of retirement allowances should be kept constant by decreasing the amount of private allowances to the extent that they were replaced by Social Security benefits. However, over the years there appeared to have been a substantial change in the thinking in this respect.

Governor Mills noted that while some concerns had adopted this more liberal point of view, others had not. Also, it did not appear to be the opinion in some Congressional quarters that the more liberal type of pension system would be considered appropriate for organizations related to the Federal Government. Governor Mills said he agreed that the employee with long service deserved additional incentive through better retirement benefits, but he urged that facts and figures be compiled which would fully substantiate the point of view embodied in the current proposal.

Governor Balderston observed that, although the proposed plan would eliminate the overlapping in the range between \$3,600 and \$4,200, it would not provide an automatic formula to take care of possible future adjustments in the maximum salaries subject to Social Security taxes.

Following additional explanatory discussion of the proposed plan, Governor Robertson asked a series of questions designed to bring out whether the amounts paid into the Retirement System by the Federal Reserve Banks would not tend to be distributed in such a way under the

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proposed plan as to be of proportionately greater advantage to higher-salaried personnel than to those in the lower salary brackets. This circumstance, he suggested, must be true because a substantial part of the retirement benefit for lower-salaried employees would come from Social Security, for which the employee contributes the same amount as the employer.

After certain specific examples had been examined, Mr. Johns replied to Governor Robertson's questions in terms that the fundamental objective was to provide for all employees retiring with 30 years service at age 65 a total retirement allowance equal to approximately 50 per cent of final average salary, that this objective would be accomplished by the proposals of the Special Joint Committee, and that, if anything, the net results were favorable to the lower-salaried employee.

Governor Robertson then turned to the question whether consideration had been given to a ceiling on the amount of Bank-provided pension, and Mr. Johns commented that since 1949 the Rules and Regulations of the Retirement System had provided that the Bank-provided pension and the annuity purchased with funds contributed by the employee could not together exceed 75 per cent of the final average salary. This rule had not been changed when Social Security was made applicable to the Federal Reserve Banks.

On this point, Governor Balderston said he understood from conversations with Mr. Johns that in the latter's opinion a judgment

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on the need for a retirement ceiling should more properly be made by the Board of Governors. Only a few of the top personnel at the Federal Reserve Banks would be affected by the ceiling, he said, and it seemed preferable that the Reserve Bank Presidents not be asked to participate in the decision. At present, Governor Balderston commented, one could not foresee any case over perhaps the next 20 years where an extraordinarily high retirement allowance would be payable. Therefore, while he had been disposed to feel that a ceiling limit would be desirable, he now felt that the question could be deferred for decision in the light of future circumstances. He also noted that the general tendency at the present time appeared to be to remove such limitations.

After Governor Vardaman had commented that the plan must be defended in principle rather than on the basis of specific cases, Governor Robertson outlined a possible ceiling formula under which the combined Bank-provided pension and Social Security benefits would not exceed certain percentages of final average salary, with the percentage graduated downward for final average salaries over \$15,000. He stated that as far as he had been able to ascertain, this plan would not result in a reduction of benefits for present employees in any case, but that he would favor some proviso to avoid any such reduction.

Mr. Johns suggested that it might be more logical to include only one-half of Social Security benefits in devising such a schedule, because half of the Social Security tax is paid from the employee's own funds.



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Governor Robertson said that this suggestion might be appropriate. Basically, his objective was to offset criticism of the plan on the grounds that it would be possible for an individual to receive what might appear to be an inordinately large pension.

In further comments by Mr. Johns relating to the questions involved in establishing a retirement ceiling, he said that as an alternative to a proposal such as that made by Governor Robertson he would prefer a flat ceiling on the dollar amount of retirement income.

Governor Vardaman then raised certain questions, similar to those previously raised by Governor Robertson, concerning the computation of retirement benefits for employees in various salary ranges in terms of the cost of the Retirement System, and Mr. Johns spoke of the retirement allowance as being essentially a form of deferred compensation for services performed. On this theory, he said, if the retirement allowance for any individual was too large or too small, it reflected a mistake in the salary paid to the employee.

In response to a question by Governor Vardaman concerning whether the advisability of a minimum retirement allowance had been considered, Mr. Johns replied in the negative. This question went to the fundamentals of what a retirement system should provide, he said, with the best answer appearing to be that a pension plan should endeavor to provide about 50 per cent of final average salary for a person with 30 years of service.

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In this connection, Governor Robertson referred to the possibility of introducing a graduated scale of retirement allowances pursuant to which a somewhat higher percentage of salary would be payable to persons who retire from the lower salary brackets. He understood that Industrial Relations Counselors Service had suggested that pensions might range from 60 per cent of final average salary for lower-bracket employees to 40 per cent for higher-salaried employees. Since a large part of the salary of a person in the lower brackets was needed for necessities of life, and since it appeared to him that an arrangement could be made to distribute funds in the Retirement System on a graduated percentage basis without doing violence to the higher-salaried groups, it was his thought that equity would call for the lower-salaried personnel to receive somewhat better treatment percentagewise.

Governor Vardaman indicated that his thinking was generally along the lines stated by Governor Robertson.

Additional discussion concerned the benefits under the proposed plan as compared to benefits under the Civil Service Retirement System. It was also stated that there did not appear to be any problems of transition with respect to the annuity purchased with funds deposited by the employee. With regard to Mr. Johns' suggestion earlier in this meeting that persons who left the employ of the Reserve Banks after at least 10 years of service and who acquired a vested interest in the retirement reserve be required to

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initiate a claim when they became eligible for an allowance, Mr. Johns responded to certain questions by saying that he did not think the administrative problems would be exceedingly difficult even if the Retirement System continued to assume responsibility for keeping in contact with the affected parties.

At the conclusion of the discussion, it was understood that the Board would give further consideration to the proposed changes in the Retirement System at a meeting on Tuesday, June 25.

Shortly before the discussion of this subject concluded, Governor Vardaman withdrew from the meeting to keep another engagement. At the end of the discussion Mr. Johns also withdrew, along with Messrs. Johnson and Sprecher.

Statement by the Secretary of the Treasury. A question had been raised by the Presidents of certain Federal Reserve Banks concerning the availability of the statement made by Secretary of the Treasury Humphrey before the Senate Finance Committee on June 18, 1957, the thought having been that it might be desirable to send copies to the directors of all Federal Reserve Banks and branches. It had been ascertained that the Treasury's supply of the statement was exhausted, so that copies would have to be reproduced at the Board's offices.

In a discussion of the matter, the suggestion was made that there be reproduced, along with Secretary Humphrey's statement, the statement made by the Committee Chairman, Senator Byrd, at the opening of the current hearings.



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Agreement having been expressed with this suggestion, it was understood that copies of both statements would be distributed to head office and branch directors and to the Presidents of the Reserve Banks.

Application to organize a national bank at Sarasota, Florida (Item No. 1). There had been circulated to the members of the Board a draft of letter to the Comptroller of the Currency recommending approval of an application to organize a national bank at Sarasota, Florida, provided management satisfactory to the Comptroller's Office was obtained. The Federal Reserve Bank of Atlanta had expressed some doubt as to the need for a bank in the area and as to the possibility of profitable operations within a reasonable time, and had therefore recommended against approval of the application. The Board's Division of Examinations had reached the conclusion that establishment of the bank would be justified, provided management satisfactory to the Comptroller's Office was obtained, and the draft letter had been prepared accordingly.

Pursuant to the recommendation of the Division of Examinations, the proposed letter was approved unanimously, with the understanding that a copy would be sent to the Federal Reserve Bank of Atlanta. A copy is attached to these minutes as Item No. 1.

Classification of member banks for the purpose of electing Class A and Class B directors (Items 2 through 9). Consideration was given to a memorandum dated June 18, 1957, from the Division of Bank Operations,



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copies of which had been sent to the members of the Board, presenting recommendations that the Board change the group limits used in six Federal Reserve Districts to classify member banks for the purpose of electing Class A and Class B directors. In this connection, reference was made to the following formula suggested in the Board's letter of September 19, 1934, and reaffirmed by the Board and the Presidents' Conference following a study of the matter in 1953:

The number of banks in Group 2 will be approximately one-third of the total number of member banks in the district, with the number of member banks in Group 1 as nearly as may be in the same ratio to the total number of all member banks as the combined capital and surplus of all member banks in Group 3 bears to the combined capital and surplus of all member banks.

Requests had initially been received from two Reserve Banks for changes in the group limits in effect in their Districts, after which the views of all of the Banks were requested by the Division of Bank Operations, with the result that six Banks had now recommended changes. One other Bank (Atlanta) wished to defer action until after this year's election of directors because of the campaign now being conducted by two candidates for the Group 1, Class A directorship in that District. Increased capitalization of member banks was reported to be the principal reason for the proposed changes in the group limits, with the reduced number of member banks cited as an additional factor in some Districts. The general effect of the changes would be a movement from Group 1 to Group 2, and from the

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latter group to Group 3. The memorandum recommended establishment by the Board of the new group limits proposed by the six Reserve Banks and was accompanied by drafts of letters to those Banks that would inform them of the Board's action.

Governor Mills raised questions relating to the appropriateness of the 1934 formula, pointing out that the effect of the current recommendations would be to "downgrade" a number of Group 1 and Group 2 banks and to increase the number of banks in Group 3. One result of this shift would be that a bank in Group 3 would have a lesser proportionate voice in the election of a Reserve Bank director, and in addition some problem might arise in terms of public relations and injured feelings because of the "downgrading" of individual banks.

In response to Governor Mills' comments, Mr. Leonard summarized the origin and operation of the current formula, noting that it was based on a rather ambiguous provision in the law. He observed that growth in the capital structure of many banks had been resulting in a flow from Group 3 into Group 2 and from Group 2 to Group 1, so that the numbers of banks in the latter groups had become in some cases excessive when measured under the standard of the 1934 formula. Anticipating a further movement of this kind, one Bank (Kansas City) had in fact recommended a change in the group limits in that District which would mean that for the time being the number of banks in Group 2 would be slightly below one-third of the total number. Mr. Leonard recognized

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the possibility of a public relations problem such as mentioned by Governor Mills, but he pointed out that in some cases a bank shifted from Group 1 to Group 2 would have a better chance of representation on the Reserve Bank directorate.

At the conclusion of the discussion, during which Governor Robertson recalled that study of the problem in 1953 had led him to conclude that the present formula was probably as equitable as any that could be suggested, the recommendations from the respective Reserve Banks were approved unanimously. Copies of the letters sent to the Boston, New York, Cleveland, Atlanta, Chicago, Minneapolis, and Kansas City Banks pursuant to this action are attached hereto as Items 2, 3, 5, 6, 7, 8, and 9, respectively. The letters sent to the other Reserve Banks, none of which had recommended a change in the present group limits, were similar to the letter sent to the Philadelphia Bank, a copy of which is attached as Item No. 4.

Call for condition reports. It was reported that a letter dated June 20, 1957, had been received from Deputy Comptroller of the Currency Jennings advising that on June 25, 1957, a call would be made upon all national banks for reports of condition as of the close of business June 6, 1957.

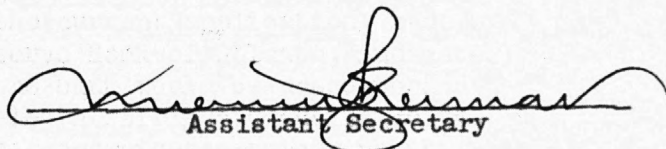
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In the circumstances, unanimous approval was given to a telegram to the Presidents of all Federal Reserve Banks requesting that a similar call be made upon State member banks.

The meeting then adjourned.

Secretary's Note: Pursuant to the recommendation contained in a memorandum dated June 18, 1957, from Mr. Masters, Associate Director, Division of Examinations, Governor Shepardson today approved on behalf of the Board a change in the official headquarters of Joseph B. Dunn, Assistant Federal Reserve Examiner in that Division, from New York, New York, to Washington, D. C.

  
Assistant Secretary



BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON 25, D. C.

Item No. 1  
6/20/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

June 20, 1957

Comptroller of the Currency,  
Treasury Department,  
Washington 25, D. C.

Attention Mr. L. A. Jennings,  
Deputy Comptroller of the Currency.

Dear Mr. Comptroller:

Reference is made to a letter from your office dated February 5, 1957, enclosing copies of an application to organize a national bank at Sarasota, Florida, and requesting a recommendation as to whether or not the application should be approved. Similar applications were considered by the Board of Governors in 1955 and 1956.

An investigation of the current application, made by an examiner for the Federal Reserve Bank of Atlanta, indicates that the capital structure of the bank would be adequate and that the institution could develop a fairly attractive volume of deposits, as well as provide convenient services to the community. The operating officers of the bank have not been selected, but it is reported that the board of directors would probably be satisfactory under the leadership of a strong executive officer. The area to be served by the proposed bank is experiencing growth but some question still exists as to the need for a bank in the area, and whether profitable operations can be attained within a reasonable time. However, after considering the information available, the Board of Governors recommends approval of the application provided management satisfactory to your office is obtained.

The Board's Division of Examinations will be glad to discuss any aspects of this case with representatives of your office if you so desire.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,  
Assistant Secretary.



BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON 25, D. C.

Item No. 2  
6/20/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

June 20, 1957

Mr. J. A. Erickson, President,  
Federal Reserve Bank of Boston,  
Boston 6, Massachusetts.

Dear Mr. Erickson:

As recommended in your letter of May 6, 1957, the Board of Governors has changed the classification of member banks in the First District, for the purpose of electing Class A and Class B directors, to the following:

<u>Group</u>	<u>Banks with Capital and Surplus of:</u>
1	\$3,000,000 and more
2	\$600,000 and more, but less than \$3,000,000
3	Less than \$600,000

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,  
Assistant Secretary.

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON 25, D. C.

Item No. 3  
6/20/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

June 20, 1957



Mr. Alfred Hayes, President,  
Federal Reserve Bank of New York,  
New York 45, New York.

Dear Mr. Hayes:

As recommended in your letter of April 11, 1957, the Board of Governors has changed the classification of member banks in the Second District, for the purpose of electing Class A and Class B directors, to the following:

<u>Group</u>	<u>Banks with Capital and Surplus of:</u>
1	\$20,000,000 and more
2	\$800,000 and more, but less than \$20,000,000
3	Less than \$800,000

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,  
Assistant Secretary.

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON 25, D. C.

Item No. 4  
6/20/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD



June 20, 1957

Mr. Alfred H. Williams, President,  
Federal Reserve Bank of Philadelphia,  
Philadelphia 1, Pennsylvania.

Dear Mr. Williams:

As recommended in Mr. Davis' letter of May 2, 1957, the Board of Governors is making no change at this time in the classification of member banks in the Third District, for the purpose of electing Class A and Class B directors.

It is assumed that your Bank will make periodic reviews of the classification of member banks and recommend to the Board changes in the group limits whenever such action seems appropriate.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,  
Assistant Secretary.





BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON 25, D. C.

Item No. 5  
6/20/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

June 20, 1957

Mr. W. D. Fulton, President,  
Federal Reserve Bank of Cleveland,  
Cleveland 1, Ohio.

Dear Mr. Fulton:

As recommended in your letter of May 9, 1957, the Board of Governors has changed the classification of member banks in the Fourth District, for the purpose of electing Class A and Class B directors, to the following:

<u>Group</u>	<u>Banks with Capital and Surplus of:</u>
1	\$2,000,000 or more
2	More than \$450,000, but less than \$2,000,000
3	\$450,000 and less

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,  
Assistant Secretary.

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON 25, D. C.

Item No. 6  
6/20/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD



June 20, 1957

Mr. Malcolm Bryan, President,  
Federal Reserve Bank of Atlanta,  
Atlanta 3, Georgia.

Dear Mr. Bryan:

As recommended in your letter of May 8, 1957, the Board of Governors is making no change at this time in the classification of member banks in the Sixth District, for the purpose of electing Class A and Class B directors.

It is noted that you intend to submit in December recommendations for reclassification.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,  
Assistant Secretary.

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON 25, D. C.

Item No. 7  
6/20/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

June 20, 1957.



Mr. Carl E. Allen, President,  
Federal Reserve Bank of Chicago,  
Chicago 90, Illinois.

Dear Mr. Allen:

As recommended in your letter of April 19, 1957, the Board of Governors has changed the classification of member banks in the Seventh District, for the purpose of electing Class A and Class B directors, to the following:

<u>Group</u>	<u>Banks with Capital and Surplus of:</u>
1	\$2,500,000 and over
2	\$400,000 and over, but under \$2,500,000
3	Under \$400,000

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,  
Assistant Secretary.

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON 25, D. C.

Item No. 8  
6/20/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

June 20, 1957



Mr. Frederick L. Deming, President,  
Federal Reserve Bank of Minneapolis,  
Minneapolis 2, Minnesota.

Dear Mr. Deming:

As recommended in your letter of April 29, 1957, the Board of Governors has changed the classification of member banks in the Ninth District, for the purpose of electing Class A and Class B directors, to the following:

<u>Group</u>	<u>Banks with Capital and Surplus of:</u>
1	\$600,000 and more
2	\$200,000 and more, but less than \$600,000
3	Less than \$200,000

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,  
Assistant Secretary.



BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON 25, D. C.

Item No. 9  
6/20/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD



June 20, 1957

Mr. H. G. Leedy, President,  
Federal Reserve Bank of Kansas City,  
Kansas City 6, Missouri.

Dear Mr. Leedy:

As recommended in your letter of June 15, 1957, the Board of Governors has changed the classification of member banks in the Tenth District, for the purpose of electing Class A and Class B directors, to the following:

<u>Group</u>	<u>Banks with Capital and Surplus of:</u>
1	\$1,000,000 and over
2	Over \$200,000, but under \$1,000,000
3	\$200,000 and under

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,  
Assistant Secretary.