

Minutes for December 10, 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 <u>[Signature]</u>	_____
Gov. Mills	x <u>[Signature]</u>	_____
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 Tuesday, December 10, 1957. The Board met in the Board Room at 10:00 a.m.

PRESENT: Mr. Martin, Chairman 1/  
 Mr. Balderston, Vice Chairman  
 Mr. Szymczak 2/  
 Mr. Vardaman 3/  
 Mr. Mills  
 Mr. Robertson  
 Mr. Shepardson

Mr. Carpenter, Secretary  
 Mr. Kenyon, Assistant Secretary  
 Mr. Riefler, Assistant to the Chairman  
 Mr. Young, Director, Division of Research and Statistics  
 Mr. Marget, Director, Division of International Finance  
 Mr. Johnson, Director, Division of Personnel Administration  
 Mr. Hackley, General Counsel  
 Mr. Boothe, Administrator, Office of Defense Loans  
 Mr. Hostrup, Assistant Director, Division of Examinations  
 Mr. Solomon, Assistant General Counsel  
 Mr. Goodman, Assistant Director, Division of Examinations  
 Mr. Benner, Assistant Director, Division of Examinations  
 Mr. Furth, Chief, International Financial Operations Section, Division of International Finance  
 Mr. Davis, Assistant Counsel

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:

1/ Entered meeting at point indicated in minutes.  
2/ Attended morning session only.  
3/ Left meeting and reentered at points indicated in minutes.

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Item No.

- Letter to the Federal Reserve Bank of New York approving revised salary structures applicable to employees of that Bank and its Buffalo Branch. 1
- Letter to the Federal Reserve Bank of Cleveland approving the appointment of Clarence J. Goudreau as Assistant Federal Reserve Agent. 2
- Letter to the Federal Reserve Bank of Chicago approving salary rates proposed for certain specified nonclerical positions. 3
- Letter to First National Bank in Tarentum, Tarentum, Pennsylvania, regarding the applicability of section 19 of the Federal Reserve Act and the Board's Regulation Q to the offering of a set of silverware to new depositors at a new branch office. (With a copy to the Federal Reserve Bank of Cleveland) 4
- Letter to the Comptroller of the Currency requesting his views and recommendations with respect to the application of New Hampshire Bankshares, Inc., Nashua, New Hampshire, for prior approval of the acquisition of up to 60 per cent of the capital stock of The New Hampshire National Bank of Portsmouth. (With a copy to the Federal Reserve Bank of Boston) 5
- Letter to the Federal Deposit Insurance Corporation concerning the application of The Peoples Savings Bank Company, Martins Ferry, Ohio, for continuance of deposit insurance after withdrawal from membership in the Federal Reserve System. 6
- Letter to the Federal Deposit Insurance Corporation granting permission to review and take excerpts from the Board's files on the Devon-North Town State Bank of Chicago in connection with pending litigation. (With a copy to the Federal Reserve Bank of Chicago) 7

In connection with the foregoing Item No. 5, the Secretary pointed out that such letters to the Comptroller of the Currency, and

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similar letters to the State banking authorities involving State banks, are in routine form and are required to be sent pursuant to the provisions of the Bank Holding Company Act. He recalled that thus far such letters had been presented to the Board for approval because of an expressed desire that, at least temporarily, the Board be kept currently informed on matters arising in connection with the administration of the statute.

Following a discussion based on these comments, it was decided that henceforth letters of this kind should be sent administratively and that it would not be necessary to present them to the Board for approval.

At this point Chairman Martin joined the meeting and Messrs. Thomas, Economic Adviser to the Board, and Molony, Special Assistant to the Board, also entered the room. Mr. Johnson withdrew from the meeting at this point.

Application of Brenton Companies (Item No. 8). There had been circulated to the members of the Board a memorandum from the Division of Examinations dated November 26, 1957, and other pertinent papers relating to an application by Brenton Companies, Des Moines, Iowa, filed pursuant to the Bank Holding Company Act, for prior approval of the acquisition of 13 additional shares of Palo Alto County State Bank, Emmetsburg, Iowa. In recommending approval of the application, the Division of Examinations brought out that the applicant already owned

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501 of the 1,500 outstanding shares of the bank's stock. A memorandum from the Legal Division dated December 4, 1957, which also had been circulated to the Board with the file on the application, expressed concurrence in the position of the Division of Examinations and submitted a draft of order which might be issued.

It being apparent from initial discussion that the Board regarded the application favorably, question was raised whether the Board wished the staff to prepare a brief statement of reasons in support of the order so that the procedure in this case might be in line with that followed in other similar cases under the Bank Holding Company Act.

The decision on this question being in the affirmative, the view was expressed that, despite the relative unimportance of this application, it would be desirable as a matter of record to have the case handled in accordance with the customary procedures.

Thereupon, the application of Brenton Companies was approved unanimously, with the understanding that a statement and order would be issued in the form attached hereto under Item No. 8, the order would be published in the Federal Register, a press statement in the usual form would be released, and copies of the statement and order would be sent to the appropriate parties.

Request of American Overseas Finance Company (Item No. 9).

American Overseas Finance Company, New York, New York, had requested the Board's prior consent to the acquisition and holding of up to 10

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per cent of the common stock of Panamerican Commodities, S. A., Lima, Peru, incident to certain proposed financing of the South American company and without additional payment for the stock by the Edge Act corporation. American Overseas also had requested a determination by the Board as to whether it might obtain advance approval to acquire and hold "stock bonuses," subject to the statutory limitations set forth in section 9(d) of Regulation K, or whether it would be necessary to submit individual applications in each case.

In a memorandum dated November 5, 1957, which had been circulated to the members of the Board, Mr. Goodman recommended approval of the application to acquire and hold stock of Panamerican Commodities, S. A., subject to certain stated understandings, including the understanding that the proposed acquisition and holding of stock would be made as an incident to the proposed financing rather than for the primary purpose of making a long-term investment and that the Edge Act corporation would dispose of the stock within a reasonable time after the termination of substantial credit or financing relationships with Panamerican. The memorandum also recommended advising American Overseas that in cases where "stock bonuses" were received incident to loan and credit transactions and without payment for the stock, it would not be necessary to submit individual applications to the Board in each case. This would be subject to the same understandings as in the Panamerican case and would be with the provision that in no case would the amount

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of stock in any corporation so acquired and held represent more than 25 per cent of any class of stock of the corporation. American Overseas would also be requested to submit to the Board promptly certain prescribed information with respect to any such stock acquisitions.

In commenting on the matter, Mr. Goodman stated that the President of American Overseas Finance Company had discussed with him and Mr. Solomon the matter of receiving "stock bonuses" in connection with some of the Company's loan transactions, that the President seemed to have a question whether Board approval in such cases was required, but that it was suggested that any such matter be submitted to the Board in view of the provisions of Regulation K. Mr. Goodman went on to discuss various aspects of the Peruvian transaction and the proposed reply to American Overseas Finance Company, including the portion of the reply which would deal with the procedure that should be followed in the future if the Company should receive stock incident to its lending operations.

Governor Mills then raised a question with respect to the language in the proposed letter which would state that in the Peruvian case and other similar cases American Overseas Finance Company should dispose of stock received incident to financing or credit relationships within a reasonable time after the termination of such relationships. After referring to the status of American Overseas as a "financing" corporation, he called attention to the corporate structure of the company, including its ownership by a holding company, to the

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fact that the company was obviously intended for the purpose of engaging in venture operations, and to the fact that a portion of its profits might be expected to flow from its success in establishing an equity in foreign businesses that it financed. It was his thought that if the Company were required to divest itself of "bonus" shares, that might tend to contradict the purpose for which the Board approved the organization of the Edge Act corporation. Furthermore, by requiring divestment the Board might find itself involved with the problem which would come about if the divestment took the form of a transfer of the "bonus" stock from the operating company to the holding company. For these reasons, it appeared to him that the Board should reconsider the divestment requirement.

In response, Mr. Goodman stated that in considering the current request he had in mind the discussion of the Board in November 1956, at which time the predecessor corporation to American Overseas Finance Company was considering an investment in a Canadian enterprise. At that time, he recalled, the view was expressed that divestment should be required within a reasonable time, say 18 months, after the termination of credit or financing relationships with the proposed Canadian company. Such a provision, he noted, would be in line with the thought that the usefulness of a "financing" corporation would relate to a rolling over of its funds. However, he felt that Governor Mills had touched upon a vital point. He also noted that at the time of the previous discussion



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the stock of the predecessor Edge Act corporation was owned by a group of banks, while in this case there were no bank shareholders in either the operating or the holding company.

Governor Szymczak discussed further the reasons underlying the Board's previous decision. Like Mr. Goodman, he felt that Governor Mills had raised a point which deserved full consideration, particularly from the standpoint of the earnings of Edge Act "financing" corporations.

There ensued a discussion based on the suggestion that any "bonus" shares acquired probably would not have great value in the immediate future. In this connection, Mr. Goodman pointed out that the proposed Peruvian loan would run for five years, which would give American Overseas a considerable period of time to determine the value of any shares that might be acquired.

Chairman Martin then stated that, as the Board was aware, he favored being as liberal as possible in the administration of matters of this kind. In the circumstances, however, he did not feel that a divestment requirement of the type proposed would work any particular hardship at this juncture. It was his suggestion, therefore, that the draft of letter to American Overseas Finance Company, which was in line with the Board's previous decision, be approved and that there be put down for review by the Board the whole general problem raised by the comments of Governor Mills.

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There being agreement with the Chairman's suggestions for the handling of the matter, unanimous approval was given to the letter to American Overseas Finance Company of which a copy is attached hereto as Item No. 9, for transmittal through the Federal Reserve Bank of New York.

Messrs. Marget, Goodman, and Furth then withdrew from the meeting.

Policy in answering inquiries regarding the receipt of applications under the Bank Holding Company Act (Item No. 10). In a memorandum dated December 9, 1957, copies of which had been sent to the members of the Board, Mr. Hackley referred to a letter received from counsel for the New Hampshire Bankers Association asking to be advised if and when the Board received an application under the Bank Holding Company Act from New Hampshire Bankshares to acquire the controlling interest in The New Hampshire National Bank of Portsmouth, New Hampshire. Since such an application had in fact been received, this raised the question of the response to be made in the light of the policy adopted by the Board on November 5, 1956, of not making public disclosure of the receipt of applications filed pursuant to the Act. Two alternative courses of action were mentioned in the memorandum, the first of which would be to disclose the fact of receipt of an application to any inquiring party who appeared to have a legitimate interest. The alternative course would be to acknowledge receipt of any letter inquiring as to receipt of an application by pointing out that pursuant to the Board's Rules of

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Organization relating to the confidentiality of information the Board had adopted the policy of not divulging receipt of applications under the Bank Holding Company Act. Preference was expressed for the first alternative and it was suggested that a policy of nondisclosure might serve to preclude the Board from obtaining views and opinions from independent parties that the Board might well wish to consider in making its final decision on an application.

Mr. Hackley commented that the Legal Division saw no objection in this particular case to advising counsel for the New Hampshire Bankers Association that an application from New Hampshire Bankshares had been received since the matter had been given publicity in the press. He also stated that the President of the Association had visited the Board's offices recently and had asked about the matter, but that the staff did not feel at liberty to tell him of the receipt of the application until a check had been made with the Board.

Governor Vardaman raised a question as to whether the receipt of applications under the Act should be regarded in any sense as confidential. If a policy of confidentiality were followed, he said, he would not regard counsel for the New Hampshire Bankers Association in a different light from any other interested party in the State of New Hampshire. In all the circumstances, it was his view that the Board should reconsider the existing policy, with a view to possibly going as far as to publish the receipt of all applications in the Federal Register.

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In this connection, Mr. Hackley commented that applications received are a part of the Board's official records and as such are merely unpublished information which, under the Board's Rules of Organization, can be made available to anyone interested pursuant to appropriate authorization.

Governor Vardaman responded that this raised a question of the definition of an interested party and that a policy of publishing the receipt of all applications under the Bank Holding Company Act in the Federal Register would assure that equal treatment was given to all who might like to have the information.

Governor Robertson indicated that he would not favor going as far as to publish the receipt of applications in the Federal Register, at least at this time, on the basis that the Board should "feel its way along" in the administration of the Bank Holding Company Act. As of the present moment, it would be his inclination to discard the element of secrecy embodied in the current policy and make the fact of receipt of an application known to anyone who might inquire. He pointed out that the Board's Rules of Organization would not override an instruction from the Board to the staff that this kind of information could be released upon request.

During further discussion of the matter, Governor Vardaman left the room to take care of an item of business. Before leaving, however, he stated that whatever policy the Board might decide upon would be satisfactory to him.

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Mr. Hostrup then commented that some time ago it had been mentioned by a bank holding company that it might work a disservice to an applicant if others were informed that the applicant had in mind the acquisition of stock in a particular bank. With respect to the application of New Hampshire Bankshares, however, the proposal covered by the application had been given publicity in the press, as Mr. Hackley had indicated, and the applicant had not requested any withholding of information.

Governor Robertson supplemented his earlier comments by saying that, as contrasted with disclosing the fact of receipt of an application, he would not favor making available copies of applications under the Act.

Chairman Martin stated at this point that he thought the Board could go too far in obligating itself to publish everything that might be received by the Board. He observed that in most cases only a limited number of persons had any interest in applications and similar matters.

At the conclusion of the discussion, agreement was expressed that the policy proposed by Governor Robertson and Mr. Hackley would represent a satisfactory solution to the problem of handling inquiries about the receipt of Bank Holding Company Act applications. In accordance with this decision, it was understood that counsel for the New Hampshire Bankers Association would be advised of the receipt of the application by New Hampshire Bankshares. A copy of the letter sent pursuant to this action is attached hereto as Item No. 10.

Proposed bill to regulate maximum rates of interest on Government guaranteed loans. The Board had received a request from the Bureau of the Budget for a report on a proposed bill, apparently submitted by the Treasury

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Department, intended to "encourage the most effective use of private credit under Federal loan guarantee and insurance programs." The bill would provide that "notwithstanding any other provision of law, the maximum interest rates on loans guaranteed, insured, or otherwise underwritten by any department or agency of the Federal Government shall be determined by the head of each agency with the approval of the Secretary of the Treasury." A memorandum from Mr. Solomon dated December 6, 1957, of which copies had been sent to the members of the Board, suggested several possible replies, the first of which would be to simply state that this would permit maximum rates of interest on Government guaranteed loans to be adjusted more nearly to conditions in the open market, that the Board had stated in the past that it would favor such arrangements, and that the Board therefore would favor the bill.

Another possible reply would take the same position but in addition would suggest the inclusion of language in the bill which would permit continuation of the present arrangements under which maximum interest rates on V-loans are set by the Board after consultation with the guaranteeing agencies under the V-loan program. Another alternative, mentioned by Governor Vardaman in a discussion of the effects of the proposed bill on the V-loan program, might be to suggest that the rates on Government guaranteed loans should be a certain number of percentage points above the average yield in the open market on Government securities of comparable maturity.

In commenting on the matter, Mr. Solomon brought out that the main consequence of the bill apparently would be to unfreeze the rates on FHA-insured and VA-guaranteed loans.

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Mr. Riefler expressed doubt whether the third alternative suggested in Mr. Solomon's memorandum would be feasible. He recalled that the Board's staff had given quite a bit of thought in the past to the possibility of such an approach but had been unable to develop any satisfactory formula. He also said that he would rather dislike to see the proposed bill weakened by an exception for V-loans, and in this connection he brought out that as a practical matter the Board does not change the maximum V-loan rate without appropriate consultation with other interested Government agencies. In the circumstances, he would be inclined toward a reply along the lines of the first alternative. In this connection, he said that at first he had been concerned about the possible applicability of this bill to the fixing of Federal Reserve discount rates, but that Mr. Solomon was of the opinion that the bill would not be applicable to such rates.

The members of the Board present then expressed tentative agreement with the views stated by Mr. Riefler. However, it was decided to defer action on the matter until Governor Vardaman had returned to the room and expressed his views.

When Governor Vardaman returned, he said that he could not go along with a proposal which would leave to the Secretary of the Treasury or any other official of a Government agency the power of ultimate decision over maximum interest rates on Government guaranteed loans and that he did not consider it fair to place upon such an official the responsibility for deciding the rates to be charged on loans made under "social" legislation. The Congress, he said, had always reserved unto itself the right to favor

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certain segments of the population under prescribed circumstances, and he did not feel that it was a good idea to create a "dictator" in the field of interest rates affecting programs of this kind. Under the proposed bill, he suggested, the Secretary of the Treasury would have it within his power to negate the will of the Congress by fixing rates such that guaranteed loans would not be marketable. Instead, he would much prefer to have the rates of interest tied to some kind of automatic benchmark based on the yields of Government securities in the open market.

Following a discussion based on these comments, Governor Vardaman said he understood from Mr. Boothe that the staff of the Defense Department was considering the matter and probably would recommend that the Department take a position that the fixing of rates on V-loans should continue under the present arrangements.

Chairman Martin then stated that the proposed bill did not seem to be of particular importance at this stage, particularly in view of the small likelihood of its being enacted by the Congress. He suggested, therefore, that a reply to the Budget Bureau be held up for the time being.

Financing problems of small business (Item No. 11). With a letter to Chairman Martin dated December 6, 1957, Assistant Secretary of the Treasury Robbins submitted for comment a draft of proposed letter from the Secretary of the Treasury to the Administrator of the Small Business Administration which would suggest that, in order to assist in keeping the financing problems of small business under continuing review, the



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Small Business Administration establish in each Federal Reserve District a committee of representative small businessmen which would confer frequently with the officials of the Reserve Bank in the District and would meet once or twice a year with the Board of Directors of that Bank for exchange of views and a full discussion of current as well as basic problems. The letter to the Small Business Administration would point out that the Secretary of the Treasury had made this suggestion in appearing before the House Committee on Small Business on November 21, 1957.

In a discussion of the matter, Chairman Martin stated that this suggestion was offered by the Secretary of the Treasury as a substitute for a plan which would have requested each Federal Reserve Bank to establish a department devoted to the problems of small business. He expressed the view that under the circumstances the proposal of the Secretary would appear to be a preferable alternative.

The suggestion then was made that before a formal reply was made to Mr. Robbins, the Chairmen of the Federal Reserve Banks be advised of the proposal and asked whether their respective Banks would be willing to cooperate in the matter.

Accordingly, it was agreed that a telegram to such effect should be sent to the Chairman, with a copy to the President, of each Reserve Bank and that Chairman Martin would advise Mr. Robbins that this was being done. Chairman Martin stated that he had indicated to the Treasury that he would communicate with them again on Monday regarding the proposed letter.

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In this connection, Governor Balderston expressed the hope that the meetings with the Reserve Bank directors could be held down to not more than one meeting per year.

Secretary's Note: Later in the meeting a draft of telegram to the Federal Reserve Bank Chairmen was read to the Board. Certain changes were agreed upon and the wire was sent in the form attached as Item No. 11.

Mr. Boothe then withdrew from the meeting.

Report on S. 2791. Pursuant to the understanding at the meeting on December 2, 1957, there had been distributed to the members of the Board copies of a revised draft of letter, prepared by Mr. Riefler, reporting on S. 2791, a bill to create a Home Loan Guarantee Corporation. The proposed reply would take the position that the public interest would be better served if the Federal Government had only a single program of insurance of home mortgages and that this program should be lodged with the Federal Housing Administration. For this and other reasons stated in the letter, the view would be expressed that any proposal such as that contained in S. 2791 should be examined very carefully in all of its aspects.

Agreement was expressed with suggestions by Governors Balderston and Shepardson for editorial changes in the proposed letter as well as with a suggestion by Mr. Thomas that, in line with the recorded position of the Board at times in the past, there be included in the letter a sentence stating that the Board considered it highly undesirable as a matter of public policy to give tax exemption to particular types of obligations.

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Thereupon, it was agreed unanimously to submit the proposed letter to the Bureau of the Budget with a request for advice as to the relationship of the legislation to the program of the President, with the understanding that in the absence of comments by the Budget Bureau which would indicate that the matter should be considered further by the Board, the letter would then be sent to the Chairman of the Senate Banking and Currency Committee in response to the Committee's request for the Board's views on the bill.

Messrs. Thomas, Molony, and Benner then withdrew from the meeting.

Application of Wisconsin Bankshares Corporation. There had been distributed to the members of the Board copies of a memorandum from the Division of Examinations dated December 6, 1957, regarding the application of Wisconsin Bankshares Corporation, Milwaukee, Wisconsin, filed pursuant to the Bank Holding Company Act, for prior approval of the acquisition of 2,950 of the 3,000 shares of capital stock of the proposed Capitol National Bank of Milwaukee. Although the Federal Reserve Bank of Chicago and the Comptroller of the Currency had recommended favorably on the application, the Division of Examinations suggested that the application be denied because (1) the applicant's competitive position in the City and County of Milwaukee, and in the local area within a radius of three miles of the Capitol Court Shopping Center was sufficiently strong that it should not be strengthened further in the absence of a demonstrated need for banking service that would be supplied only by the applicant's subsidiary banks; (2) the Milwaukee Western Bank

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(formerly the Teutonia Bank) planned to move to a new location just outside the shopping center pursuant to approval granted by the State Commissioner of Banks in April 1956 and there was not believed to be a need for two additional banks within the three-mile area at this time such as to counterbalance the adverse considerations involving Wisconsin Bankshares's competitive strength; and (3) there was a reasonable probability that approval of the current application would confront the Milwaukee Western Bank in its new location with a competitive situation that would not be in accord with the apparent intent and purpose of the Bank Holding Company Act to protect and foster the growth of independent unit banks.

In a memorandum dated December 6, 1957, of which copies had also been sent to the members of the Board, the Legal Division expressed the view that denial of the application would constitute a reasonable exercise of the Board's discretion under the law and would be supportable in the event of judicial review. At the same time, it was the view of the Division that it could not be said that approval of the application would be an unreasonable or arbitrary exercise of the Board's discretion or that it would be upset upon review by the courts.

At the request of the Board, Mr. Hostrup commented on the application on the basis of the information presented in the memorandum from the Division of Examinations. In this connection, he said that the case had been thoroughly discussed with Mr. Masters, Director of the Division, that the staff of the Division was unanimous in its conclusion with respect to this matter, that the case was regarded as a close one, and

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that the unanimous conclusion therefore was reached only after very careful consideration. He also said that at one stage the processing of the application had been suspended at the request of the applicant to permit the presentation of additional information similar to that presented in connection with the application to acquire stock of the proposed Southgate National Bank of Milwaukee, which application had been approved by the Board. In concluding his remarks, Mr. Hostrup brought out that the Wisconsin State Commissioner of Banks had objected to the application and had urged strongly that it be denied. He then compared this case with the Southgate case, on which the Division of Examinations had made a favorable recommendation. After noting the elements of similarity between the two applications, he said that in the view of the Division the essential difference lay in the fact that in this case an existing State member bank planned to move into the area and furnish banking services pursuant to an approval dated prior to the date of the granting of approval to organize the proposed Capitol National Bank.

Mr. Hackley commented in confirmation of the statements made in the memorandum from the Legal Division and noted that inasmuch as the Federal Reserve Bank of Chicago had recommended favorably on the application, presumably the Board would wish to afford the Bank an opportunity to submit its further views and comments if the Board should be disposed to deny the application.

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The members of the Board then expressed their tentative views, beginning with Governor Vardaman who said that he thought the Division of Examinations had outdone itself in this case in objectively analyzing and presenting both sides of the matter. However, he disagreed with the Division's concept of the intent of the Bank Holding Company Act and with the conclusion of the Division in this case. He said that he would not like to go contrary to the wishes of the State Commissioner of Banks but that his views on the matter were weighted heavily by the recommendation of the Chicago Reserve Bank. At the moment, therefore, he would have to vote to grant the application, and if the majority of the Board was disposed to deny it, he felt that it would be desirable to check with the Reserve Bank to see whether the Bank wanted to submit further comments.

Governor Mills said that to him this application indicated the value of investigating and analyzing thoroughly each application under the Bank Holding Company Act on its merits, for such analysis disclosed major differences between them which would justify differing decisions from one case to another. In this instance, he would affirm the recommendation of the Division of Examinations and deny the application. As Mr. Hostrup had pointed out, the Southgate case involved a somewhat similar set of facts, but there were certain important differences. In the Southgate case it appeared that the establishment of a new bank by Wisconsin Bankshares Corporation could be considered strictly along the lines of a branch application in a State which permitted the establishment

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of branches, while in this case the proposed location was in a sense "ringed" by existing offices of a subsidiary bank of the bank holding company. An independent bank was moving into this area and even though the independent bank was of such a size that it might be expected to be able to look out for its own interests, nevertheless the needs of the community would appear to be quite well served. Accordingly, he did not feel that it would be justifiable at this time to authorize Wisconsin Bankshares to establish a competing bank in the same locality. If the matter were studied in the same light as an application for a branch in a State where the establishment of branches was permitted, he felt that the conclusion would be to deny the application.

The other members of the Board, except Governor Vardaman, indicated that their views on this application were similar to those expressed by Governor Mills. Accordingly, it was agreed to ask the Federal Reserve Bank of Chicago whether it wished to submit any further comment before action was taken on the application.

Mr. Davis then withdrew from the meeting.

Change in reporting date for Form F.R. 240 (Item No. 12). There had been distributed to the members of the Board copies of a memorandum from Mr. Young dated December 4, 1957, recommending that the reporting date for Form F.R. 240, Confidential Report of Member Firm of a National Securities Exchange, now the last business day in December, be postponed to the last business day of June 1958, and that no report be required as of December 1957. This change in reporting dates had been suggested by

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the New York Stock Exchange to minimize member firm reporting burdens at year-end and also to provide information that would not be distorted by year-end "window dressing" and other seasonal factors.

Following comments by Mr. Young, the recommendation was approved unanimously, along with the letter to the Federal Reserve Banks of which a copy is attached as Item No. 12.

Order for remand in connection with the applications of First New York Corporation and others under the Bank Holding Company Act (Item No. 13). There had been distributed to the members of the Board before this meeting copies of a revised draft of order to remand to the Hearing Examiner for a report and recommended decision on the merits the applications submitted by First New York Corporation and others for the Board's approval of certain transactions under the Bank Holding Company Act.

This draft, which was intended to reflect the discussion at yesterday's meeting, was reviewed and it was decided to delete as unnecessary and seemingly redundant the final paragraph, which would state that the order was not to be considered an expression by the Board of an opinion regarding the relevance or weight, if any, which should be given to Article III-B of the New York Banking Law.

Thereupon, unanimous approval was given to an Order in the form attached as Item No. 13, with the understanding that a press statement giving the text of the order would be released later today, that the



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order would be published in the Federal Register, and that copies would be sent to appropriate parties.

All of the members of the staff except Messrs. Carpenter and Kenyon then withdrew from the meeting.

Federal Reserve Bank budgets for 1958. A memorandum from the Division of Bank Operations dated November 21, 1957, analyzing the significant features of the 1958 budgets submitted by the Federal Reserve Banks had been distributed to the members of the Board along with a volume containing digests of the budget proposals, supported by tabular data. The special committee of the Board consisting of Messrs. Szymczak, Mills, and Shepardson which was appointed at the meeting on October 11, 1957, had completed its review of the budget material and at this meeting Governor Szymczak stated that the committee had arrived at the following conclusions:

1. The budgets for the operating functions appear to be in order, and no exceptions are felt to be necessary.

2. The budgets for the Research function show general increases, which are a matter of concern. However, it is suggested that, instead of mentioning this matter in the budget acceptance letters, it might be desirable for Chairman Martin to mention the Board's concern to the Presidents at their next Conference and at that time indicate that the Board was giving consideration to a comprehensive review of the factors responsible for the continuing enlargement of our Research activity.

3. That it would be desirable to mention in the budget acceptance letters to all Banks that the question of membership dues and contributions was still under consideration and that the Banks would be further advised in this regard.

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4. That the expenditures proposed by Cleveland in connection with their Pittsburgh Branch building and by Atlanta in connection with the dedication of the new Birmingham and Nashville buildings (for entertainment and brochures) were a matter of concern and might be discussed informally with Presidents Fulton and Bryan.

5. That a paragraph be put into the Kansas City acceptance letter requesting that Bank to review its proposed expenditures for "employee relations" for the purpose of bringing the per capita cost more in line with the cost at other Banks.

A discussion followed during which Messrs. Leonard, Director, Farrell, Assistant Director, and Massey, Technical Assistant, Division of Bank Operations, and Mr. Johnson, Director, Division of Personnel Administration, entered the room. After a number of questions with respect to the budgets had been discussed and resolved, tentative agreement was expressed that the proposed budgets for the Federal Reserve Banks for 1958 should be accepted, with language included in the letters of acceptance reflecting the conclusions of the special committee of the Board. This discussion touched upon the procedures followed in the preparation and submission of the Reserve Bank budgets, their analysis by the Board's staff, and their subsequent review by the Board, the point being made that, with prospective absences of members of the Board, some difficulties were presented in completing these procedures in time to get the budgets considered by the full Board.

With regard to expenditures for the research function at the Federal Reserve Banks, Governor Szymczak stated that at first the special committee of the Board had in mind that the Board should write

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to each Federal Reserve Bank in order to call attention to the continued upward trend in expenses. After further consideration, however, the committee felt that it would be preferable to take this matter up with the Banks in some other manner because of the various factors contributing to the increased cost of the function, including the work resulting from requests made of the Banks by the Board from time to time in connection with research and statistical projects.

The discussion also covered the level of expenditures relating to public relations activities and management development programs. It was indicated that some difficulty was involved in making comparisons from one Bank to another because of differences in the allocation of expenses.

At the conclusion of the discussion, Governor Vardaman suggested that it would be appropriate for the Board to accept the proposed budgets, with the comments suggested by the special committee of the Board, and then to pursue a program of exploring with the respective Banks the fundamental questions to which reference had been made.

Proposed salaries for officers at Federal Reserve Banks (Items 14 through 24, inclusive). The Board then turned to consideration of the salaries proposed for officers of the Federal Reserve Banks for the year 1958. As a basis for consideration of this matter, there had been circulated to the members of the Board a memorandum from the Division of Personnel Administration dated November 29, 1957, attaching letters or

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pertinent excerpts from letters received thus far from Federal Reserve Banks making recommendations for salaries of their Presidents and First Vice Presidents. There had also been sent to the members of the Board copies of a memorandum from the Division of Personnel Administration dated December 5, 1957, reviewing the recommended salaries for Presidents and First Vice Presidents, and another memorandum of the same date analyzing and discussing the salaries proposed for other Reserve Bank officers.

As to the recommendations received in regard to Presidents and First Vice Presidents, Governor Szymczak indicated that the special committee would favor approving the recommendation of the Federal Reserve Bank of Minneapolis to increase the annual salary of First Vice President Mills from \$22,000 to \$25,000 and the recommendation of the Federal Reserve Bank of San Francisco for an increase in the annual salary of First Vice President Swan from \$22,500 to \$25,000 per annum. On the other hand, the committee would favor disapproving the recommendation of the Federal Reserve Bank of Kansas City for 10 per cent increases in the salaries of the Bank's President and First Vice President, currently \$35,000 and \$25,000, respectively. Also, the committee raised a question about the action which should be taken on the recommendation of the Federal Reserve Bank of Minneapolis to increase the salary of President Deming from \$30,000 to \$35,000 per annum. He further indicated that the committee was disposed to approve the salaries proposed for the other

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Reserve Bank officers as submitted by the respective Reserve Banks. In the case of the New York Bank, however, it was noted that after giving effect to the proposed salary increases, the compa ratio of four of the six officer salary groups at the Bank would exceed 100 per cent. Chairman Bierwirth's letter of November 14, 1957, requesting approval of the proposed salaries had indicated that the Board of Directors recognized that salaries were generally high in the respective ranges of groups C, D, E, and F, and Governor Szymczak said that the committee wished to call this to the Board's attention.

During the discussion which followed concerning the proposed salaries for the Presidents and First Vice Presidents, agreement was expressed with the views of the special committee with respect to the action to be taken on the salaries proposed for First Vice President Mills at Minneapolis, President Leedy and First Vice President Koppang at Kansas City, and First Vice President Swan at San Francisco, with the exception that Governor Vardaman expressed reservations concerning the increase proposed for Mr. Swan. With respect to the increase proposed for President Deming, it was agreed after considerable discussion that a salary at the rate of \$35,000 should be approved because of his outstanding performance, and despite his relatively brief period of service in his present capacity.

With respect to the salaries proposed for officers at the New York Bank, other than the President and First Vice President, it was

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noted that two of the larger increases would apply to officers who would reach retirement age early in 1959. Accordingly, it was agreed that in advising the Reserve Bank of approval of the proposed salaries, the statement should be made that in the opinion of the Board consideration should be given in the future to the desirability of avoiding disproportionate increases to officers nearing retirement age.

At the conclusion of the discussion, it was agreed to advise the Chairmen of the respective Federal Reserve Banks that the Board approved the payment of salary to the respective Presidents and First Vice Presidents for the period January 1, 1958, through December 31, 1958, at the rates indicated in the letters attached as Items 14 to 24, inclusive.

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

Position at Federal Reserve Bank of Kansas City. Chairman Martin later informed the Secretary that during the executive session he presented a letter addressed to him under date of December 5, 1957, by Mr. Hall, Chairman of the Federal Reserve Bank of Kansas City, in which Mr. Hall stated that he would like to submit to the Bank's Board of Directors at the meeting scheduled for December 12, 1957, the proposed appointment of George H. Clay as General Counsel and perhaps, in addition, as Vice President and Secretary of the Bank, with salary at the rate of \$22,000 per annum. The Chairman stated that he had been authorized

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by the Board to advise Chairman Hall informally that if the directors of the Kansas City Bank should act to approve the appointment, the Board would be prepared to approve the payment of salary to Mr. Clay at the rate of \$22,000 per annum, effective the date he assumes his duties at the Reserve Bank, it being understood that Mr. Clay would terminate his service as a director of Trans World Airlines, Inc., not later than one year from the date upon which he enters the employ of the Bank.

The meeting then recessed and reconvened at 2:38 p.m. with Messrs. Martin, Balderston, Vardaman, Mills, Robertson, and Shepardson, and Messrs. Carpenter, Johnson, and Daniels of the staff, present.

Federal Reserve Bank budgets. After some further discussion, Governor Shepardson moved that the Board approve the budgets of the Federal Reserve Banks with the following understandings:

1. That at a meeting of the Presidents' Conference next year, the Board will discuss its concern with the increasing cost of the research activities of the Banks and say that it is giving consideration to a comprehensive review of the factors responsible for the continuing enlargement of these activities.
2. That the letters to the Federal Reserve Banks advising of acceptance of the budgets will contain a comment that the question of membership dues and contributions was still under consideration by the Board and that the Banks will be informed further in this regard.
3. That Governor Szymczak will talk with President Fulton about the plans for the opening of the new addition to the Pittsburgh branch building with a view to keeping

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expenditures in connection with the opening within proper limits. He will have a similar talk with President Bryan with respect to the plans for the opening of the Birmingham and Nashville branch buildings.

4. That the letter to the Federal Reserve Bank of Kansas City will include a request that the Bank review its proposed expenditures for "employee relations" for the purpose of bringing the per capita cost more in line with these costs at other Reserve Banks.

Governor Shepardson's motion was approved by unanimous vote.

There was then a further discussion of the fact that the special committee appointed by the Board to consider the budgets of the Reserve Banks had had to push its consideration of the budgets this year in order that the committee's recommendations could be presented and acted upon by the Board while all members were present, and that this situation presented a number of difficulties. There was unanimous agreement with a suggestion by Governor Shepardson that early next year consideration be given to what can be done to avoid this problem in the consideration of future budgets.

Officers' salaries at Federal Reserve Banks (Items 25 through 36).

Governor Shepardson then submitted the recommendation of the special committee that the salaries for officers of the Federal Reserve Banks for 1958, other than the Presidents and First Vice Presidents, be approved in the amounts fixed by the respective boards of directors, it being understood that the letter to the Federal Reserve Bank of New York will include the following paragraphs:

In reviewing the officers' salaries proposed for the year 1958, it has been noted that two of the larger salary increases apply to senior officers who will reach retirement age in



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February 1959. The Board is of the opinion that, in the future, consideration should be given to the desirability of avoiding disproportionate increases to officers nearing retirement age.

Also, the Board notes that, after giving effect to January 1, 1958, salary increases, the compa ratio of four of the six officer salary groups at your Bank will exceed 100 per cent. Your letter of November 14, 1957, requesting approval of the proposed salaries indicates that the Board of Directors recognizes that salaries in Group C, D, E and F are generally high in their respective ranges. The Board urges that this widening of the relationship between salaries and the midpoint of each group receive your continued attention.

This recommendation was approved unanimously and the letters sent to the Federal Reserve Banks in accordance therewith are attached as Items 25 through 36.

Board Budget for 1958. Before this meeting there had been distributed to the members of the Board copies of the proposed budget covering the cost of the operations of the Board of Governors for the year 1958. Governor Shepardson stated that the procedure approved by the Board had been followed in the preparation of the budget, that all questionable items had been carefully reviewed with the respective Division Heads by the Controller, and that adjustments had been made in a number of items. He also said he had discussed personally with each Division Head the proposed budget for his Division, at which time the 1958 program of activities and the Division budget were discussed. He then recommended that the budget be approved by the Board as submitted.

There was a discussion of a number of the items contained in the proposed budget, including particularly the matters discussed in

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the memorandum presenting the budget. At the conclusion of the discussion, the budget was approved unanimously as follows:

PERSONAL SERVICES

Salaries.....	\$3,663,534
Retirement Contributions.....	482,309
Employee Insurance.....	30,737
General Pay Increase.....	210,000
Official Staff Increases.....	<u>12,352</u>
 TOTAL PERSONAL SERVICES.....	 <u>\$4,398,932</u>

## NONPERSONAL SERVICES

Traveling Expenses.....	\$ 308,900
Postage and Expressage.....	53,082
Telephone and Telegraph.....	84,114
Printing and Binding.....	284,333
Stationery and Supplies.....	44,029
Furniture and Equipment.....	541,945
Rentals.....	41,470
Books and Subscriptions.....	18,200
Heat, Light and Power.....	45,700
Repairs and Alterations (Building and Grounds).....	7,145
Repairs and Maintenance (Furniture and Equipment).....	24,413
Insurance.....	8,605
All Other.....	<u>474,526</u>
 TOTAL NONPERSONAL SERVICES.....	 <u>\$1,936,462</u>
 TOTAL BUDGET.....	 <u>\$6,335,394</u>

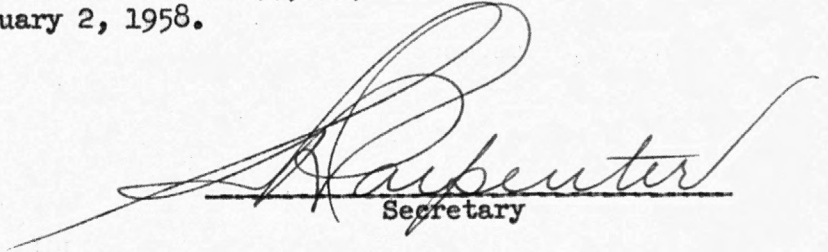
The meeting then adjourned.

Secretary's Note: Pursuant to the recommendation contained in a memorandum dated December 5, 1957, from Mr. Leonard, Director, Division of Bank Operations, Governor Shepardson

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today approved on behalf of the Board the appointment of Paul D. Ring as Technical Assistant in that Division, with basic annual salary at the rate of \$7,035, effective January 2, 1958.



R. A. Raubenter  
Secretary

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

Item No. 1  
12/10/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

December 10, 1957

CONFIDENTIAL (F.R.)

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

Dear Mr. Hayes:

Reference is made to your letter of November 13, 1957, in which your Bank requests the approval of upward adjustments in the salary structures applicable to the employees of your Bank and the Buffalo Branch.

The Board approves the following minimum and maximum salaries for the respective grades of the various structures effective immediately.

<u>Grade</u>	<u>CLERICAL</u>	
	<u>Head Office</u>	
	<u>Minimum Salary</u>	<u>Maximum Salary</u>
1	\$2,300	\$3,105
2	2,508	3,386
3	2,740	3,699
4	3,120	4,212
5	3,540	4,779
6	3,882	5,241
7	4,253	5,742
8	4,654	6,283
9	5,100	6,885
10	5,604	7,565
11	6,169	8,328
12	6,807	9,189
13	7,534	10,171
14	8,351	11,274
15	9,286	12,536
16	10,370	14,000

Mr. Alfred Hayes

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CLERICAL  
Buffalo

<u>Grade</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>
1	\$2,198	\$2,967
2	2,407	3,249
3	2,639	3,563
4	2,900	3,915
5	3,188	4,304
6	3,503	4,729
7	3,846	5,192
8	4,216	5,692
9	4,627	6,246
10	5,094	6,877
11	5,614	7,579
12	6,204	8,375
13	6,876	9,283
14	7,630	10,300
15	8,494	11,467
16	9,494	12,817

NON-CLERICAL  
Head Office and Buffalo

<u>Grade</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>
1	\$2,300	\$3,105
2	2,432	3,283
3	2,575	3,476
4	2,741	3,700
5	2,940	3,969
6	3,180	4,293
7	3,464	4,676
8	3,803	5,134
9	4,209	5,682
10	4,678	6,315
11	5,183	6,997

SPECIAL SALARY RANGES FOR PHYSICIANS

<u>Grade</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>
Physicians	\$5,200	\$8,350
Medical Director	10,200	13,000

Mr. Alfred Hayes

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The Board approves the payment of salaries to the employees, other than officers, within the limits specified for the grades in which the positions of the respective employees are classified. It is understood that all employees whose salaries are below the minimum of their grades as a result of the structure increase will be brought within the appropriate ranges by March 1, 1958.

The Board understands that while the 1957 expense arising from these structure changes will exceed the amount budgeted in 1957, the 1958 expense has been provided for in the 1958 budget.

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  
12/10/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

December 10, 1957



Mr. Arthur B. Van Buskirk,  
Federal Reserve Agent,  
Federal Reserve Bank of Cleveland,  
Cleveland 1, Ohio.

Dear Mr. Van Buskirk:

In compliance with the request contained in your letter received November 25, 1957, the Board of Governors approves the appointment of Mr. Clarence J. Goudreau to the full time position of Assistant Federal Reserve Agent to succeed Mr. Roy M. Trout, who retires at the end of the current year.

This approval is given with the understanding that Mr. Goudreau 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 Board of Governors.

When not engaged in the performance of his duties as Assistant Federal Reserve Agent Mr. Goudreau 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 Assistant Federal Reserve Agent.

It will be appreciated if Mr. Goudreau 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. Goudreau's executed oath of office is forwarded to the Board with advice of the effective date of the appointment.

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  
12/10/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

December 10, 1957

Confidential (FR)

Mr. H. J. Newman, Vice President,  
Federal Reserve Bank of Chicago,  
Chicago 90, Illinois.

Dear Mr. Newman:

The Board approves the payment of salary by the Federal Reserve Bank of Chicago to incumbents of the positions listed below at the rates shown, effective September 30, 1957, in accordance with the request contained in your letter of November 20, 1957:

<u>Title</u>	<u>Annual Salary</u>
Janitors	\$ 4,316.00
Paper Balers	4,451.20
Metal Polishers	4,451.20
Scrubbing Machine Operators	4,451.20
Janitresses	3,265.60
Janitresses (6 months or less)	3,203.20
Matrons	3,265.60

As stated previously, the Board believes it undesirable to commit itself to future salary adjustments and suggests that they be submitted for consideration at the time the Bank wishes to make them 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. 4  
12/10/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

December 10, 1957



Mr. Frank C. Irvine, President,  
First National Bank in Tarentum,  
Tarentum, Pennsylvania.

Dear Mr. Irvine:

This refers to your letter of November 19, 1957, addressed to Governor Robertson, regarding the question whether a violation of section 19 of the Federal Reserve Act and the Board's Regulation Q would be involved if your Bank, in connection with the opening of a new branch office, should offer to new depositors a set of silverware (costing your Bank \$1.25 per set), consisting of a salad fork and spoon, to each new depositor making a deposit of \$100 or more.

The Board does not look with favor upon the practice on the part of member banks of giving articles of value to depositors as an inducement for the opening of deposit accounts, principally because of the difficulty of drawing a dollar-and-cents distinction between "give-aways" that represent mere advertising and those that may involve an indirect payment of interest on deposits. In the present case, however, because of the insignificant value of the articles involved and because it is understood that they will be given to depositors only in connection with the opening of a new branch office, the Board would not be disposed to consider the giving of such articles in such circumstances as an indirect payment of interest on deposits.

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. 5  
12/10/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

December 10, 1957



BY MESSENGER

The Honorable,  
The Comptroller of the Currency,  
Washington 25, D. C.

My dear Mr. Comptroller:

In accordance with the provisions of section 3(b) of the Bank Holding Company Act of 1956, you are advised that New Hampshire Bankshares, Inc., Nashua, New Hampshire, a bank holding company, has made application to this Board for prior approval by the Board of the acquisition of up to 60 per cent of the capital stock of The New Hampshire National Bank of Portsmouth, Portsmouth, New Hampshire. There is enclosed for your information a copy of the application.

It will be appreciated if you will advise the Board in writing of your views and recommendations with respect to this application.

The date of receipt of this letter by your office must be made a part of the Board's records with respect to the application. Therefore, it will be appreciated if the enclosed copy of the letter is signed and returned with the date of receipt indicated thereon.

Very truly yours,

S. R. Carpenter,  
Secretary.

Enclosure

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

Item No. 6  
12/10/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

December 10, 1957



The Honorable Jesse P. Wolcott,  
Chairman,  
Federal Deposit Insurance Corporation,  
Washington 25, D. C.

Dear Mr. Wolcott:

Reference is made to your letter of November 25, 1957, concerning the application of The Peoples Savings Bank Company, Martins Ferry, Ohio, for continuance of deposit insurance after withdrawal from membership in the Federal Reserve System.

No corrective programs which the Board of Governors believes should be incorporated as conditions to the continuance of deposit insurance have been urged upon or agreed to by the bank.

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  
12/10/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

December 10, 1957



The Honorable Jesse P. Wolcott,  
Chairman,  
Federal Deposit Insurance Corporation,  
Washington 25, D. C.

Dear Mr. Wolcott:

This will acknowledge your letter of November 21, 1957, in which you request permission to review and take excerpts from the Board's files of the Devon-North Town State Bank of Chicago, a member State bank, in connection with pending litigation. You have also requested permission to review and take excerpts from similar files at the Federal Reserve Bank of Chicago.

The Board would be glad to permit a representative of the Federal Deposit Insurance Corporation to review such files in the office of Mr. Henry Benner, Assistant Director of the Division of Examinations, who would arrange to have designated portions of the files, if necessary, photostated for your use. It is suggested that your representative make arrangements with Mr. Benner as to the time he would come to the Board's offices.

In respect to similar files at the Federal Reserve Bank of Chicago, it is suggested that you communicate directly with Mr. W. R. Diercks, Vice President, Department of Bank Examinations, Federal Reserve Bank of Chicago, Chicago 90, Illinois. The Board will also notify Mr. Diercks of your request.

Copies of documents, or excerpts therefrom, will be furnished with the understanding that they will remain the property of the Board and will not be made public or used as evidence.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,  
Assistant Secretary.

## UNITED STATES OF AMERICA

Item No. 8  
12/10/57

## BEFORE THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

In the Matter of

the Application of  
BRENTON COMPANIES,  
DES MOINES, IOWA  
for Approval of Acquisition  
of Voting Shares of  
PALO ALTO COUNTY STATE BANK,  
EMMETSBURG, IOWA

STATEMENT

Pursuant to section 3 of the Bank Holding Company Act of 1956 (hereafter referred to as the Act) an application was filed with the Board by Brenton Companies, Des Moines, Iowa, a bank holding company under the Act, for prior approval by the Board of the acquisition by Brenton Companies of direct ownership of 13 of the 1500 outstanding shares of Palo Alto County State Bank, Emmetsburg, Iowa. As required by section 3(b) of the Act, the Board gave notice of the application to the Superintendent of Banking of the State of Iowa, and requested his views and recommendations, and the Superintendent of Banking responded by stating that he knew of no reason to object to the proposed purchase of such stock by Brenton Companies.

Under section 3(c) of the Act, in determining whether or not to approve an application the Board is required to take into consideration five stated factors: "(1) the financial history and condition of the company or companies and the banks concerned; (2) their prospects; (3) the character of their management; (4) the convenience,

needs, and welfare of the communities and the area concerned; and (5) whether or not the effect of such acquisition or merger or consolidation would be to expand the size or extent of the bank holding company system involved beyond limits consistent with adequate and sound banking, the public interest, and the preservation of competition in the field of banking."

The facts of this case have been considered in the light of these statutory standards. It appears that the considerations with respect to the first three factors are favorable, and that the proposed acquisition of 13 additional shares of an existing bank, of which the applicant presently owns 501 of the 1500 outstanding shares, would in no way affect the convenience, needs, or welfare of the communities and the area concerned, and would not expand the size or extent of the applicant's system of banks.

On the basis of the facts of the case and in the light of the statutory factors, it is the judgment of the Board that this application should be approved, and it is so ordered.

## UNITED STATES OF AMERICA

BEFORE THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Item No. 8  
12/10/57

In the Matter of

the Application of  
BRENTON COMPANIES  
for Approval of Acquisition  
of Voting Shares of  
PALO ALTO COUNTY STATE BANK,  
EMMETSBURG, IOWA

ORDER

The above matter having come before the Board on the application of Brenton Companies, Des Moines, Iowa, filed pursuant to the provision of section 3(a)(2) of the Bank Holding Company Act of 1956, for prior approval of acquisition by Brenton Companies of direct ownership of 13 of the 1,500 outstanding shares of the Palo Alto County State Bank, and it appearing after due consideration thereof in the light of the factors enumerated in section 3(c) of the Bank Holding Company Act of 1956 that such application should be granted,

IT IS HEREBY ORDERED that the said application be and hereby is granted and the acquisition by Brenton Companies of direct ownership of 13 of the 1,500 outstanding shares of capital stock of Palo Alto County State Bank, Emmetsburg, Iowa, is hereby approved, provided that such acquisition is completed within three months from the date hereof.

This 10th day of December 1957.

By order of the Board of Governors.

(SEAL)

Washington, D. C.  
December 10, 1957.

(Signed) S. R. Carpenter  
S. R. Carpenter,  
Secretary.

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

Item No. 9  
12/10/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

December 10, 1957



Mr. N. A. Bogdan, President,  
American Overseas Finance Company,  
30 Pine Street,  
New York 5, New York.

Dear Mr. Bogdan:

In accordance with the request and on the basis of the information contained in your letter of October 11, 1957, transmitted through the Federal Reserve Bank of New York, the Board of Governors grants its consent to your Company to acquire and hold up to 10 per cent of the common stock of Panamerican Commodities, S. A., Lima, Peru.

The Board's approval is given with the understanding that the proposed acquisition and holding of stock will be made as an incident to the proposed financing of Panamerican Commodities, S. A. and without additional payment by you for the stock as outlined in your letter, rather than for the primary purpose of making a direct long-term investment in Panamerican Commodities, S. A.; that American Overseas Finance Company will dispose of the stock within a reasonable time after the termination of substantial credit or financing relationships with Panamerican Commodities, S. A.; and that American Overseas Finance Company will be expected to dispose of the stock of Panamerican Commodities, S. A., as promptly as practicable in the event that any activities or operations of Panamerican Commodities, S. A., or the holding by your Company of the stock of Panamerican Commodities, S. A., should at any time be inconsistent with the provisions of Section 25(a) of the Federal Reserve Act or regulations thereunder.

In the last paragraph of your letter you state that you are presently considering a number of other proposed loans whereby you would receive stock incidental thereto; that you anticipate that additional similar transactions will occur from time to time in the future; and that, in every case, the other terms and conditions of the loans will be determined on the basis of your evaluation of all applicable credit factors. You request that the Board of Governors determine whether you may obtain advance approval to



Mr. N. A. Bogdan

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acquire and hold stock as described in the case of the arrangements with Panamerican Commodities, S. A., subject to the statutory limitations set forth in Section 9(d) of Regulation K, or whether it will be necessary to submit additional applications in each case.

The Board grants its general consent to American Overseas Finance Company to acquire, without additional payment by you, and to hold stock received in connection with loan or credit transactions, subject to the same understandings indicated above with respect to the stock of Panamerican Commodities, S. A., and the first sentence of Section 9(c) of Regulation K; provided that the terms and conditions of the loans or credits are determined on the basis of an evaluation of applicable credit factors; that such loans or credits may properly be made within the provisions of Section 25(a) and Regulation K; and that in no case shall the amount of stock of any corporation so acquired and held represent more than 25 per cent of any class of stock of the corporation.

With respect to any such stock acquired pursuant to this consent, American Overseas Finance Company will be expected to notify the Board of Governors promptly of such acquisitions as they occur and to furnish the Board of Governors within thirty days after acquisition: (1) a balance sheet of the corporation whose stock has been acquired, showing the financial position of the corporation as of a recent date; (2) a brief description of the business of the corporation; (3) a list of officers and directors, with addresses; (4) a description of the stock acquired; (5) information concerning the rights and privileges of the various classes of stock of the corporation outstanding; and (6) a brief summary of the loan or credit transaction with the corporation in connection with which the stock was received.

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  
12/10/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

December 10, 1957



Mr. James B. Godfrey, Counsel for  
New Hampshire Bankers Association,  
Care of Sulloway Hollis Godfrey & Soden,  
9 Capitol Street,  
Concord, New Hampshire.

Dear Mr. Godfrey:

This refers to your letter of November 29, 1957, requesting that you be advised if and when the Board receives an application under the Bank Holding Company Act by New Hampshire Bankshares to acquire a controlling interest in New Hampshire National Bank of Portsmouth, New Hampshire.

This is to inform you that the Board received such an application from New Hampshire Bankshares on November 21, 1957.

Very truly yours,

(Signed) S. R. Carpenter

S. R. Carpenter,  
Secretary.

T E L E G R A M  
LEASED WIRE SERVICEBOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTONItem No. 11  
12/10/57

December 10, 1957

TO THE CHAIRMEN OF ALL FEDERAL RESERVE BANKS  
WITH COPY TO PRESIDENTS

CONFIDENTIAL (FR)

There is quoted below a draft of letter which the Secretary of the Treasury would like to send to Small Business Administration on financial problems of small business. Board have been asked if draft is satisfactory and would appreciate advice by wire whether your Bank would be willing to cooperate in the procedure outlined in draft. This wire being sent to Chairman of each Federal Reserve Bank with a copy to each President.

(Here quote letter)

MARTIN

DRAFT  
12/5/57

Honorable Wendell B. Barnes  
Administrator  
Small Business Administration  
Washington 25, D. C.

Dear Mr. Barnes:

In discussing with you the problems of small business, the activities of your Agency in that field, and the deep interest which the Administration has in the welfare of this vital segment of our economy, I suggested the desirability of an additional method of approach.

My suggestion was that in order to assist in keeping the financial problems of small business under continuing review the SBA establish in each Federal Reserve District a committee of representative small businessmen which would confer frequently with the officials of the Federal Reserve Bank in its district, and would meet once or twice a year with the Board of Directors of that Bank for an exchange of views and a full discussion of current as well as basic problems. I feel that the points of view represented and the ideas developed in such meetings would help materially toward a more complete understanding of the obstacles and needs connected with the adequate financing of small business.

I have discussed this proposal with Mr. William McChesney Martin, Chairman of the Board of Governors of the Federal Reserve System, and have been assured by him that the Federal Reserve System would cooperate fully with such committees. In my appearance before the House Committee

- 2 -

on Small Business on November 21, I testified that I had made this recommendation. You have told me that it is acceptable to you, and I hope you will find it possible to act on it and establish the suggested committees in the near future. I shall be interested in following the developments.

Sincerely yours,

Secretary of the Treasury

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

S-1645  
Item No. 12  
12/10/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

December 10, 1957.



Dear Sir:

You were advised by letter dated December 19, 1956, subsequently confirmed by letter dated July 23, 1957 (S-1636; F.R.L.S. #7801), that reports on Form F.R. 240 (Confidential Report of Member Firm of a National Securities Exchange) need no longer be submitted by member firms of the New York Stock Exchange on a semi-annual basis, but should be compiled as of the last business day of December of each year.

In order to minimize the burden of compliance for reporting firms and eliminate year-end seasonal factors, the Board has approved a change of reporting date from the last business day of December to the last business day of June of each year. Consequently, no report will be required as of the end of December of this year. It will not be necessary to advise reporting firms of this change since arrangements are being made for the New York Stock Exchange to notify them.

Form F.R. 240 is now in the process of review by an ad hoc sub-committee of the System Committee on Current Reporting Series with a view to improvement in statistics on security brokers and dealers. You will be advised prior to June 1958 of any changes in the reporting form.

This letter replaces the Board's letter of July 23, 1957 (S-1636; F.R.L.S. #7801) on this subject.

Very truly yours,

S. R. Carpenter,  
Secretary.

TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS

Item No. 13  
12/10/57

## UNITED STATES OF AMERICA

BEFORE THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

-----  
In the Matter of the Applications of

FIRST NEW YORK CORPORATION,

THE FIRST NATIONAL CITY BANK OF NEW YORK,

and

INTERNATIONAL BANKING CORPORATION

## DOCKET NUMBERS

BHC - 1

BHC - 2

BHC - 3

for prior approval of action to become  
bank holding companies under Section 3  
of the Bank Holding Company Act of 1956.  
-----ORDER FOR REMAND TO HEARING EXAMINER

Applications were made by the above-named parties to the Board of Governors of the Federal Reserve System, pursuant to section 3(a) of the Bank Holding Company Act of 1956, for the prior approval by the Board of certain actions described in such applications; pursuant to the Board's Order of December 26, 1956, a public hearing was begun on these applications on January 24, 1957, before a duly designated Hearing Examiner; after the conclusion of that hearing the Hearing Examiner under date of October 3, 1957 filed with the Board his Report and Recommended Decision; and oral arguments on that Report and Recommended Decision were heard by the Board on November 26, 1957. Since the Hearing Examiner's Report and Recommended Decision related principally to the legal consequences of Article III-B of the New York Banking Law and made no recommendations on the merits of the subject applications,

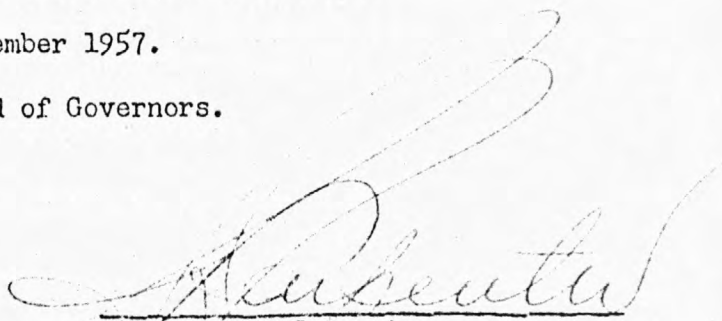
and since the Board deems it desirable to have the benefit of the views and recommendations of the Hearing Examiner with respect to all factors and circumstances affecting the merits of such applications,

IT IS ORDERED, That this matter be and hereby is remanded to the Hearing Examiner for submission by him to the Board of a further Report and Recommended Decision setting forth, on the basis of the hearing record, his views and recommendations with respect to the merits of the subject applications in the light of all of the provisions of the Bank Holding Company Act of 1956, including consideration of the extent, if any, to which factual weight should be given Article III-B of the New York Banking Law, but irrespective of the question as to the legal consequences of such Article III-B which has already been dealt with in the Hearing Examiner's Report and Recommended Decision of October 3, 1957; and

That such further Report and Recommended Decision be submitted to the Board by the Hearing Examiner as soon as feasible and not later than 45 days from the date of this Order.

This 10th day of December 1957.

By order of the Board of Governors.



S. R. Carpenter,  
Secretary.

(SEAL)

Washington, D. C.  
December 10, 1957



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

Item No. 14  
12/10/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD



December 17, 1957.

CONFIDENTIAL (FR)

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

Dear Mr. Sprague:

The Board of Governors approves the payment of salary to Mr. Erickson as President of the Federal Reserve Bank of Boston, for the period January 1, 1958 through December 31, 1958, at the rate of \$35,000 per annum, if so fixed by the Board of Directors.

The Board of Governors approves the payment of salary to Mr. Latham as First Vice President of the Federal Reserve Bank of Boston, for the period January 1, 1958 through December 31, 1958, at the rate of \$25,000 per annum, which is the rate fixed by the Board of Directors as reported in Mr. Erickson's letter of November 8, 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. 15  
12/10/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

December 17, 1957.



CONFIDENTIAL (FR)

Mr. John E. Bierwirth, Chairman,  
Federal Reserve Bank of New York,  
New York 45, New York.

Dear Mr. Bierwirth:

The Board of Governors approves the payment of salaries to Mr. Hayes as President and to Mr. Treiber as First Vice President of the Federal Reserve Bank of New York, for the period January 1, 1958 through December 31, 1958, at the rates of \$60,000 and \$35,000 per annum, respectively, which are the rates fixed by the Board of Directors as reported in your letter of November 14, 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. 16  
12/10/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

December 17, 1957



CONFIDENTIAL (FR)

Mr. William J. Meinel, Chairman,  
Federal Reserve Bank of Philadelphia,  
Philadelphia 1, Pennsylvania.

Dear Mr. Meinel:

The Board of Governors approves payment of salaries to Mr. Williams as President and to Mr. Davis as First Vice President of the Federal Reserve Bank of Philadelphia, for the period January 1, 1958 through December 31, 1958, at the rates of \$35,000 and \$25,000 per annum, respectively, which are the rates fixed by the Board of Directors as reported in Mr. Williams' letter of October 30, 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. 17  
12/10/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD



December 17, 1957.

CONFIDENTIAL (FR)

Mr. Arthur B. Van Buskirk, Chairman,  
Federal Reserve Bank of Cleveland,  
Cleveland 1, Ohio.

Dear Mr. Van Buskirk:

The Board of Governors approves the payment of salaries to Mr. Fulton as President and to Mr. Thompson as First Vice President of the Federal Reserve Bank of Cleveland, for the period January 1, 1958 through December 31, 1958, at the rates of \$35,000 and \$25,000 per annum, respectively, which are the rates fixed by the Board of Directors as reported in Mr. Fulton's letter of November 14, 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. 18  
12/10/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD



December 17, 1957.

CONFIDENTIAL (FR)

Mr. Walter M. Mitchell, Chairman,  
Federal Reserve Bank of Atlanta,  
Atlanta 3, Georgia.

Dear Mr. Mitchell:

The Board of Governors approves the payment of salaries to Mr. Bryan as President and Mr. Clark as First Vice President of the Federal Reserve Bank of Atlanta, for the period January 1, 1958 through December 31, 1958, at the rates of \$35,000 and \$25,000 per annum, respectively, if so fixed by the Board of Directors.

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. 19  
12/10/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

December 17, 1957.



CONFIDENTIAL (FR)

Mr. Bert R. Prall, Chairman,  
Federal Reserve Bank of Chicago,  
Chicago 90, Illinois.

Dear Mr. Prall:

The Board of Governors approves the payment of salaries to Mr. Allen as President and to Mr. Harris as First Vice President of the Federal Reserve Bank of Chicago, for the period January 1, 1958 through December 31, 1958, at the rates of \$50,000 and \$30,000 per annum, respectively, which are the rates fixed by the Board of Directors as reported in Mr. Dawes' letter of November 27, 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. 20  
12/10/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

December 17, 1957.



CONFIDENTIAL (FR)

Mr. Pierre B. McBride, Chairman,  
Federal Reserve Bank of St. Louis,  
St. Louis 2, Missouri.

Dear Mr. McBride:

The Board of Governors approves the payment of salaries to Mr. Johns as President and Mr. Freutel as First Vice President of the Federal Reserve Bank of St. Louis, for the period January 1, 1958 through December 31, 1958, at the rates of \$35,000 and \$20,000 per annum, respectively, as indicated in Mr. Johns' letter of November 13, 1957, if so fixed by the Board of Directors.

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. 21  
12/10/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

December 17, 1957.



CONFIDENTIAL (FR)

Mr. Leslie N. Perrin, Chairman,  
Federal Reserve Bank of Minneapolis,  
Minneapolis 2, Minnesota.

Dear Mr. Perrin:

The Board of Governors approves the payment of salaries to Mr. Deming as President and to Mr. Mills as First Vice President of the Federal Reserve Bank of Minneapolis, for the period January 1, 1958 through December 31, 1958, at the rates of \$35,000 and \$25,000 per annum, respectively, which are the rates fixed by the Board of Directors as reported in your letter of October 31, 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. 22  
12/10/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

December 17, 1957.

CONFIDENTIAL (FR)

Mr. Raymond W. Hall, Chairman,  
Federal Reserve Bank of Kansas City,  
Kansas City 6, Missouri.

Dear Mr. Hall:

The Board of Governors has considered the salary proposals for your President and First Vice President as outlined in your letter of November 13 and believes that salaries should not be approved for amounts in excess of \$35,000 for the President and \$25,000 for the First Vice President at this time.

Accordingly, the Board of Governors approves the payment of salaries to Mr. Leedy, as President, and Mr. Koppang, as First Vice President, for the period January 1, 1958 through December 31, 1958, at the rates of \$35,000 and \$25,000 per annum respectively, if so fixed by the Board of Directors.

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. 23  
12/10/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

December 17, 1957.



CONFIDENTIAL (FR)

Mr. Robert J. Smith, Chairman,  
Federal Reserve Bank of Dallas,  
Dallas 2, Texas.

Dear Mr. Smith:

The Board of Governors approves the payment of salaries to Mr. Irons as President and to Mr. Gentry as First Vice President of the Federal Reserve Bank of Dallas, for the period January 1, 1958 through December 31, 1958, at the rates of \$35,000 and \$25,000 per annum, respectively, if so fixed by the Board of Directors.

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. 24  
12/10/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

December 17, 1957.



CONFIDENTIAL (FR)

Mr. A. H. Brawner, Chairman,  
Federal Reserve Bank of San Francisco,  
San Francisco 20, California.

Dear Mr. Brawner:

The Board of Governors approves the payment of salaries to Mr. Mangels as President and to Mr. Swan as First Vice President of the Federal Reserve Bank of San Francisco, for the period January 1, 1958 through December 31, 1958, at the rates of \$35,000 and \$25,000 per annum, respectively, which are the rates fixed by the Board of Directors as reported in Mr. Mangels' letter of October 11, 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. 25  
12/10/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

December 13, 1957



CONFIDENTIAL (FR)

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

Dear Mr. Sprague:

The Board of Governors approves the payment of salaries to the following officers of the Federal Reserve Bank of Boston for the period January 1, 1958 through December 31, 1958, at the rates indicated, which are the rates fixed by your Board of Directors as reported in Mr. Erickson's letter of November 8, 1957:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
D. Harry Angney	Vice President	\$17,000
Ansgar R. Berge	Vice President	16,000
George H. Ellis	Vice President and Director of Research	15,000
Benjamin F. Groot	Vice President	14,500
John E. Lowe	Cashier	14,500
Dana D. Sawyer	Vice President	15,500
Oscar A. Schlaikjer	Vice President and General Counsel	21,000
Elliot S. Boardman	Assistant Vice President	13,500
Edward W. O'Neil	Assistant Vice President	14,000
David L. Strong	General Auditor	14,000
Charles E. Turner	Assistant Vice President	12,500
Wallace Dickson	Director of Public Information	13,500
Frank C. Gilbody	Assistant Vice President	14,000
William R. King	Assistant Vice President	12,000
Parker B. Willis	Economic Adviser	12,000
Louis A. Zehner	Assistant Vice President	13,500
Loring C. Nye	Assistant Cashier	12,000
Laurence H. Stone	Secretary and Assistant Counsel	11,000
G. Gordon Watts	Assistant Cashier	11,500

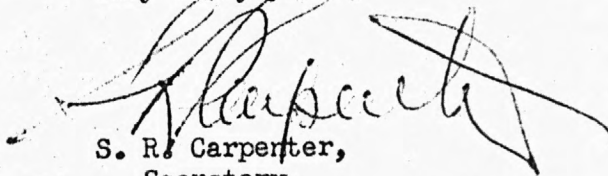
Mr. Sprague

- 2 -

Approval of the payment of salaries during 1958 to three newly appointed officers, Assistant Cashiers Brady, Thayer and Radford, was contained in the Board's letter, dated December 3, 1957, to Mr. Erickson.

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

Very truly yours,



S. R. Carpenter,  
Secretary.

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

Item No. 26  
12/10/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

December 13, 1957



CONFIDENTIAL (FR)

Mr. John E. Bierwirth, Chairman,  
Federal Reserve Bank of New York,  
New York 45, New York.

Dear Mr. Bierwirth:

The Board of Governors approves the payment of salaries to the following officers of the Federal Reserve Bank of New York and its Buffalo Branch for the period January 1, 1958 through December 31, 1958, at the rates indicated, which are the rates fixed by your Board of Directors as reported in your letter of November 14, 1957.

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
Robert G. Rouse	Vice President	\$32,500
Harold V. Roelse	Vice President and Economic Adviser	30,000
Valentine Willis	Vice President	30,000
Herbert H. Kimball	Vice President	29,500
Todd G. Tiebout	Vice President and General Counsel	28,500
Harold A. Bilby	Vice President	28,000
John Exter	Vice President	28,000
Robert V. Roosa	Vice President	25,000
Marcus A. Harris	Vice President	23,000
Reginald B. Wiltse	Vice President	23,000
John J. Clarke	Assistant General Counsel	22,500
Felix T. Davis	Assistant Vice President	21,250
Howard D. Crosse	Assistant Vice President	21,000
Horace L. Sanford	Assistant Vice President	21,000
Walter H. Rozell, Jr.	Vice President	20,500
Norman P. Davis	Assistant Vice President	19,000
Paul R. Fitchen	Assistant Vice President	18,500
Donald J. Cameron	General Auditor	18,000
Charles A. Coombs	Manager	18,000
Peter P. Lang	Manager	18,000
Angus A. MacInnes, Jr.	Assistant Vice President	18,000
John J. Larkin	Assistant Vice President	17,500
Thomas O. Waage	Secretary	17,250
Harding Cowan	Assistant Counsel	17,000
Clifton R. Gordon	Assistant Counsel	17,000

Mr. Bierwirth

- 2 -

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
Edward G. Guy	Assistant Counsel and Acting Assistant Secretary	\$16,750
Spencer S. Marsh, Jr.	Assistant Vice President	16,500
Lawrence E. Quackenbush	Assistant Vice President	16,500
Donald C. Niles	Manager	16,000
Frederick L. Smedley	Manager	16,000
William E. Marple	Manager	15,750
Herbert A. Muether	Manager	15,500
George C. Smith	Manager	15,000
George Garvy	Senior Economist	14,750
William A. Heintz	Manager	14,750
Tilford C. Gaines	Manager	14,500
John P. Jensen	Manager	14,500
Fred W. Piderit, Jr.	Manager	14,500
Kenneth E. Small	Manager	14,250
Arthur H. Noa	Manager	14,000
Franklin E. Peterson	Manager	14,000
Walter S. Rushmore	Manager	14,000
Arthur I. Bloomfield	Senior Economist	13,500
William H. Braun, Jr.	Assistant Counsel and Assistant Secretary	13,500
William F. Palmer	Manager	13,500
Thomas J. Roche	Foreign Exchange Officer	13,250
A. Chester Walton	Manager	13,000
Gregory O'Keefe, Jr.	Assistant Counsel	12,500
Charles R. Pricher	Manager	12,500
John F. Pierce	Chief Examiner	12,250
Everett B. Post	Manager	12,000
Carl H. Madden	Manager	11,500

BUFFALO BRANCH

Insley B. Smith	Vice President	\$23,500
Harold M. Wessel	Assistant Vice President	16,250
George J. Doll	Cashier	14,000
Gerald H. Greene	Assistant Cashier	12,250
M. Monroe Myers	Assistant Cashier	11,000

Mr. Bierwirth

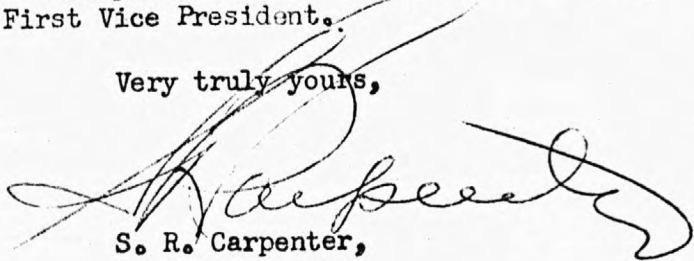
- 3 -

In reviewing the officers' salaries proposed for the year 1958, it has been noted that two of the larger salary increases apply to senior officers who will reach retirement age in February 1959. The Board is of the opinion that, in the future, consideration should be given to the desirability of avoiding disproportionate increases to officers nearing retirement age.

Also, the Board notes that, after giving effect to January 1, 1958 salary increases, the compa ratio of four of the six officer salary groups at your Bank will exceed 100 per cent. Your letter of November 14, 1957 requesting approval of the proposed salaries indicates that the Board of Directors recognizes that salaries in Group C, D, E and F are generally high in their respective ranges. The Board urges that this widening of the relationship between salaries and the midpoint of each group receive your continued attention.

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

Very truly yours,



S. R. Carpenter,  
Secretary.



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

Item No. 27  
12/10/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

December 13, 1957



CONFIDENTIAL (FR)

Mr. William J. Meinel, Chairman,  
Federal Reserve Bank of Philadelphia,  
Philadelphia 1, Pennsylvania.

Dear Mr. Meinel:

The Board of Governors approves the payment of salaries to the following officers of the Federal Reserve Bank of Philadelphia for the period January 1, 1958 through December 31, 1958, at the rates indicated, which are the rates fixed by your Board of Directors as reported in Mr. Williams' letter of October 30, 1957:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
Karl R. Bopp	Vice President	\$20,000
Robert N. Hilkert	Vice President	19,000
Ernest C. Hill	Vice President	18,000
William G. McCree	Vice President and Secretary	18,000
Philip M. Poorman	Vice President	18,000
James V. Vergari	Vice President and General Counsel	18,000
Richard G. Wilgus	Cashier and Assistant Secretary	16,000
Wallace M. Catanach	Assistant Vice President	13,000
Norman G. Dash	Assistant Vice President	13,000
George J. Lavin	Assistant Vice President	14,000
Evan B. Alderfer	Industrial Economist	14,000
Clay J. Anderson	Financial Economist	14,000
Joseph R. Campbell	Assistant Vice President	13,000
Murdoch K. Goodwin	Assistant General Counsel and Assistant Secretary	13,000
Roy Hetherington	Assistant Cashier	11,000
Fred A. Murray	Director of Plant	11,000
Hugh Barrie	Machine Methods Officer	12,000
Herman B. Haffner	General Auditor	12,000
Edward A. Aff	Assistant Cashier	11,000
Ralph E. Haas	Assistant Cashier	10,000
Henry J. Nelson	Assistant Cashier	11,000
Harry W. Roeder	Assistant Vice President	12,000
Zell G. Fenner	Chief Examiner	12,000
David P. Eastburn	Financial Economist	11,000
Russell P. Sudders	Assistant Cashier	9,000

Mr. Meinel

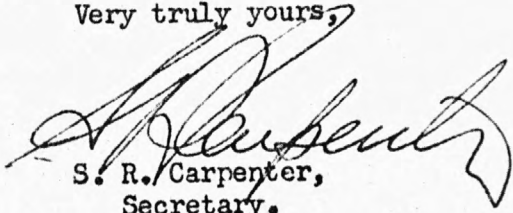
- 2 -

Approval of the payment of salary during 1958 to a newly appointed officer, Business Economist Bunting, was contained in the Board's letter dated December 3, 1957, to Mr. Williams.

It is noted that Messrs. Ernest C. Hill and William G. McCreedy will reach retirement age during 1958 and, accordingly, payment of salary to them is approved only to the respective dates of their retirements.

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

Very truly yours,



S. R. Carpenter,  
Secretary.

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

WASHINGTON 25, D. C.

Item No. 28  
12/10/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

December 12, 1957

CONFIDENTIAL (FR)

Mr. Arthur B. Van Buskirk, Chairman,  
Federal Reserve Bank of Cleveland,  
Cleveland 1, Ohio.

Dear Mr. Van Buskirk:

The Board of Governors approves the payment of salaries to the following officers of the Federal Reserve Bank of Cleveland and its Branches for the period January 1, 1958 through December 31, 1958, at the rates indicated, which are the rates fixed by your Board of Directors as reported in Mr. Fulton's letter of November 14, 1957:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
D. L. Allen	Vice President	\$18,500
R. R. Clouse	Vice President and Secretary	18,500
G. H. Emde	Cashier	17,000
Clyde Harrell	Vice President	16,000
L. M. Hostetler	Vice President	18,000
Martin Morrison	Vice President	18,500
H. E. J. Smith	Vice President	16,000
P. C. Stetzelberger	Vice President	19,250
C. F. Ehninger	General Auditor	18,000
John J. Balles	Assistant Vice President	14,000
H. M. Boyd	Chief Examiner	12,000
F. B. Didham	Assistant Vice President	12,500
E. A. Fink	Assistant Vice President	12,000
J. M. Miller	Assistant Vice President	14,000
G. T. Quast	Assistant Chief Examiner	11,000
C. J. Bolthouse	Assistant Cashier	12,000
C. E. Crawford	Assistant Cashier	10,250
E. V. Denton	Assistant Cashier	10,500
Anne J. Erste	Assistant Cashier	9,000
E. F. Fricke	Assistant Cashier	10,500
John J. Hoy	Assistant Cashier	10,000
John Orin	Assistant Cashier	10,500
H. B. Flinkers	Assistant Secretary	10,000

Mr. Van Buskirk

- 2 -

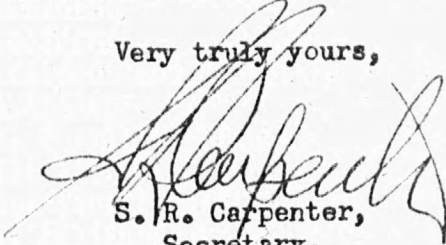
<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
<u>CINCINNATI BRANCH</u>		
R. G. Johnson	Vice President	\$18,500
P. J. Geers	Cashier	14,500
John Biermann, Jr.	Assistant Cashier	10,500
G. W. Hurst	Assistant Cashier	10,500
W. H. MacDonald	Assistant Cashier	9,500
<u>PITTSBURGH BRANCH</u>		
J. W. Kossin	Vice President	\$21,000
A. G. Foster	Cashier	14,500
W. H. Nolte	Assistant Cashier	11,000
J. P. Price	Assistant Cashier	11,000
J. A. Schmidt	Assistant Cashier	12,000
R. J. Steinbrink	Assistant Cashier	12,500

Approval of the payment of salaries during 1958 to two newly appointed officers, Senior Economist - Office Manager Kiel and Assistant Cashier Houpt (Pittsburgh), was contained in the Board's letter, dated December 3, 1957, to Mr. Fulton.

It is noted that Messrs. H. M. Boyd, W. H. Nolte, and J. R. Price will reach retirement age during 1958 and, accordingly, payment of salary to them is approved only to the respective dates of their retirements.

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

Very truly yours,

  
S. R. Carpenter,  
Secretary.

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

Item No. 29  
12/10/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

December 13, 1957

CONFIDENTIAL (FR)

Mr. John E. Woodward, Jr., Chairman,  
Federal Reserve Bank of Richmond,  
Richmond 13, Virginia.

Dear Mr. Woodward:

The Board of Governors approves the payment of salaries to the following officers of the Federal Reserve Bank of Richmond and its Branches for the period January 1, 1958, through December 31, 1958, at the rates indicated, which are the rates fixed by your Board of Directors as reported in your letter of November 14, 1957.

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
N. L. Armistead	Vice President	\$20,000
R. L. Cherry	Vice President, Charlotte Branch	18,000
J. D. Daane	Vice President	15,000
D. F. Hagner	Vice President, Baltimore Branch	17,500
A. N. Heflin	Vice President and General Counsel	20,000
U. S. Martin	Vice President	16,500
J. M. Nowlan	Vice President and Cashier	16,500
J. M. Slay	Vice President	17,000
T. I. Storrs	Vice President	15,500
C. E. Strathy	Vice President and Secretary	16,500
R. S. Brock, Jr.	General Auditor	14,000
S. A. Ligon	Cashier, Charlotte Branch	14,000
E. F. MacDonald	Assistant Vice President	12,500
J. L. Nosker	Assistant Vice President	14,000
A. A. Stewart, Jr.	Cashier, Baltimore Branch	13,500
C. W. Williams	Economic Adviser	14,000
J. G. Deitrick	Assistant Cashier	10,000
J. G. Dickerson, Jr.	Assistant Cashier	10,500
H. E. Ford	Assistant Vice President	10,500
R. P. Lumpkin	Senior Economist	10,500
G. W. McKinney, Jr.	Assistant Vice President	11,000
V. E. Pregeant, III	Assistant General Counsel	11,000
G. H. Snead	Chief Examiner	11,500
B. F. Armstrong	Assistant Cashier, Baltimore Branch	9,500
C. B. Beavers	Assistant Cashier	9,100

- 2 -

Mr. Woodward, Jr.

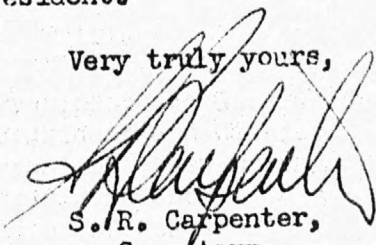
<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
E. B. Coleman	Assistant Cashier	\$ 9,600
R. R. Fentress	Assistant Cashier	8,500
R. L. Honeycutt	Assistant Cashier, Charlotte Branch	10,000
E. R. Jones, Jr.	Assistant Cashier, Baltimore Branch	8,700
E. C. Mondy	Assistant Cashier, Charlotte Branch	10,000
W. B. Wakeham	Assistant Cashier	10,500
A. C. Wienert	Assistant Cashier, Baltimore Branch	10,500

Approval of the payment of salaries during 1958 to two newly appointed officers, Assistant Cashiers Friend and Sanders, was contained in the Board's letter, dated December 3, 1957, to you.

It is noted that Mr. R. S. Brock, Jr. will reach retirement age during 1958 and, accordingly, payment of salary to him is approved only to the respective date of his retirement.

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

Very truly yours,



S. R. Carpenter,  
Secretary.

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

Item No. 30  
12/10/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

December 13, 1957

CONFIDENTIAL (F.R.)

Mr. Walter M. Mitchell, Chairman,  
Federal Reserve Bank of Atlanta,  
Atlanta 3, Georgia.

Dear Mr. Mitchell:

The Board of Governors approves the payment of salaries to the following officers of the Federal Reserve Bank of Atlanta and its branches for the period January 1, 1958 through December 31, 1958, at the rates indicated, which are the rates fixed by your Board of Directors as reported in Mr. Bryan's letter of September 18, 1957:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
Harold T. Patterson	Vice President and General Counsel	\$21,000
John L. Liles, Jr.	Vice President and Cashier	17,500
Morgan L. Shaw	Vice President, New Orleans Branch	17,500
Earle L. Rauber	Vice President and Director of Research	15,000
T. A. Lanford	Vice President, Jacksonville Branch	17,000
J. E. Denmark	Vice President	16,000
R. E. Moody, Jr.	Vice President, Nashville Branch	16,000
L. B. Raisty	Vice President	15,000
S. P. Schuessler	Vice President	16,000
H. C. Frazer	Vice President, Birmingham Branch	15,000
J. E. McCorvey	Vice President	13,000
E. C. Rainey	Assistant Vice President, Birmingham Branch	13,000
DeWitt Adams	General Auditor	12,000
Charles T. Taylor	Assistant Vice President	12,000
R. M. Stephenson	Assistant Vice President, New Orleans Branch	13,000
Brown R. Rawlings	Assistant Vice President	11,000
T. C. Clark	Assistant Vice President, Jacksonville Branch	12,000
W. H. Sewell	Assistant Vice President, Nashville Branch	12,000
George W. Sheffer	Chief Examiner	12,000
Theodore Walter	Assistant Cashier	10,000
Dowdell Brown, Jr.	Assistant Vice President	11,000
J. W. Snyder	Cashier, Jacksonville Branch	11,000

Mr. Walter M. Mitchell

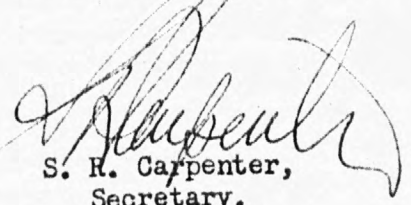
<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
L. Y. Chapman	Cashier, New Orleans Branch	\$11,000
L. W. Starr	Cashier, Nashville Branch	11,000
Fred I. Breck	Assistant Cashier	10,600
C. Mason Ford	Assistant Cashier, Jacksonville Branch	10,600
James B. Forbes	Assistant General Auditor	9,000
F. H. Martin	Assistant Vice President	10,600
I. H. Martin	Assistant Vice President	10,000
William A. Waller, Jr.	Cashier, Birmingham Branch	10,000
R. E. Milling	Assistant Vice President	10,600
R. M. Junca	Assistant Cashier, New Orleans Branch	9,000
Melvin McIlwain	Assistant Cashier, Birmingham Branch	8,600
Stuart H. Magee	Assistant Cashier, Nashville Branch	9,000

Approval of the payment of salary during 1958 to a newly appointed officer, Director of Personnel Vallette, was contained in the Board's letter dated December 3, 1957, to Mr. Bryan.

It is noted that Mr. R. E. Milling will reach retirement age during 1958, and accordingly, payment of salary to him is approved only to the date of his retirement.

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

Very truly yours,

  
S. R. Carpenter,  
Secretary.



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

Item No. 31  
12/10/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

December 13, 1957



CONFIDENTIAL (FR)

Mr. Bert R. Prall, Chairman,  
Federal Reserve Bank of Chicago,  
Chicago 90, Illinois.

Dear Mr. Prall:

The Board of Governors approves the payment of salaries to the following officers of the Federal Reserve Bank of Chicago and its Detroit Branch for the period January 1, 1958 through December 31, 1958, at the rates indicated, which are the rates fixed by your Board of Directors as reported in Mr. Allen's letter of October 21, 1957:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
Baughman, E. T.	Assistant Vice President	\$16,000
Eierbauer, Carl	Assistant Cashier	9,500
Bristow, E. D.	Assistant Cashier	10,500
Carroll, P. C.	Assistant Vice President	14,500
Davis, L. A.	Assistant Cashier	10,500
Dawes, N. B.	Vice President and Secretary	23,000
Dawson, L.	Assistant Cashier	10,750
Diercks, W. R.	Vice President	23,000
Dons, F. A.	Assistant General Auditor	13,500
Endres, J. J.	General Auditor	19,000
Gallagher, W. C.	Assistant Counsel	10,200
Grimm, F. H.	Assistant Cashier	10,500
Gustavson, A. M.	Vice President	15,000
Hansen, V. A.	Assistant Cashier	8,750
Heath, E. A.	Assistant Vice President and Assistant Secretary	13,500
Helmer, H. J.	Assistant Vice President	14,000
Hodge, P. C.	Vice President, General Counsel and Assistant Secretary	19,000
Holland, R. C.	Assistant Vice President	13,500
Hume, W. O.	Assistant Cashier	9,500

Mr. Prall

- 2 -

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
Jones, L. H.	Cashier	\$18,500
Laibly, C. T.	Vice President	16,500
Mitchell, G. W.	Vice President	21,500
Newmar, H. J.	Vice President	16,000
Olson, A. L.	Vice President	23,000
Ross, L. M.	Assistant Chief Examiner	12,500
Scanlon, C. J.	Chief Examiner	15,000
Schultz, H. S.	Assistant Cashier	10,000
Smyth, B. L.	Assistant Vice President	15,000
Sorg, R. E.	Assistant Cashier	11,000
Srp, J. J.	Assistant Cashier	12,000
Tucker, G. T.	Assistant Cashier	12,500
Turner, W. W.	Vice President	22,000
Van Zante, C. P.	Assistant Vice President	14,500
Wilson, H. F.	Assistant Vice President	14,500

DETROIT BRANCH

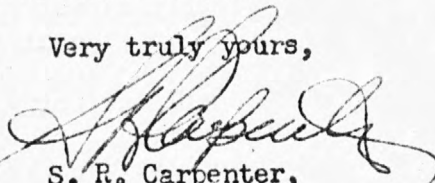
Bloomfield, R. W.	Assistant Vice President	\$14,500
Carey, P. F.	Assistant Cashier	9,600
Diehl, H. L.	Cashier	13,000
Lamphere, G. W.	Assistant General Counsel	12,750
Swaney, R. A.	Vice President	18,000
Wiegandt, A. J.	Assistant Cashier	12,500

Approval of the payment of salary during 1958 to a newly appointed officer, Assistant Cashier Gohr, was contained in the Board's letter, dated December 3, 1957, to Mr. Allen.

Mr. Allen's letter mentioned the anticipated retirements of Messrs. Turner and Carroll, and it is noted that Mr. Bristow will reach retirement age during 1958, also. Accordingly, the payment of salary to these three officers is approved only to the respective dates of their retirements.

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

Very truly yours,



S. R. Carpenter,  
Secretary.

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

Item No. 32  
12/10/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

December 13, 1957

CONFIDENTIAL (FR)

Mr. Pierre B. McBride, Chairman,  
Federal Reserve Bank of St. Louis,  
St. Louis 2, Missouri.

Dear Mr. McBride:

The Board of Governors approves the payment of salaries to the following officers of the Federal Reserve Bank of St. Louis and its Branches, for the period January 1, 1958 through December 31, 1958 at the rates indicated in Mr. Johns' letter of November 13, 1957, if so fixed by the Board of Directors:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
Howard H. Weigel	Vice President and Secretary	\$17,500
Joseph C. Wotawa	Vice President	18,000
Dale M. Lewis	Vice President	17,500
William J. Abbott	Vice President	17,500
George E. Kroner	Vice President	17,500
Fred Burton	Vice President and Manager, Little Rock Branch	17,000
Donald L. Henry	Vice President and Manager, Louisville Branch	15,000
Darryl R. Francis	Vice President and Manager, Memphis Branch	18,000
Earl R. Billen	Assistant Vice President	13,500
Willis L. Johns	Assistant Vice President	13,000
Stephen Koptis	Assistant Vice President	13,500
Marvin L. Bennett	Assistant Vice President	12,500
Orville O. Wyrick	Chief Examiner	14,000
George W. Hirshman	General Auditor	13,000
W. W. Gilmore	Assistant Vice President	11,200
John J. Hofer	Assistant Vice President	10,500
Paul Salzman	Assistant Vice President	11,500
Gerald T. Dunne	Counsel and Assistant Secretary	11,000
Janes M. Geiger	Assistant Vice President	10,600

Mr. McBride

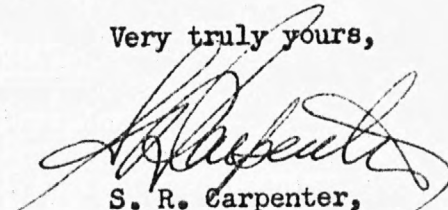
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<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
Wilbur H. Isbell	Assistant Chief Examiner	\$11,000
Sherley C. Davis	Cashier, Little Rock Branch	10,000
John W. Menges	Cashier, Louisville Branch	10,000
E. Francis DeVos	Cashier, Memphis Branch	10,600
W. E. Walker	Assistant Vice President	9,000
Clifford Wood	Assistant Cashier, Little Rock Branch	8,500
William J. Bryan	Assistant Cashier, Little Rock Branch	9,000
Clarence J. Woertz	Assistant Cashier, Louisville Branch	8,500
L. K. Arthur	Assistant Cashier, Louisville Branch	8,500
H. C. Anderson	Assistant Cashier, Memphis Branch	9,000
Benjamin B. Monaghan	Assistant Cashier, Memphis Branch	8,500

It is noted that Mr. L. K. Arthur will reach retirement age during 1958 and, accordingly, payment of salary to him is approved only to the date of his retirement.

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

Very truly yours,



S. R. Carpenter,  
Secretary.

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

WASHINGTON 25. D. C.

Item No. 33  
12/10/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

December 13, 1957



CONFIDENTIAL (FR)

Mr. Leslie N. Perrin, Chairman,  
Federal Reserve Bank of Minneapolis,  
Minneapolis 2, Minnesota.

Dear Mr. Perrin:

The Board of Governors approves the payment of salaries to the following officers of the Federal Reserve Bank of Minneapolis and its Branch for the period January 1, 1958 through December 31, 1958, at the rates indicated, which are the rates fixed by your Board of Directors as reported in Mr. Deming's letter of October 30, 1957:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
H. G. McConnell	Vice President	\$20,500
Sigurd Ueland	Vice President and Counsel	17,000
C. W. Groth	Vice President and Cashier	16,000
M. H. Strothman, Jr.	Vice President	16,500
F. L. Parsons	Director of Research	15,000
M. B. Holmgren	Vice President	13,000
A. W. Johnson	Vice President	13,000
A. J. McNulty	General Auditor	12,500
Roger K. Grobal	Chief Examiner	12,500
M. E. Lysen	Operating Research Officer	12,500
C. A. Van Nice	Assistant Vice President	12,000
O. W. Ohnstad	Assistant Vice President	11,500
O. F. Litterer	Business Economist	11,500
C. Ries	Assistant Vice President	11,000
F. J. Cramer	Assistant Vice President	10,500
John J. Gillette	Assistant Cashier	10,750
W. C. Bronner	Assistant Cashier	9,750
M. O. Sather	Assistant Cashier	9,500
C. E. Bergquist	Assistant Cashier	9,250

HELENA BRANCH

K. K. Fossum	Vice President	\$13,500
H. A. Berglund	Assistant Vice President	10,500
John L. Heath	Assistant Cashier	8,000

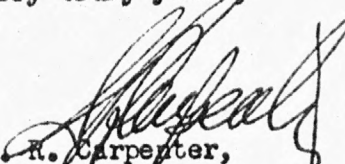
Mr. Perrin.

- 2 -

It is noted from Mr. Deming's letter that Messrs. Ueland and Berglund will retire during 1958 and, accordingly, payment of salary to them is approved only to the respective dates of their retirements.

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

Very truly yours,

  
S. R. Carpenter,  
Secretary.

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

Item No. 34  
12/10/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

December 10, 1957



CONFIDENTIAL (FR)

Mr. Raymond W. Hall, Chairman,  
Federal Reserve Bank of Kansas City,  
Kansas City 6, Missouri.

Dear Mr. Hall:

The Board of Governors approves the payment of salaries to the following officers of the Federal Reserve Bank of Kansas City and its Branches, for the period January 1, 1958, through December 31, 1958, at the rates indicated, which are the rates fixed by the Board of Directors as reported in your letter of November 13, 1957:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
D. W. Woolley	Vice President	\$22,500
Clarence W. Tow	Vice President	19,000
John T. Boysen	Vice President and Cashier	16,000
J. S. Handford	Vice President	13,000
C. A. Cravens	Assistant Vice President	12,000
Joseph R. Euans	Assistant Vice President	11,600
F. H. Larson	Assistant Vice President	12,200
E. U. Sherman	Assistant Vice President	12,500
J. T. White	Assistant Vice President	11,000
C. L. Bollinger	General Auditor	14,000
L. F. Mills	Chief Examiner	13,500
Willard Edwards	Director of Personnel	11,000
J. C. Craig	Assistant Cashier	9,600
George C. Rankin	Assistant Cashier	11,600
John W. Snider	Assistant Cashier	9,500
Robert E. Thomas	Assistant Cashier	9,500

DENVER BRANCH

Cecil Puckett	Vice President	\$17,000
H. L. Stempel	Cashier	12,600
Hubert G. Duck	Assistant Cashier	10,700
J. R. Zahourek	Assistant Cashier	9,500

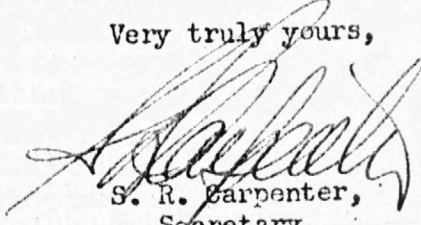
Mr. Hall

- 2 -

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
<u>OKLAHOMA CITY BRANCH</u>		
R. L. Mathes	Vice President	\$17,500
F. W. Alexander	Cashier	12,100
F. R. Fritz	Assistant Cashier	10,600
E. P. Farley	Assistant Cashier	9,500
<u>OMAHA BRANCH</u>		
P. A. Debus	Vice President	\$17,000
H. W. Fritz	Cashier	11,700
W. P. Doran	Assistant Cashier	10,500
W. L. Pleiss	Assistant Cashier	9,500

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

Very truly yours,



S. R. Carpenter,  
Secretary.



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

Item No. 35  
12/10/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

December 13, 1957



CONFIDENTIAL (FR)

Mr. Robert J. Smith, Chairman,  
Federal Reserve Bank of Dallas,  
Dallas 13, Texas.

Dear Mr. Smith:

The Board of Governors approves the payment of salaries to the following officers of the Federal Reserve Bank of Dallas and its Branches for the period January 1, 1958 through December 31, 1958, at the rates indicated, which are the rates fixed by your Board of Directors as reported in Mr. Irons' letter of October 10, 1957:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
E. B. Austin	Vice President	\$20,500
L. G. Pondrom	Vice President	19,500
Harry A. Shuford	Vice President and General Counsel	18,000
G. R. Murff	General Auditor	15,700
W. H. Holloway	Vice President and Cashier	15,200
Morgan H. Rice	Vice President and Secretary	15,200
Thomas W. Plant	Vice President	14,000
Thomas A. Herdin	Vice President	12,100
Charles E. Walker	Vice President and Economic Adviser	13,000
Carl H. Moore	Assistant Vice President	12,400
Herman W. Kilman	Assistant Cashier	11,000
E. H. Berg	Assistant Cashier	10,500
James A. Parker	Director of Personnel	11,700
Philip E. Coldwell	Director of Research	12,500
Moss E. Hulsey, Jr.	Chief Examiner	12,000
W. M. Pritchett	Assistant Cashier	11,200
James L. Cauthen	Assistant Cashier	10,300
George F. Rudy	Assistant Counsel and Assistant Secretary	10,700

EL PASO BRANCH

Howard Carrithers	Vice President	\$13,000
Fredric W. Reed	Cashier	9,800
T. C. Arnold	Assistant Cashier	8,000

Mr. Smith

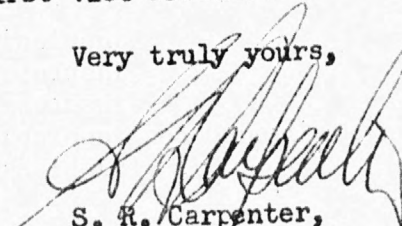
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<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
<u>HOUSTON BRANCH</u>		
J. L. Cook	Vice President	\$16,500
B. J. Troy	Cashier	9,800
Thomas R. Sullivan	Assistant Cashier	9,600
W. C. Hartung	Assistant Cashier	8,500
<u>SAN ANTONIO BRANCH</u>		
W. E. Eagle	Vice President	\$15,500
A. E. Mundt	Cashier	10,600
Alvin E. Russell	Assistant Cashier	9,800
Frederick J. Schmid	Assistant Cashier	8,000

It is noted that Messrs. E. B. Austin and W. H. Holloway will reach retirement age during 1958 and, accordingly, payment of salary to them is approved only to the respective dates of their retirements.

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

Very truly yours,

  
S. R. Carpenter,  
Secretary.

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

Item No. 36  
12/10/57

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

December 13, 1957



CONFIDENTIAL (FR)

Mr. A. H. Brawner, Chairman,  
Federal Reserve Bank of San Francisco,  
San Francisco 20, California.

Dear Mr. Brawner:

The Board of Governors approves the payment of salaries to the following officers of the Federal Reserve Bank of San Francisco and its branches for the period January 1, 1958 through December 31, 1958, at the rates indicated, which are the rates fixed by your Board of Directors as reported in Mr. Mangels' letter of October 11, 1957:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
E. R. Millard	Vice President	\$18,000
H. F. Slade	Vice President	19,000
R. H. Morrill	Vice President	14,000
J. A. O'Kane	Vice President and General Counsel	17,000
O. P. Wheeler	Vice President	17,000
H. E. Hemmings	Cashier	13,000
R. S. Einzig	Assistant Vice President	12,000
H. Armstrong	General Auditor	13,500
E. H. Galvin	Chief Examiner	12,500
J. L. Barbonchielli	Assistant Vice President	12,000
T. W. Barrett	Assistant Cashier	10,000
P. W. Cavan	Assistant Cashier	10,000
D. H. Davenport	Assistant Cashier	10,000
R. C. Milliken	Assistant Cashier	11,000
G. W. Lynn	Senior Economist	12,000
H. S. Schwartz	Senior Economist	12,000
A. H. Price	Assistant Cashier	9,000
<u>LOS ANGELES BRANCH</u>		
W. F. Volberg	Vice President and Manager	\$20,000
C. H. Watkins	Assistant Manager	15,500
M. J. Davies	Assistant Manager	8,500
G. D. Parker	Assistant Manager	10,500
J. R. Robinson	Assistant Manager	10,500
V. E. Vigus	Assistant Manager	9,000

Mr. Brawner

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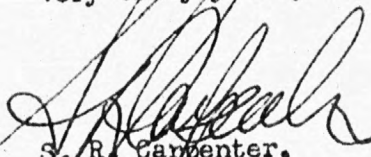
<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
<u>PORTLAND BRANCH</u>		
J. A. Randall	Vice President and Manager	\$17,000
A. B. Merritt	Assistant Manager	12,000
W. M. Brown	Assistant Manager	9,000
C. H. Mercer	Assistant Manager	9,000
<u>SALT LAKE CITY BRANCH</u>		
E. R. Barglebaugh	Vice President and Manager	\$11,000
A. L. Price	Assistant Manager	12,000
A. G. Holman	Assistant Manager	8,500
T. M. Simmons	Assistant Manager	10,000
<u>SEATTLE BRANCH</u>		
J. M. Leisner	Vice President and Manager	\$18,500
R. E. Everson	Assistant Manager	13,000
W. R. Sandstrom	Assistant Manager	10,500
D. E. Simms	Assistant Manager	10,000

Approval of the payment of salaries during 1958 to five newly appointed officers, Assistant Cashiers Martens and Maurer, and Administrative Assistant Whitworth at the Head Office, and Assistant Managers Carter and Grimm at the Los Angeles and Portland branches, respectively, was contained in the Board's letter, dated November 18, 1957, to Mr. Mangels.

It is noted that Messrs. H. F. Slade and C. H. Mercer will reach retirement age during 1958 and, accordingly, payment of salary to them is approved only to the respective dates of their retirements.

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

Very truly yours,

  
S. R. Carpenter,  
Secretary.