

Minutes for June 21, 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>M</u>	_____
Gov. Szymczak	x <u>[Signature]</u>	_____
Gov. Vardaman	x _____	_____
Gov. Mills	x _____	_____
Gov. Robertson	x <u>R</u>	_____
Gov. Balderston	_____	x <u>CCB</u>
Gov. Shepardson	_____	x <u>[Signature]</u>

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Friday, June 21, 1957. The Board met in the Board Room at 10:00 a.m.

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

Mr. Sherman, Assistant Secretary
Mr. Kenyon, Assistant Secretary
Mr. Riefler, Assistant to the Chairman
Mr. Marget, Director, Division of International Finance
Mr. Hackley, General Counsel
Mr. Hostrup, Assistant Director, Division of Examinations
Mr. Goodman, Assistant Director, Division of Examinations

Items circulated to the Board. The following items, which had been circulated to the members of the Board and copies of which are attached to these minutes under the respective item numbers indicated, were approved unanimously:

	<u>Item No.</u>
Letter to the Federal Reserve Bank of St. Louis approving the payment of salary to Janes M. Geiger as Assistant Vice President at the rate fixed by the Board of Directors.	1
Letter to the Federal Reserve Bank of Kansas City approving the payment of salary to Willard Edwards as Director of Personnel at the rate fixed by the Board of Directors.	2
Letter to the Federal Reserve Bank of Boston authorizing the waiver of a penalty incurred by the Pittsfield National Bank, Pittsfield, Massachusetts, because of a deficiency in its required reserves.	3
Letter to The First National City Bank of New York interposing no objection to the establishment of a Currency Conversion Outlet in the Passenger Terminal at Clark Field Air Force Base, Philippine Islands. (For transmittal through the Federal Reserve Bank of New York.)	4

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Item No.

Letter to the Federal Reserve Bank of Philadelphia relating to a condition prescribed by the Board in connection with a recent bank merger concerning the disposal of shares of dissenting stockholders acquired by the surviving institution.

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Letter to Girard Trust Corn Exchange Bank, Philadelphia, Pennsylvania, approving the establishment of a branch in the 7100 block of Stenton Avenue. (For transmittal through the Federal Reserve Bank of Philadelphia.)

6

Letter to The Home Banking Company, Saint Marys, Ohio, approving the establishment of a branch in Saint Marys Township. (For transmittal through the Federal Reserve Bank of Cleveland.)

7

Letter to The Harter Bank & Trust Company, Canton, Ohio, approving the establishment of a branch in Plain Township. (For transmittal through the Federal Reserve Bank of Cleveland.)

8

Letter to the Federal Reserve Bank of Cleveland extending the time within which The Toledo Trust Company, Toledo, Ohio, may establish a branch at Central Avenue and Secor Road.

9

Letter to the Federal Reserve Bank of San Francisco extending the time within which American Trust Company, San Francisco, California, may establish a branch in Antioch, California.

10

Letter to the Comptroller of the Currency regarding an application to organize a national bank at Greenville, South Carolina. (With a copy to the Federal Reserve Bank of Richmond.) 1/

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1/ Pursuant to the discussion at the meeting on June 4, 1957, the Federal Reserve Bank of Richmond was requested to review the application. On the basis of that review, the Reserve Bank and the Division of Examinations continued of the opinion that an unfavorable recommendation should be made. However, the proposed letter to the Comptroller of the Currency was revised to reflect certain suggestions made at the June 4 meeting.

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

New York	June 20
Philadelphia	June 20
Richmond	June 20

The telegrams were approved unanimously.

Mr. Goodman then withdrew from the meeting.

Request by Transamerica Corporation for oral argument (Item No. 12).

In a memorandum from Mr. Hackley dated June 20, 1957, copies of which had been sent to the members of the Board, it was reported that the hearing ordered by the Board, upon the request of Transamerica Corporation, to determine whether shares of Occidental Life Insurance Corporation of California held by Transamerica are exempt from the divestment requirements of the Bank Holding Company Act, had been concluded. The Hearing Examiner had filed his Report and Recommended Decision, in which he concluded in effect that Transamerica's request for exemption with respect to stock of Occidental should be denied. Counsel for Transamerica had filed exceptions to the recommended decision and had requested oral argument before the Board. Since this was the first case of its kind to come before the Board and since there appeared to be no sound reason for denying the request, Mr. Hackley recommended that the Board take favorable action on it. It was also recommended that Messrs. John A. O'Kane and Gordon M. Lamphere, who had been acting as Counsel for the Board for the purpose of this proceeding, be

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invited to be present for the oral argument for the purpose of hearing the legal presentation by Transamerica and of pointing out any additional legal arguments, both pro and con, that they might feel should be brought to the Board's attention. As to the date of the oral argument, Transamerica had indicated the hope that some date prior to July 15 might be set, since they were anxious to expedite the proceeding.

In discussing the matter, Mr. Hackley said that the principal issues revolved around interpretation of the statute, that he could see no good reason why the request of Transamerica should not be granted, and that he thought the oral argument should not take more than a couple of hours. In response to a question by the Chairman, he said that although one similar proceeding under the Bank Holding Company Act was now in progress, it did not seem likely that there would be many other proceedings of this kind. Assuming that the oral argument would be reported and be made a part of the record, the Board's staff could then analyze the entire record of the proceeding and in due course present to the Board a memorandum defining the principal points in the case and making a recommendation to the Board. With regard to attendance of Board members at the oral argument, he said that, according to the Board's Rules of Procedure for Formal Hearings, the Board could order the matter set down for oral argument before the Board, or one or more members thereof. He did not consider it imperative that all members of the Board attend the oral argument, particularly since there would be an opportunity for any members who were absent to review the record later.

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With respect to the last point mentioned by Mr. Hackley, the view was expressed by the Board that, although it might not be necessary for all of the members of the Board to be present, it would be desirable for at least a majority of the Board to be in attendance.

Agreement then was expressed that the request of Transamerica should be granted and it was suggested that certain alternative dates for the oral argument during the week of July 8, 1957, be discussed by Mr. Hackley with counsel for Transamerica.

There was unanimous agreement with this suggestion.

Secretary's Note: Pursuant to this action, agreement was reached by Mr. Hackley with counsel for Transamerica that the oral argument be set for 2:00 p.m. on Tuesday, July 9, 1957. A copy of the order issued in this connection is attached hereto as Item No. 12.

Mr. Hostrup then withdrew from the meeting.

Possible visit by Mr. Irvine to the Bank of Japan. There had been circulated to the members of the Board a memorandum from Mr. Marget dated June 12, 1957, concerning an informal request, resulting from conversation between the Governor of the Bank of Japan and a former member of the Board's staff, that it be ascertained whether the Board would look favorably on a formal request by the Bank of Japan that Mr. Irvine, Economist in the Division of International Finance, be made available for consultation for two months, or for such time as the Board could afford his absence from Washington. If the Board should regard the request favorably, Mr. Marget would enter into discussions with the representative of the Bank of Japan in

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New York City, looking toward the working out of administrative arrangements, and the matter would then be submitted to the Board by the Bank of Japan in terms of a formal request.

In commenting on the matter, Mr. Marget said that he endorsed the proposition because it appeared desirable for members of the Board's staff to travel in the foreign areas for which they have responsibility and also because Mr. Irvine's services apparently would be helpful to the Bank of Japan.

After Governor Szymczak had stated he would be inclined to look with favor on the proposal if the necessary administrative details were worked out satisfactorily, Governor Robertson raised a question with respect to payment of expenses relating to travel of this kind, stating that in his view it should be the general practice of the Board to pay all expenses, including salary, travel, and subsistence, when a member of its staff is authorized to undertake an assignment in a foreign area.

Following comments by Mr. Marget regarding the customary arrangements for payment of expenses of foreign missions, including assignments made at the request of interested agencies of the United States Government, Chairman Martin said that he was inclined to agree with the point of view expressed by Governor Robertson.

At the conclusion of the discussion, Mr. Marget was authorized to discuss with New York representatives of the Bank of Japan the arrangements under which Mr. Irvine might be made available to that Bank for consultation, with the understanding that a formal request for Mr. Irvine's services would be regarded favorably by the Board and with the further understanding that,

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unless the anticipated request of the Bank of Japan made some other arrangement seem more desirable, the Board would prefer to pay all of Mr. Irvine's expenses in connection with his visit to the Bank of Japan.

Visit by Mr. Horbett to Center for Latin American Monetary Studies (Item No. 13). Reference was made to a memorandum from Mr. Marget dated June 18, 1957, which had been circulated to the members of the Board, regarding a request from the Director of the Center for Latin American Monetary Studies that a specialist in financial statistics be made available for consultation at meetings in Mexico City for the purpose of setting up a program to train staff members of Latin American central banks in statistical work. The memorandum recommended that Mr. Horbett, Associate Director of the Division of Bank Operations, be selected for this assignment, which would involve his being in Mexico City for a period of approximately three weeks beginning July 7, 1957. It was also recommended that Mr. Horbett's salary and expenses be paid by the Board of Governors and that a per diem at the rate of \$12 be authorized. A draft of letter to the Center for Latin American Monetary Studies was submitted with the memorandum.

The recommendations contained in Mr. Marget's memorandum were approved unanimously along with the proposed letter to the Center for Latin American Monetary Studies, a copy of which is attached to these minutes as Item No. 13.

Study of the banking situation in Arizona. At the Board's request, the Federal Reserve Bank of San Francisco last year made a study of the

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banking situation in the State of Arizona and submitted a report to the Board. Earlier this year, members of the Reserve Bank's staff met with the Board to discuss the report and subsequently the Board transmitted a copy of the report to the Department of Justice for its information. A letter had now been received from the Department of Justice raising certain questions, and a proposed reply was in circulation to the members of the Board.

In this connection, Governor Vardaman suggested that it might be advisable to furnish copies of the report to the interested member banks in the State of Arizona. He said that during his recent trip to the West Coast, this matter had been mentioned to him by an official of one of the banks concerned. It was Governor Vardaman's opinion that, if the study suggested possible action by the Board or the Department of Justice against the Arizona member banks, they should be informed of the contents of the report so as to be in a position to meet whatever charges might be made.

Governor Robertson agreed that before any action was taken the banks in question should be given an opportunity to express themselves. However, he did not feel that copies of the report should be furnished to the banks at this time because the Board had not yet reached a conclusion as to what, if any, further action should be taken on the basis of the recommendations made by the staff of the Federal Reserve Bank of San Francisco. In any event, he felt that the affected banks should receive only the portion of the report dealing with the factual and economic situation, and not the portion containing recommendations.

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The views expressed by Governor Mills were along the lines of those stated by Governor Robertson. After discussing the purpose and nature of the study, he suggested that the next step would be for the Board to receive the comments and recommendations of its own staff, so that it might be in a better position to reach tentative conclusions. If at that stage it should appear to the Board that further action was warranted, the factual part of the report could be made available to interested parties and they would be given an opportunity to submit their views.

Mr. Hackley advised that the report was currently in the hands of the Legal Division, from which the Board might expect to receive an analysis and staff recommendation. As had been suggested, consideration of this matter by the Board might result in a decision that nothing further should be done. However, if it appeared to the Board that further steps should be taken, it would seem that there should be additional investigation of the matter before any proceedings were instituted. With respect to the Department of Justice, it appeared from the correspondence to date that, after receiving the Board's views, the Department might want to undertake its own investigation.

At the conclusion of the discussion, it was agreed that the suggestion of Governor Vardaman would be held in abeyance pending receipt by the Board of the staff memorandum referred to by Mr. Hackley.

Testimony before the Small Business Subcommittee. There was a brief discussion of Chairman Martin's testimony yesterday before the Subcommittee on Small Business of the Senate Banking and Currency Committee, particularly

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the portions of the testimony having to do with a study of the small business financing problem.

Chairman Martin reported that he had been pressed on this matter by Senators Fulbright and Sparkman, that an effort had been made to secure a commitment that the Board would undertake a comprehensive study and submit at least an interim report to the Congress by about March 1, 1958, and that his response had been in terms of avoiding any such commitment pending further consideration of the matter by the Board. He said that he would prefer to await receipt of a transcript of the hearings before any final decision was made, although it was his personal view that the Board should undertake a study of the small business financing problem.

Governor Vardaman then repeated the reasons he had stated during previous discussions of the matter which led him to believe that the study should more properly be conducted by some other agency, or at least that the Board should confine its participation to the area of commercial banking practices.

Following further comments on the matter, it was understood that the Board would consider the subject after the transcript of the hearings was available.

Operation Alert 1957. Governor Robertson read a letter from the Office of Defense Mobilization raising certain questions in connection with the preattack phase of Operation Alert 1957. He was authorized to make such response as seemed appropriate following discussion with members of the Board's staff.

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The meeting then adjourned.

Secretary's Notes: On June 19, 1957, Governor Shepardson approved on behalf of the Board the recommendation contained in a memorandum dated June 6, 1957, from Mr. Johnson, Director, Division of Personnel Administration, that John C. Brenman be transferred from the position of General Assistant in the Office of the Secretary to the position of Personnel Assistant in the Division of Personnel Administration, with an increase in basic salary from \$6,725 to \$7,035 per annum, effective the date he assumes his new duties.

Pursuant to recommendations contained in memoranda from appropriate individuals concerned, Governor Robertson, acting in the absence of Governor Shepardson, approved today on behalf of the Board the following items regarding the Board's staff:

Appointments

Anne English Stewart as Librarian, Division of Research and Statistics, with basic salary at the rate of \$4,525 per annum, effective the date she assumes her duties.

P. D. Maddox as Guard, Division of Administrative Services, with basic salary at the rate of \$2,960 per annum, effective the date he assumes his duties.

Acceptance of resignations

Valeria J. Humburg, Records Clerk, Office of the Secretary, effective June 28, 1957.

David W. Southard, Chauffeur, Division of Administrative Services, effective June 21, 1957.

Governor Robertson also approved today on behalf of the Board letters to the Federal Reserve Banks of New York, Philadelphia, and San Francisco approving the appointments of the following persons as assistant examiners:

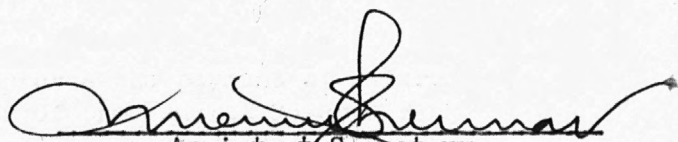
Edward A. Brasseur	New York
Jay R. Powell	New York

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Norman L. Benn	Philadelphia
Donald J. Dito	San Francisco

Copies of the letters are attached hereto as
Items 14, 15, and 16, respectively.


Assistant Secretary

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

Item No. 1
6/21/57

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

June 21, 1957



CONFIDENTIAL (FR)

Mr. Delos C. Johns, President,
Federal Reserve Bank of St. Louis,
St. Louis 2, Missouri.

Dear Mr. Johns:

The Board of Governors approves the payment of salary to Mr. Janes M. Geiger as an officer of the Federal Reserve Bank of St. Louis with the title of Assistant Vice President for the period June 16, 1957, through December 31, 1957, at the annual rate of \$10,600, as fixed by the Board of Directors of your Bank and reported in your letter of June 13, 1957.

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
6/21/57

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

June 21, 1957

CONFIDENTIAL (FR)

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

Dear Mr. Leedy:

The Board of Governors approves the payment of salary to Mr. Willard Edwards as an officer of the Federal Reserve Bank of Kansas City with the title of Director of Personnel, for the period July 1, 1957, through December 31, 1957, at the rate of \$11,000 per annum, which is the rate fixed by the Board of Directors as reported in your letter of June 7, 1957.

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
6/21/57

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

June 21, 1957



Mr. Frank C. Gilbody,
Assistant Vice President,
Federal Reserve Bank of Boston,
Boston, Massachusetts.

Dear Mr. Gilbody:

This refers to your letter of June 14, regarding the penalty of \$187.87 incurred by the Pittsfield National Bank, Pittsfield, Massachusetts, on a deficiency in its required reserves for the semimonthly period ended May 31.

It is noted that the deficiency resulted from a posting error on the member bank's general ledger and that it has an unbroken record of reserve maintenance for over 10 years.

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

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
6/21/57

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

June 21, 1957



Mr. Frank T. Mitchell,
Vice President & Manager Overseas Division,
The First National City Bank of New York,
55 Wall Street,
New York 15, New York.

Dear Sir:

This refers to your letter of June 3, 1957 enclosing a photostat of a letter dated May 24, 1957, from Fiscal Assistant Secretary of the Treasury W. T. Heffelfinger relative to the request of the Treasury Department that your bank establish a Currency Conversion Outlet in the Passenger Terminal at Clark Field Air Force Base, Philippine Islands. It is understood that the proposed facility will be an adjunct to your branch at Clark Field.

The Board of Governors will interpose no objection to The First National City Bank of New York establishing and operating the Currency Conversion Outlet facility as described which, on the basis of the services proposed to be rendered, will not be considered as a branch by the Board.

It will be appreciated if you will advise the Board of Governors in writing, through the Federal Reserve Bank of New York, as to the date the facility is placed in operation.

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
6/21/57

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

June 21, 1957



Mr. E. C. Hill, Vice President,
Federal Reserve Bank of Philadelphia,
Philadelphia 1, Pennsylvania.

Dear Mr. Hill:

This refers to your letter of May 20, 1957, with respect to the merger of The Penn Valley National Bank of Hatfield, Pennsylvania, with and into Montgomery County Trust Company,*Norristown, Pennsylvania, and the condition prescribed by the Board that shares of the dissenting stockholders of both parties to the merger, which may be acquired by the surviving institution, be sold within six months after the merger is effected.

It is noted that the Secretary of Banking of the Commonwealth of Pennsylvania has called attention to the fact that in the case of mergers under the Pennsylvania law, a surviving institution might acquire the shares of dissenting shareholders quite some time after the merger is effected, possibly later than six months. The Board, of course, would be reasonable in demanding compliance with this condition and in extraordinary cases, upon show of proper cause, would extend for a reasonable period the time within which disposal of such acquired shares must be effected. In future similar cases where such a condition is imposed, the Board will bear in mind your recommendation that the condition require disposal of such stock within six months after acquisition.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Assistant Secretary.

*Should have read: Montgomery County Bank and Trust Company

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON 25, D. C.

Item No. 6
6/21/57

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD



June 21, 1957

Board of Directors,
Girard Trust Corn Exchange Bank,
Philadelphia, Pennsylvania.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of Philadelphia, the Board of Governors of the Federal Reserve System approves the establishment of a branch in the 7100 block, Stenton Avenue, Philadelphia, Pennsylvania, by Girard Trust Corn Exchange Bank, Philadelphia, Pennsylvania, provided the branch is established within one year from the date of this letter and the approval of the State authorities is in effect as of the date of its establishment.

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
6/21/57

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

June 21, 1957

Board of Directors,
The Home Banking Company,
Saint Marys, Ohio.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of Cleveland, the Board of Governors of the Federal Reserve System approves the establishment of a branch by The Home Banking Company, Saint Marys, Ohio, on State Route No. 29, about one mile west of the main office, in the unincorporated area of Saint Marys Township, Ohio, provided the branch is established by May 21, 1958, and the approval of the State authorities is in effect as of the date of the establishment of the branch.

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
6/21/57

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD



June 21, 1957

Board of Directors,
The Harter Bank & Trust Company,
Canton 2, Ohio.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of Cleveland, the Board of Governors of the Federal Reserve System approves the establishment of a branch by The Harter Bank & Trust Company, Canton, Ohio, on the northwest corner of the intersection of 30th Street and Cromer Avenue in Plain Township, Ohio, provided the branch is established by May 21, 1958, and the approval of the State authorities is in effect as of the date the branch is established.

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
6/21/57

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD



June 21, 1957

Mr. H. M. Boyd, Chief Examiner,
Federal Reserve Bank of Cleveland,
Cleveland 1, Ohio.

Dear Mr. Boyd:

Reference is made to your letter of June 7, 1957, regarding an extension of time within which The Toledo Trust Company, Toledo, Ohio, may establish a branch at the southeast corner of Central Avenue and Secor Road, in Toledo.

In view of the information which you have submitted and your favorable recommendation, the Board of Governors extends to August 1, 1957, the time within which The Toledo Trust Company may establish a branch at the above location.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Assistant Secretary.

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

Item No. 10
6/21/57

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD



June 21, 1957

Mr. E. R. Millard, Vice President,
Federal Reserve Bank of San Francisco,
San Francisco 20, California.

Dear Mr. Millard:

As recommended in your letter of June 7,
1957, the Board of Governors extends to June 2, 1958,
the time within which American Trust Company, San Francisco,
California, may establish a branch in the vicinity of
18th and A Streets, Antioch, California.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Assistant Secretary.

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

Item No. 11
6/21/57

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

June 21, 1957

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

Attention Mr. W. M. Taylor,
Deputy Comptroller of the Currency.

Dear Mr. Comptroller:

Reference is made to a letter from your office dated April 3, 1957, enclosing copies of an application to organize a national bank at Greenville, South Carolina, and requesting a recommendation as to whether or not the application should be approved.

A report of investigation of the application made by an examiner for the Federal Reserve Bank of Richmond discloses that a merger of two of the three national banks now operating in Greenville is pending which will result in the community being served by one national bank with headquarters in Charleston and one locally-owned and managed national bank. It appears, also, that a national bank in Columbia and a second national bank in Charleston have filed applications for permission to establish branches in Greenville.

From the information available it appears that the capital structure of the proposed bank would not be adequate to permit effective competition with other institutions for desirable business, and it is questionable whether the volume of business to be acquired on such a basis would permit adequate profits. The proposed directors of the institution are well regarded but lack experience in the operation of a commercial bank and since the operating officials have not been selected, the management factor cannot be regarded as entirely satisfactory at this time. Also, the local competitive situation could be altered greatly by establishment of one or both of the branches of out-of-town banks for which applications are now pending. In the circumstances, the Board of Governors does not feel justified in recommending approval of the application.

Comptroller of the Currency - 2 -

It appears, however, that the Greenville community could support another locally-owned commercial bank having adequate capital and experienced management, especially if the two branch applications referred to are not approved. Therefore, if the proponents should offer to provide adequate capital and management satisfactory to your office, the Board would be inclined to recommend approval of the application.

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

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Assistant Secretary.

UNITED STATES OF AMERICA

Item No. 12
6/21/57

BEFORE THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

In the Matter of the Application of	DOCKET NO.
TRANSAMERICA CORPORATION	BHC-28
relating to	
OCCIDENTAL LIFE INSURANCE COMPANY OF CALIFORNIA	

ORDER GRANTING REQUEST FOR ORAL ARGUMENT

This matter coming on this day for consideration on Trans-
america Corporation's Request for Oral Argument, it is ORDERED
that:

This matter be set down for oral argument before the Board
on July 9, 1957, at 2:00 p.m. at the offices of the Board in
Washington, D. C.

This 21st day of June 1957.

By the Board.

(SEAL)

(Signed) Merritt Sherman

Merritt Sherman,
Assistant Secretary.

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON 25, D. C.

Item No. 13
6/21/57

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

June 21, 1957



Mr. Javier Marquez, Director,
Centro de Estudios Monetarios Latinoamericanos,
San Juan de Letran No. 2 - Piso 32,
Mexico 1, D. F.

Dear Mr. Marquez:

This letter is in response to your request of June 7 that a specialist in financial statistics be designated to participate in discussions about a program for training members of the staff of central banks in Latin America in statistical work.

I am glad to inform you that the Board of Governors has acted favorably on this request. Mr. J. E. Horbett, Associate Director, Division of Bank Operations, has been designated for this assignment, which it is understood will last approximately three weeks. Unless he hears from you to the contrary, Mr. Horbett will plan to arrive in Mexico City on Sunday, July 7. If you have any further word about the arrangements or the work of the group, it is suggested that you write directly to Mr. Horbett.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Assistant Secretary.

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

Item No. 14
6/21/57

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD



June 21, 1957

Mr. A. Phelan, Vice President,
Federal Reserve Bank of New York,
New York 45, New York.

Dear Mr. Phelan:

In accordance with the request contained in your letter of June 14, 1957, the Board approves the appointment of Edward A. Brasseur and Jay R. Powell as assistant examiners for the Federal Reserve Bank of New York. Please advise as to the dates upon which the appointments are made effective.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Assistant Secretary.

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

Item No. 15
6/21/57

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

June 21, 1957

Mr. Joseph R. Campbell,
Assistant Vice President,
Federal Reserve Bank of Philadelphia,
Philadelphia 1, Pennsylvania.

Dear Mr. Campbell:

In accordance with the request contained in your letter of June 17, 1957, the Board approves the appointment of Norman L. Benn, as an assistant examiner for the Federal Reserve Bank of Philadelphia. Please advise as to the date upon which the appointment is made effective.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Assistant Secretary.



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

Item No. 16
6/21/57

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

June 21, 1957

Mr. R. H. Morrill, Vice President,
Federal Reserve Bank of San Francisco,
San Francisco 20, California.

Dear Mr. Morrill:

In accordance with the request contained in your letter of June 14, 1957, the Board approves the appointment of Donald J. Dito, as an assistant examiner for the Federal Reserve Bank of San Francisco. Please advise as to the date upon which the appointment is made effective.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Assistant Secretary.

