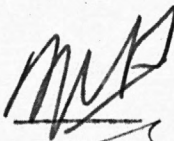


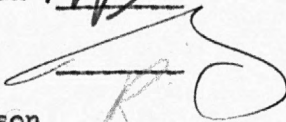
The attached minutes of the Board of  
Governors for October 11, 1957, which you have  
previously initialed, have been amended to insert  
at page 11 an item from executive session which  
was inadvertently omitted from the minutes.

If you approve these minutes as amended,  
please initial below.

Governor Szymczak



Governor Mills



Governor Robertson





Minutes for October 11, 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 <u>1/</u>	_____	x _____
Gov. Mills	x <u>[Signature]</u>	_____
Gov. Robertson	x <u>R</u>	_____
Gov. Balderston	x <u>CAB</u>	_____
Gov. Shepardson	x <u>[Signature]</u>	_____

1/ In accordance with Governor Shepardson's memorandum of March 8, 1957, these minutes are not being sent to Governor Vardaman for initial.



Minutes of actions taken by the Board of Governors of the Federal Reserve System on Friday, October 11, 1957. 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. Kenyon, Assistant Secretary  
Mr. Marget, Director, Division of International Finance  
Mr. Masters, Director, Division of Examinations  
Mr. Horbett, Associate Director, Division of Bank Operations  
Mr. Solomon, Assistant General Counsel  
Mr. Benner, Assistant Director, Division of Examinations  
Mr. Farrell, Assistant Director, Division of Bank Operations  
Mr. Hexter, Assistant General Counsel  
Mr. Furth, Chief, International Financial Operations Section, Division of International Finance

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

Letter to the Federal Reserve Bank of Boston approving the appointment of George E. Wells as Alternate Assistant Federal Reserve Agent.

Item No.  
1

Letter to California Bank, Los Angeles, California, approving the establishment of a branch in the vicinity of the intersection of La Brea Avenue and Rodeo Road. (For transmittal through the Federal Reserve Bank of San Francisco)

2



10/11/57

-2-

Item No.

Letter to First Independent Bank, Vancouver, Washington, approving the establishment of a branch in the McLoughlin Heights area of Vancouver. (For transmittal through the Federal Reserve Bank of San Francisco)

3

Letter to the Comptroller of the Currency submitting an unfavorable recommendation with respect to an application to organize a national bank at Victoria, Texas. (With a copy to the Federal Reserve Bank of Dallas)

4

Letter to the Chairman of the Conference of Presidents enclosing a copy of a letter from the Federal Reserve Bank of Chicago regarding currency collections and suggesting that the question be referred to an appropriate committee of the Presidents' Conference for study. (With a copy of the Board's letter to be sent to the Chicago Reserve Bank)

5, 6

Telegram to the Federal Reserve Bank of New York approving the opening and maintenance of an account for Banque Nationale de la Republique d'Haiti.

7

Letter to the Federal Reserve Bank of New York authorizing the Bank to act as fiscal agent in respect to a proposed issue of bonds of the International Bank for Reconstruction and Development.

8

Letter to the Presidents of the Federal Reserve Banks requesting, as a regular procedure, tabulations of reports of condition of weekly reporting member banks at each call date.

9

Letter to the Chairman of the Senate Committee on Labor and Public Welfare reporting on bill S.2888, which would provide for registration, reporting, and disclosure of employee welfare and pension benefit plans. (With a copy to the Bureau of the Budget)

10



10/11/57

-3-

In connection with the approval of Item No. 10, Governor Mills observed that this proposed legislation was controversial, some banks and trust companies, as well as insurance companies, having reservations about the reporting requirements.

Discount rates. Telegrams to the following Federal Reserve Banks approving the establishment without change on the dates indicated of the rates on discounts and advances in their existing schedules were approved unanimously:

Boston	October 7
Kansas City	October 8
San Francisco	October 9
New York	October 10
Cleveland	October 10
Richmond	October 10
Atlanta	October 10
St. Louis	October 10
Minneapolis	October 10
Dallas	October 10

Messrs. Marget and Furth then withdrew from the meeting and Mr. Young, Director, Division of Research and Statistics, entered the room.

Application of Pascagoula-Moss Point Bank for membership in the System. At the meeting on October 7, 1957, the Board gave preliminary consideration to the application of Pascagoula-Moss Point Bank, Moss Point, Mississippi, for membership in the Federal Reserve System and decided to invite Mr. Bryan, President of the Federal Reserve Bank of Atlanta, to meet with the Board and present his views. Subsequently,



10/11/57

-4-

it was ascertained that Mr. Bryan could not meet with the Board this week because of previous commitments. However, he sent to the Board a letter dated October 7, 1957, in which he discussed the applicant bank's condition, management, and prospects, along with the reasons why the Reserve Bank was anxious to have the bank admitted to membership. The letter brought out that the Reserve Bank had been endeavoring to create an atmosphere favorable to membership on the part of banks in the State of Mississippi, that the present application was strategic from the standpoint of the Reserve Bank's efforts, and that denial of the application or the inclusion of special conditions unacceptable to the applicant might set back the membership movement to a considerable extent.

At the request of the Board, Mr. Masters reviewed the applicant bank's lending and investment policies, earnings record, management, and capital position. He pointed out that, as developed in the material submitted to the Board by the Division of Examinations concerning this application, the bank made a favorable showing in a number of respects. However, it had followed a practice of extremely heavy investment in municipal securities, with a fairly large concentration existing in substandard Group 2 securities. The investments included securities which would not be eligible for purchase if the bank were a member of the Federal Reserve System, and about 40 per cent of the municipal issues were of rather long maturity. As a consequence, the liquidity of the bank left a great deal to be desired,



10/11/57

-5-

and it seemed questionable how the bank would fare in the event of a drain on its deposits. If the present policy of heavy investment in municipal obligations were continued - and it seemed doubtful whether the present management could be persuaded to change its policy - the bank apparently should have additional capital.

Mr. Masters then stated that President Bryan's letter, which was essentially a plea for the Board to accept the bank into membership without special conditions, added little to the factual information previously available to the Division of Examinations. In discussing the alternatives available to the Board, Mr. Masters suggested that one course would be to approve the application without any special conditions, but with an admonitory paragraph in the letter to the applicant bank which would show that the Board recognized the existence of a problem and would look to the management for corrective action. Another possibility would be to defer action on the application until the Atlanta Reserve Bank could meet with the management of the applicant bank and explore possibilities for changing the present situation. Once commitments were obtained or corrective steps taken, the matter could then be brought back to the Board for further consideration. Still another possibility, if the Board was inclined to agree with the Division of Examinations that the provision of additional capital should be a condition of membership and the applicant bank was unwilling, or perhaps unable, to meet that condition, would be to arrange with the Reserve Bank to



10/11/57

-6-

have the application withdrawn.

Governor Mills stated that, on the straight facts of the case, he did not believe that the application should be approved until the Moss Point bank had improved its position, especially through reduction of its holdings of municipal securities and substitution of other investments of better quality, particularly United States Government securities. This would improve the bank's continuing liquidity against its very substantial amount of public deposits and other deposits of a volatile nature, while he was not sure whether a requirement calling for additional capital would take care of the problem created by the tendency of the bank's management to indulge itself in purchases of municipal securities. At the same time, he gained the impression from the file on the case that the Federal Reserve Bank of Atlanta, which naturally was interested in encouraging System membership, had already reached a position with respect to the application which would create embarrassment if the application should be rejected. With that in mind, and in the light of Mr. Bryan's letter, he was inclined to feel that the Board should approve the application and that the System should then work through bank supervisory procedures to do whatever could be done to achieve improvement in the investment policies of the applicant institution. The mere fact that the bank's loans were liquid and sound did not, in his opinion, make a case that the bank was eligible for System membership if it followed poor practices in its municipal bond



10/11/57

-7-

investments.

Mr. Masters then read a draft of language emphasizing the need for additional capital which might be included in the letter admitting the bank to membership if the Board should decide to approve the application. This would be in addition to a paragraph already proposed which would call attention to the bank's investment policy, but it would substitute for a specific condition of membership requiring an increase in aggregate capital structure of not less than \$400,000 within one year of the date of admission to membership. Although such language would not have the strength and effect of a condition of membership, it would show that the Board recognized the features of the applicant bank's condition which were unusual. The Federal Reserve Bank, he pointed out, felt that it could work effectively with this bank after admission to membership, and perhaps various factors, including the bank's desire for membership, had created an atmosphere such as to give the Reserve Bank confidence about what it could accomplish.

Chairman Martin said it seemed rather unfortunate that the Reserve Bank had carried the matter as far as it had, but he observed that the attitudes in the area where the applicant bank is located present something of a problem. In these circumstances, he suggested that the Board might wish to refrain if possible from taking an action which would make the position of the Reserve Bank more difficult.



10/11/57

-8-

Governor Robertson agreed with Governor Mills that the application, if appraised strictly according to the facts, should be denied and the applicant bank not admitted to membership at this time. He recognized, however, the possibility that negotiations between the Reserve Bank and the Moss Point bank had proceeded to a point which made the situation more complicated. He then referred to the report of examination of the Moss Point bank which was made by the Federal Deposit Insurance Corporation as of August 17, 1956, particularly certain comments which made it seem possible that the bank was interested in System membership primarily because of a desire to escape supervision by the Corporation. One issue about which he expressed some concern related to the proposal of the Moss Point bank to retire certain preferred stock. In the light of this situation, Governor Robertson suggested that the Atlanta Reserve Bank be given an opportunity to go back to the applicant bank and explore further the possibility of obtaining correction of the bank's problems, after which the matter could be considered further by the Board.

Governor Szymczak expressed the view that such a course of action would seem reasonable, particularly in the light of experience with other cases where the Board had leaned backward to admit a bank to membership and then had not received cooperation in bringing about the correction of criticizable matters.

From further discussion of the application, it developed to



10/11/57

-9-

be the view of the Board that it would be desirable to clarify whether the applicant bank's desire for System membership was motivated by supervisory problems encountered as a nonmember insured bank, particularly whether the retirement of preferred stock, understood to have been already carried out, was accomplished with the full approval of the Federal Deposit Insurance Corporation. In this connection, it was also suggested that the Division of Examinations ascertain whether there had been an examination of the bank by the Corporation since August 17, 1956, and if so, what criticisms were made.

At the conclusion of the discussion, it was agreed unanimously to defer further consideration of the application pending clarification of the questions raised at this meeting.

Messrs. Masters, Hexter, and Benner then withdrew from the meeting.

Furniture and equipment for Louisville Branch; modernization of protective and alarm systems at Cincinnati Branch (Items 11 and 12).

There had been circulated to the members of the Board files relating to (1) proposed expenditures of approximately \$268,000 for furniture and equipment for the new Louisville Branch building; and (2) a proposed expenditure of approximately \$80,000 to modernize the electric protective and alarm systems at the Cincinnati Branch. While provision for these expenditures has been made in the 1958 budgets of the respective Reserve Banks, the Banks were desirous of clearing the matters in advance of action by the Board on the annual budget



10/11/57

-10-

in order that the programs might be carried forward without undue delay. In each instance, it was the recommendation of the Division of Bank Operations that no objection be interposed.

Following comments by Mr. Farrell in amplification of the memoranda which had been circulated to the Board by the Division of Bank Operations, unanimous approval was given to letters to the Federal Reserve Banks of St. Louis and Cleveland in the form attached hereto as Items 11 and 12, respectively.

Interagency meeting. At the meeting on October 9, 1957, Mr. Young was authorized to represent the Board at an interagency meeting called by the Council of Economic Advisers for the purpose of discussing United States budget projections and related material.

Mr. Young commented at this time on the interagency meeting, which was held yesterday. He said that the discussion was one of a preliminary nature looking toward the preparation of the President's Economic Report, the principal question before the group being that of economic developments which might be expected during the next twelve months. As background, he said, the participants had the benefit of a report by an interagency technical group which suggested the likelihood of a continuing sidewise movement in the economy in physical terms, and possibly in value terms also. However, the discussion based on this presentation revealed substantial differences of opinion regarding the economic outlook. While some doubt



10/11/57

-11-

was cast on the prospect of a continued sidewise movement, none present seemed disposed to make a strong case that the trend of the economy would be in any particular direction. Accordingly, the discussion concluded rather indecisively.

Mr. Young then commented, in response to questions by members of the Board, concerning current developments in various segments of the economy and their possible relationship to future trends.

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

Federal Reserve Bank budgets for 1958. Chairman Martin later informed the Secretary that during the executive session the Board gave further consideration to the suggestion at the meeting on September 12, 1957, regarding the appointment of a committee of the Board to consider the proposed Federal Reserve Bank budgets for 1958, and also salary recommendations for Reserve Bank officers, before they were submitted to the full Board, and that a committee consisting of Governors Szymczak, Mills, and Shepardson was appointed for this purpose.

The meeting then adjourned.

Secretary's Notes: On October 10, 1957, Governor Shepardson approved on behalf of the Board a letter to the Federal Reserve Bank of Boston approving the designation of Ruth C. Aronson and Robert E. Grant as special assistant examiners. A copy of the letter is attached as Item No. 13.



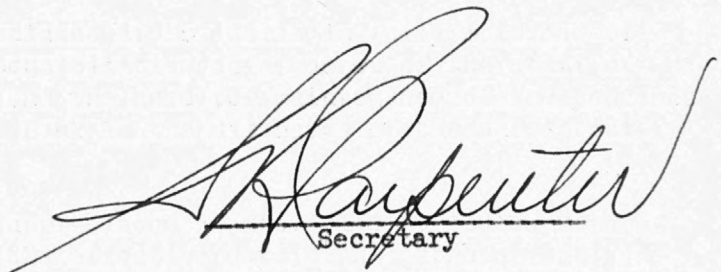
10/11/57

-12-

Governor Shepardson today approved on behalf of the Board the following items, copies of which are attached under the respective item numbers indicated:

	<u>Item No.</u>
Telegram to the Federal Reserve Bank of Boston approving the designation of David Anderson as special assistant examiner.	14
Letter to the Federal Reserve Bank of New York approving the appointment of John C. Houhoulis as assistant examiner.	15
Letter to the Federal Reserve Bank of Atlanta approving the designation of Carleton William Sturtevant as special assistant examiner.	16

Pursuant to recommendations contained in memoranda from appropriate individuals concerned, Governor Shepardson approved on behalf of the Board on October 10, 1957, an increase in the basic annual salary of Lucile R. MacLean, Librarian in the Division of Research and Statistics, from \$4,930 to \$5,440, effective October 20, 1957, and an extension of the effective date of the resignation of Gladys I. Rooks, Index Clerk in the Office of the Secretary, from October 11, 1957, to October 18, 1957.

  
Secretary



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

Item No. 1  
10/11/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

October 14, 1957



Mr. Robert C. Sprague,  
Federal Reserve Agent,  
Federal Reserve Bank of Boston,  
Boston 6, Massachusetts.

Dear Mr. Sprague:

In accordance with the request contained in your letter of September 30, 1957, the Board of Governors approves the appointment of Mr. George E. Wells as Alternate Assistant Federal Reserve Agent at the Federal Reserve Bank of Boston.

This approval is given with the understanding that Mr. Wells will be solely responsible to the Federal Reserve Agent and the Board of Governors for the proper performance of his duties, except that, during the absence or disability of the Federal Reserve Agent or a vacancy in that office, his responsibility will be to the Assistant Federal Reserve Agent and the Board of Governors.

When not engaged in the performance of his duties as Alternate Assistant Federal Reserve Agent he may, with the approval of the Federal Reserve Agent and the President, perform such work for the Bank as will not be inconsistent with his duties as Alternate Assistant Federal Reserve Agent.

It will be appreciated if Mr. Wells is fully informed of the importance of his responsibilities as a member of the staff of the Federal Reserve Agent and the need for maintenance of independence from the operations of the Bank in the discharge of these responsibilities.

It will also be appreciated if Mr. Wells' executed Oath of Office, with advice as to the effective date of his appointment, is forwarded to the Board.

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  
10/11/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

October 11, 1957

Board of Directors,  
California Bank,  
Los Angeles, California.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of San Francisco, the Board of Governors approves the establishment of a branch in the vicinity of the intersection of La Brea Avenue and Rodeo Road, Los Angeles, California, by California Bank, Los Angeles, California, provided the branch is established within one year from the date of this letter and that formal approval of the Superintendent of Banks of the State of California is effective at the time the branch is established.

Very truly yours,

(Signed) S. R. Carpenter

S. R. Carpenter,  
Secretary.





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

Item No. 3  
10/11/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

October 14, 1957

Board of Directors,  
First Independent Bank,  
Vancouver, Washington.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of San Francisco, the Board of Governors approves the establishment of a branch either near the intersection of Mill Plain and Devine Roads or near the intersection of Mill Plain Road and 66th Avenue in the McLoughlin Heights area of Vancouver, Washington, by First Independent Bank, Vancouver, Washington, provided the branch is established within one year from the date of this letter and that formal approval of the Washington State Banking authorities is effective at the time 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. 4  
10/11/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

October 14, 1957

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

Attention Mr. G. W. Garwood,  
Deputy Comptroller of the Currency.

Dear Mr. Comptroller:

Reference is made to a letter from your office dated July 29, 1957, enclosing copies of an application to organize a national bank at Victoria, Texas, 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 Dallas indicates that the proposed capital structure of the bank would be adequate. However, based upon the information available, it appears that the prospects for profitable operations of the bank are not very favorable, the proposed management is lacking in the qualifications believed necessary to meet the existing competition in the community on an equal basis, and there does not appear to be a sufficient need for the bank at this time. In view of the unfavorable factors in this situation, the Board of Governors does not feel justified in recommending approval of the application.

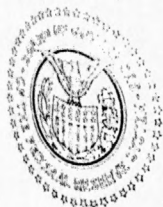
The Board's Division of Examinations will be glad to discuss any aspects of this case with representatives of your office if you so desire.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,  
Assistant Secretary.





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

2887

Item No. 5  
10/11/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

October 11, 1957

Mr. H. G. Leedy, Chairman,  
Conference of Presidents,  
c/o Federal Reserve Bank of Kansas City,  
Kansas City 6, Missouri.

Dear Mr. Leedy:

Enclosed is a copy of a letter from President Allen of the Federal Reserve Bank of Chicago concerning currency collections. As Mr. Allen mentions this matter appears to have System aspects, and accordingly it is suggested that it be referred to an appropriate Committee of the Presidents' Conference.

Very truly yours,

(Signed) S. R. Carpenter

S. R. Carpenter,  
Secretary.

Enclosure



# FEDERAL RESERVE BANK OF CHICAGO

2888

OFFICE OF THE PRESIDENT



Item No. 6  
10/11/57

September 27, 1957

Board of Governors of the  
Federal Reserve System  
Washington 25, D. C.

Gentlemen:

Over the years this bank has accumulated a currency collection represented by bills of different denominations which in face value aggregate \$62,761. At the times when the bills were placed in the collection they appeared to be of special interest or perhaps to have collector value.

Many of the items are probably worth only their face value. Some of them, however, would doubtless be worth more than face value to collectors. We have been advised by one collector that a few of the items are quite valuable.

Our collection is not in condition to be shown as a collection. Furthermore, we do not have a complete technical description of every item, and such a description would require time and expense to assemble. That could be done, either by listing the items in detail or by filming them. We have talked with the Secret Service on the subject of filming, and the Secret Service has advised us that it would be in order to take pictures of each item for the purpose of inventory. The Secret Service advises further that we could show the pictures to other Federal Reserve Banks or to small groups of collectors, but they would not want us to make a public showing.

Our collection in its present form is a nuisance rather than an asset because it is not in condition to



Board of Governors of the  
Federal Reserve System

September 27, 1957

be shown and because it takes up valuable space. We believe, therefore, that we should make a decision as to whether to spend the money and time required to place and maintain the collection in condition where it can be shown from time to time, or whether we should dispose of it entirely, realizing the profit on those items which have collector value if to do so is in order.

We understand that at least one of the other Federal Reserve Banks has a collection which is on public display. It occurs to us that perhaps other Federal Reserve Banks have collections similar to ours, which in their present condition are a nuisance rather than an asset. We feel that consideration might be given to making inquiry of each bank and possibly reaching a decision, depending upon the information obtained, as to whether a number of collections which are presently in nuisance form should be assembled in one location for public display.

This matter appears to have System aspects, which is our reason for addressing this letter to you. We can, of course, proceed to dispose of our collection as we see fit, if you have no objection to our so doing, but we shall appreciate advice as to whether it will be in order to reach our own decision in the matter or whether a System study is preferable.

Sincerely yours,

*C. S. Allen*



**TELEGRAM**  
**BOARD OF GOVERNORS**  
**OF THE**  
**FEDERAL RESERVE SYSTEM**  
**LEASED WIRE SERVICE**  
**WASHINGTON**

Item No. 7  
10/11/57

October 11, 1957

**EXTER - NEW YORK**

Your wire October 10. Board approves the opening and maintenance of an account on your books in the name of the Banque Nationale de la Republique d'Haiti, subject to the usual terms and conditions upon which your Bank maintains accounts for foreign central banks and governments.

It is understood that you will in due course offer participation in this account to other Federal Reserve Banks.

(Signed) S. R. Carpenter  
CARPENTER



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

Item No. 8  
10/11/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

October 11, 1957

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

Dear Mr. Bilby:

This refers to your letter of October 8, 1957, and its enclosures, concerning the proposed issue by the International Bank for Reconstruction and Development of its Twenty-Three-Year Bonds of 1957, due November 1, 1980. In that letter you state that it is proposed to amend Schedule A of the Fiscal Agency Agreement dated as of February 6, 1950 between the International Bank and your Bank to include the bonds in question.

The Board of Governors approves of your Bank acting as Fiscal Agent in respect of the proposed issue by the International Bank of Twenty-Three-Year Bonds of 1957, due November 1, 1980, and approves the execution and delivery by your Bank of an Agreement with the International Bank in the form or substantially in the form of Supplement No. 11 to the Fiscal Agency Agreement dated as of February 6, 1950 between your Bank and the International Bank, enclosed with your letter.

Very truly yours,

(Signed) S. R. Carpenter

S. R. Carpenter,  
Secretary.



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

Item No. 9  
10/11/57  
S-1640

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

October 11, 1957.

Dear Sir:

In order to provide more precise comparisons of the relationship of weekly reporting member banks with all member banks and with all commercial banks at call dates, it is requested that tabulations be made hereafter at each call date of the call reports of condition of the weekly reporting banks in your District. The tabulation should include all items on the call report form, with the exception of the following: item 25 footnote, memoranda items 31 and 32, and Schedules CC, FF, H and I.

These comparisons are being made to study trends of the non-weekly reporting banks and, when call dates are at the end of June and December, to make estimates of end-of-month data from those available for the last Wednesdays of the month. However, since call dates are on Wednesdays only infrequently, these relationships are accurate only to the extent that intraweek movements at weekly reporting member banks are estimated accurately. The compilations will also provide some detail not heretofore available from the condensed statements of condition submitted weekly by the reporting banks.

Since the number of weekly reporting member banks in each district is relatively small, it is hoped that the tabulations may be submitted promptly after each call date; however, they should not be given preference over the preliminary loan and earnings tabulations requested in the Board's letters of March 7, 1951, and December 16, 1947 (F.R.L.S. #3645.2 and #3649).

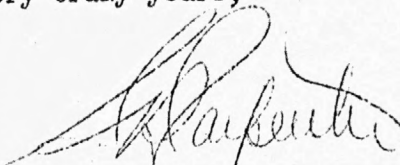
For uniformity and to facilitate the summarization of these data here, the tabulations should be in thousands of dollars on a form F.R. 105. Except for New York and Chicago, where a separate form is desirable for these cities, one form F.R. 105 is sufficient for total district figures. In districts that use the "adjustment bank" plan in compensating for mergers and consolidations of nonreporting banks, the





form should carry a footnote that the figures are subject to the same adjustments as shown on the weekly condition statement (form F. R. 416) for the appropriate Wednesday, i.e., whether for the one preceding or following the call date.

Very truly yours,

A handwritten signature in dark ink, appearing to read "S. R. Carpenter", written in a cursive style.

S. R. Carpenter,  
Secretary.

TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS





BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON

Item No. 10  
10/11/57

OFFICE OF THE CHAIRMAN

October 11, 1957

The Honorable Lister Hill, Chairman,  
Committee on Labor and Public Welfare,  
United States Senate,  
Washington 25, D. C.

Dear Senator Hill:

This is in response to your communication of September 3, 1957, referring to the Board, for consideration and report thereon, the bill S. 2888, which would "provide for registration, reporting, and disclosure of employee welfare and pension benefit plans."

Section 15 of this bill provides that the Secretary of Labor shall consult with the heads of certain departments and agencies, including the Chairman of the Board of Governors of the Federal Reserve System, regarding the administration of the Act. The Board's Chairman would, of course, cooperate with the Secretary of Labor in this manner.

It is noted that section 15 also provides that the heads of the Federal departments and agencies "shall cooperate with the Secretary in furnishing information, data, reports, and such other material as may be necessary to the effective administration and enforcement of this Act." Needless to say, the Board would comply with reasonable requests by the Secretary to furnish information in its possession that would assist the Secretary in carrying out the provisions of this Act. In this connection, thought might be given to amending the provision so as to recognize explicitly the right of each department or agency to determine, in the public interest, the extent to which confidential information should be made available.

From the viewpoint of bank supervision, the Board of Governors sees no objection to legislation requiring registration and reports that would adequately disclose the structure and operations of employee benefit plans.

Sincerely yours,

(Signed) Wm. McC. Martin, Jr.

Wm. McC. Martin, Jr.



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

Item No. 11  
10/11/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD



October 11, 1957

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

Dear Mr. Johns:

Reference is made to your letter of September 12, 1957, stating that the Directors of your Bank have approved expenditures of approximately \$268,000 for furniture and equipment for the new Louisville Branch building.

It is noted that provision for this expenditure is being made in the 1958 budget, but that it is desirable to let the contracts for most of the items prior to the time when the annual budgets are normally acted upon.

The Board will interpose no objection to the proposed furniture and equipment program for the new Louisville Branch as outlined in your letter of September 12, 1957.

Very truly yours,

(Signed) S. R. Carpenter

S. R. Carpenter,  
Secretary.



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

Item No. 12  
10/11/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

October 11, 1957

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

Dear Mr. Fulton:

Reference is made to your letter of September 13, 1957, regarding the proposed expenditure of approximately \$80,000 to renew, modernize, expand, and integrate the electric protective and alarm systems at the Cincinnati Branch, which program has been approved by the Board of Directors of your Bank.

The Board understands that provision for this expenditure is being made in the 1958 budget, but that, if the program is to be completed next year, it will be necessary to give a commitment to the contractor before action is taken on the budget in order that orders may be placed for the equipment and working drawings prepared.

The Board will interpose no objection to the expenditure of approximately \$80,000 for the proposed program.

Very truly yours,

(Signed) S. R. Carpenter

S. R. Carpenter,  
Secretary.





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

2897

Item No. 13  
10/11/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

October 10, 1957

Mr. Benjamin F. Groot,  
Vice President,  
Federal Reserve Bank of Boston,  
Boston 6, Massachusetts.

Dear Mr. Groot:

In accordance with the request contained in your letter of October 3, 1957, the Board approves the designation of Ruth C. Aronson and Robert E. Grant as special assistant examiners for the Federal Reserve Bank of Boston for the purpose of participating in the examinations of Depositors Trust Company, Augusta, Maine; The Merrill Trust Company, Bangor, Maine; The Connecticut Bank and Trust Company, Hartford, Connecticut; and Rhode Island Hospital Trust Company, Providence, Rhode Island.

Very truly yours,

(Signed) S. R. Carpenter

S. R. Carpenter,  
Secretary.



TELEGRAM  
LEASED WIRE SERVICE

2898

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTON

Item No. 14  
10/11/57

October 11, 1957

KING - BOSTON

Reurtel October 9, 1957, Board approves designation of David Anderson as special assistant examiner for the Federal Reserve Bank of Boston with the understanding that he will not be permitted to participate in any examination of Arlington Trust, Lawrence, Massachusetts, until his indebtedness has been liquidated or otherwise eliminated.

(Signed) S. R. Carpenter

CARPENTER





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

2899

Item No. 15  
10/11/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

October 11, 1957

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

Dear Mr. Bilby:

In accordance with the request contained in your letter of October 8, 1957, the Board approves the appointment of John C. Houhoulis 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.

It is noted that you will advise the Board of any changes in Mr. Houhoulis' outline of information which was forwarded to the Board with your letter of September 18, 1956.

Very truly yours,

(Signed) S. R. Carpenter

S. R. Carpenter,  
Secretary.





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

2900

Item No. 16

10/11/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

October 11, 1957

Mr. J. E. Denmark, Vice President,  
Federal Reserve Bank of Atlanta,  
Atlanta 3, Georgia.

Dear Mr. Denmark:

In accordance with the request contained in your letter of October 7, 1957, the Board approves the designation of Carleton William Sturtevant as a special assistant examiner for the Federal Reserve Bank of Atlanta to participate in examinations of State member banks only.

Very truly yours,

(Signed) S. R. Carpenter

S. R. Carpenter,  
Secretary.