Minutes for April 14, 1958

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 (M)
Gov. Szymczak	x M M S	
Gov. Vardaman 1/		x
Gov. Mills	x	
Gov. Robertson	x R	
Gov. Balderston	x C C B	
Gov. Shepardson	x [illegible]	

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

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Minutes of the Board of Governors of the Federal Reserve System on Monday, April 14, 1958. The Board met in the Board Room at 9:30 a.m.

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

Mr. Carpenter, Secretary
Mr. Kenyon, Assistant Secretary
Mr. Fauver, Assistant Secretary
Mr. Riefler, Assistant to the Chairman
Mr. Thomas, Economic Adviser to the Board

Messrs. Young, Garfield, Noyes, Robinson, Williams, Brill, Eckert, Jones, Miller, Weiner, Altmann, Flechsig, Tamagna, Trueblood, and Wernick of the Division of Research and Statistics.

Messrs. Marget, Furth, Hersey, Sammons, Bangs, Reynolds, and Wood of the Division of International Finance.

Economic review. The review of international financial and trade developments by the Division of International Finance showed that, on the basis of the latest available figures, United States exports had continued to decline and therefore acted as a depressive factor on the United States economy. On the other hand, United States imports were holding up fairly well and this was helping to sustain the economy of foreign countries, particularly the European countries. Despite the fact that the liquidity position of some foreign countries was not satisfactory, the general statement might be made that the liquidity of foreign nations was holding up fairly well. This did not mean that a further decline in the United States economy, if it occurred, might not start a scrambling for liquidity, but that was not happening at the present time.

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The domestic review by the Division of Research and Statistics showed a continued downtrend in most of the significant economic indices, although in some cases a tendency toward deceleration in the rate of decline was noted. While this development might be interpreted as suggesting the possibility that the current recession would reach the "saucering out" stage at some time in the not too distant future, statistical information currently available failed to provide a basis for any definite conclusions of this kind. Wholesale and consumer prices continued strong, with perhaps a slight continued advance, but there were some indications of price concessions which might not be reflected in the official statistics.

All of the members of the staff except Messrs. Carpenter and Kenyon then withdrew from the meeting and Messrs. Hackley, General Counsel, Solomon and Hexter, Assistant General Counsel, and Hostrup, Assistant Director, Division of Examinations, entered the room.

Sale of "income debentures" by a member bank (Item No. 1). As proposed in a file which had been circulated to the Board, unanimous approval was given to a letter to the Commissioner of Banks for the State of Minnesota requesting his views regarding the desirability, from a supervisory standpoint, of permitting the augmentation of bank capital through the sale of "income debentures" of the kind being sold by the Fidelity State Bank, Minneapolis, Minnesota. A copy of the letter is attached under Item No. 1, and its approval contemplated that a copy would be sent to the Federal Reserve Bank of Minneapolis.

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Reports on bills to amend the Clayton Act (Items 2 and 3). After consideration of an informal invitation to testify on certain bills to amend the Clayton Act now pending before the Subcommittee on Antitrust and Monopoly of the Senate Judiciary Committee, the Board decided at its meeting on April 2, 1958, not to offer to testify but instead to submit a statement. With a memorandum from Mr. Hackley dated April 10, 1958, there had been distributed to the members of the Board a draft of letter to the Chairman of the Senate Judiciary Committee enclosing a statement of the Board's views with respect to the pending bills (S. 198 and S. 722) which would affect bank mergers. The statement, which would reiterate the position heretofore taken by the Board with respect to proposed legislation regarding bank mergers, would be substantially the same as the statement made by Chairman Martin before the Antitrust Subcommittee of the House Judiciary Committee on March 8, 1957.

In addition, the Senate Judiciary Committee had requested the Board's views on S. 721, introduced by Senator Sparkman in January 1957, the purpose of which was to make less cumbersome the procedure prescribed by section 11 of the Clayton Act for enforcement of orders issued by administrative agencies. A draft of letter on this subject had been distributed with a memorandum from Mr. Hexter dated April 10, 1958.

At the request of the Board, Mr. Hackley summarized the position taken in the proposed statement and emphasized that it was intended to

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be entirely in accord with the position previously taken by the Board on similar proposed legislation.

Mr. Hexter then reviewed the provisions of S. 721 and, after certain minor changes in the proposed report on that bill were agreed upon, unanimous approval was given to a letter to the Chairman of the Senate Judiciary Committee in the form attached under Item No. 2.

With respect to the proposed statement on bank merger legislation, the only modifications suggested were of a nature intended to clarify the Board's position, there being general agreement with the view of Governor Mills that as to matters of substance it would seem advisable to hold changes from earlier statements of Board position to a minimum. If necessary, it was suggested, any other points could be developed should the Board be asked to testify before the interested Congressional committee.

Thereupon, certain minor clarifying changes in the draft statement having been agreed upon, unanimous approval was given to the letter to the Chairman of the Senate Judiciary Committee of which a copy is attached under Item No. 3.

During the foregoing discussion Mr. Farrell, Assistant Director of the Division of Bank Operations, joined the meeting.

Retention of employee in service subsequent to normal retirement date (Item No. 4). Pursuant to the recommendation contained in a file which had been circulated to the members of the Board, unanimous approval was given to a letter to the Federal Reserve Bank of Kansas City approving

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the retention of Mrs. Clara Lott, an employee of that Bank, for a specified period beyond normal retirement age. A copy of the letter is attached as Item No. 4.

Invitations to testify before House Select Committee on Small Business. With reference to previous discussions concerning invitations received by the members of the Board, except Chairman Martin, to testify before the House Select Committee on Small Business on April 16 and 17, 1958, concerning the small business situation, Governors Szymczak, Mills, and Shepardson stated that they had sent letters to Committee Chairman Patman accepting the invitation. Governor Szymczak was to testify on the afternoon of April 16, Governor Mills at 2:00 p.m. on April 17, and Governor Shepardson at 4:00 p.m. on that date.

Governor Robertson stated that he had received a follow-up request to testify and that he would do so at 3:00 p.m. on April 17.

Reply to Mr. Patman's statement of February 7, 1958. As authorized by the Board at its meeting on April 4, 1958, there had been sent to the Presidents of the Federal Reserve Banks for their comments and suggestions under date of April 9 a draft of letter to the Chairman of the House Banking and Currency Committee, and the proposed comments which would be transmitted with that letter, concerning the criticisms of the Federal Reserve System made by Congressman Patman in his testimony before that Committee on February 7, 1958. The draft documents were sent to the Reserve Banks in a form satisfactory to Governor Shepardson in the light of the Board's discussion of the draft material.

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At Governor Balderston's request, Mr. Farrell commented on a possible amplification suggested by Governor Balderston of the portion of the proposed reply dealing with Mr. Patman's comment to the effect that the Federal Reserve System had never had a Government audit or an audit by anyone outside the System. The suggestion of Governor Balderston was to include reference to the audits of the Board's accounts by public accounting firms, as well as to the reviews made by public accountants of the procedures followed by the Board's field examining staff in examining the Federal Reserve Banks.

The language suggested by Governor Balderston was discussed by the Board and certain modifying suggestions were made. During this discussion Governor Mills stated that he had given to Mr. Farrell certain suggestions for changes in the transmittal letter and the accompanying statement which were essentially of an editorial nature and were designed to avoid the development of antagonism.

At the conclusion of the discussion, it was agreed that Governor Balderston's suggested addition to the draft comments, modified to reflect changes agreed upon at this meeting, would be distributed to the Presidents of the Federal Reserve Banks prior to discussion of the proposed reply with the Presidents following the meeting of the Open Market Committee tomorrow. It was also understood that the memorandum of suggested changes distributed to the Presidents would include the suggestions that Governor Mills had made to Mr. Farrell.

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In further comments Mr. Farrell referred to certain suggestions that he had received for the possible inclusion of additional material in the Board's statement and to an informal indication that the Federal Reserve Bank of New York might raise a question about the lack of reference in the proposed statement to certain matters, including Mr. Patman's criticisms of open market operations. It was the view of the Board that the suggestions mentioned by Mr. Farrell need not be covered, at least in the Board's current reply, and that the meeting with the Presidents tomorrow would afford the President of the New York Bank an opportunity to raise such questions as that Bank might have regarding the content of the Board's reply.

During the preceding discussion Mr. O'Connell, Assistant General Counsel, entered the room and at its conclusion Mr. Farrell withdrew from the meeting.

Proposed amendments to Bank Holding Company Act. At meetings on April 4 and 7, 1958, the Board had given preliminary consideration in general terms to suggested amendments to the Bank Holding Company Act that the Board might wish to recommend to the Congress in connection with the report on the Act which it would be required to make before May 9, 1958.

There was a discussion of how the Board might proceed most expeditiously in its consideration of the amendments suggested in Mr. Hackley's memorandum of March 31, 1958, and it was decided that a member of the legal staff would make a summary statement with respect to each of them.

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Proceeding in this manner, the Board gave consideration to the first 27 of the items submitted with Mr. Hackley's memorandum. During this discussion the meeting recessed and reconvened in the Board Room at 3:00 p.m. with the same attendance as at the end of the morning session.

As the result of consideration of this group of the proposed amendments, it was agreed unanimously to include in the report to Congress recommended amendments on the following subjects, as suggested by Mr. Hackley's memorandum, with modifications in some cases as noted hereinafter:

1. Change to one-bank definition. Sec. 2(a)
2. Indirect "control" through subsidiary. Sec. 2(a)
2a. Coverage of pension trusts. Sec. 2
3. Stock "held" by trustees. Sec. 2(a)(3)
4. Combination of clauses in definitions. Sec. 2(a)
5. Company controlling bank that holds bank stocks as trustee. Sec. 2(a)(A)
6. Exemption of registered investment companies. Sec. 2(a)(B)
7. Exemption of company with 80 per cent of "total assets . . . in the field of agriculture". Sec. 2(a)(E)
8. Exemption of religious, charitable, and educational organizations. Sec. 2(b)(2)
9. Exclusion of "agreement" foreign banking corporations from definition of "bank". Sec. 2(c)
10. Deletion of term "State member bank". Sec. 2(c)
11. Conforming definition of "subsidiary". Sec. 2(d)
12. Making clear that control of expansion of bank holding companies parallels definitions of "bank holding company" and "subsidiary". Sec. 3(a)(1)
13. Company becoming a bank holding company because of termination of exemption. Sec. 3(a)(1)
15. Exception as to shares acquired in fiduciary capacity. Sec. 3(a)(A)(i)
18. Restricting expansion to State in which principal operations are conducted. Sec. 3(d)
19. Liquidation of assets not acquired from companies in system. Sec. 4(c)(1)

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20. Eliminate exemption of shares owned by a bank which is a bank holding company. Sec. 4(c)(4)
20a. Limitation relating to value of holding company's assets. Sec. 4(c)(5)
21. Exemption of labor, agricultural or horticultural organizations. Sec. 4(c)(7)
22. Clarification of exemptions from divestment requirements. Sec. 4(c)

It was agreed unanimously that the suggested amendments on the following subjects should not be included in the Board's report to the Congress:

18a. Engaging in nonbanking business through subsidiary bank. Sec. 4(a)(2)
23. Subpoena power; injunctions. Sec. 5
24. Examination of foreign bank that is a bank holding company. Sec. 5(c)

It was agreed to defer for further consideration, a decision on whether amendments on the following subjects should be recommended to the Congress:

14. Board approval for holding company banks' absorption of other banks. Sec. 3(a)(3)
16. Clarification of standards. Sec. 3(c)
17. State law as limiting acquisition of bank shares. Sec. 3

Comments with respect to the discussion of some of the foregoing items are contained in the following paragraphs.

The first item suggested recommending a one-bank definition of a bank holding company in place of the existing two-bank definition. In discussing it, Mr. Hackley said that such a recommendation would seem to be logically sound. However, he doubted whether it could be said that there actually had been cases which demonstrated the need for a change

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in the law in this respect, and it seemed doubtful whether the Congress would give favorable consideration to such a recommendation. In the circumstances, the staff would have some reservations about making the recommendation.

Governor Robertson noted that the Congress could eliminate the recommendation if it chose, and said that he did not think including it would impair the prospect of obtaining other amendments. With regard to the possibility which was mentioned of grouping this amendment in a general statement along with certain other recommendations that the Board had made when the Act was being formulated, he suggested that such treatment would risk creating the impression that such recommendations were not considered important. The purpose of the Board's report, he said, was to provide a record, and the record should be complete and clear. Therefore, he would include in it the recommendation for changing to a one-bank definition.

The other members of the Board concurred in the views expressed by Governor Robertson.

With regard to item 4, a recommendation intended to clarify the meaning of clauses combined in definitions, it was understood that the language of the recommended amendment would reflect an editorial change suggested by Governor Balderston.

In connection with item 18, relating to restricting the expansion of a bank holding company to the State in which its principal operations

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are conducted, it was understood that the staff would study the wording of the proposed amendment further in the light of a suggestion which would specifically limit expansion to the State of the holding company's principal operations at the time that it became a bank holding company.

Item 18a suggested an amendment to paragraph (2) of section 4(a) of the Act which would prevent a bank holding company from engaging in a nonbanking business indirectly through a subsidiary bank. Comments by the staff indicated some reservations about making such a recommendation. It would involve the question of defining a nonbanking activity when engaged in by a bank, a question which might produce the line of argument that any practice engaged in by a bank in accordance with the laws of its State is a banking business. To accept such a line of reasoning would suggest discrimination in the treatment of banks in various States and would raise the question of the relationship of Federal to State law. Furthermore, problems might result in regard to the relationships between the Board and other bank supervisory agencies. The legislative history of the Bank Holding Company Act indicated that the Congress was not so much concerned about the activities of holding companies that are banks; the Congress appeared to have been more concerned with the ownership of stock of nonbanking organizations than with the business carried on by a bank.

For these reasons, it was decided not to make the recommendation suggested by item 18a.

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The amendment suggested by item 20 would eliminate the exemption in section 4(c)(4) which permits a bank which is a bank holding company to retain shares of a nonbanking organization acquired prior to the date of enactment of the Bank Holding Company Act. While the amendment was favored, it was understood that it would be so worded as to give an affected bank an amount of time to divest such shares equal to that granted for divestment to a bank holding company which is not a bank.

The amendment suggested in item 20a stemmed from the fact that section 4(a)(5) of the Act exempts from the divestment requirements of section 4 the ownership by a bank holding company of up to 5 per cent of the stock of any nonbanking corporation provided such stock does not have a value greater than 5 per cent of the value of the total assets of the holding company. Similarly, the law exempts ownership of the shares of an investment company if the securities owned by the investment company do not include more than 5 per cent of the outstanding voting securities of any company and do not include any single asset having a value greater than 5 per cent of the value of the holding company's total assets. While the additional limitation in terms of the value of the holding company's total assets would in theory seem to provide an additional safeguard, as a practical matter it seemed questionable whether that limitation served a useful purpose.

Governor Robertson said that he agreed with the recommendation, but for a different reason. In his opinion, the reason for the amendment was to avoid the necessity to have to determine "value".

Other members of the Board expressed the view that the 5 per cent limitation in terms of the value of total assets was theoretically sound

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and suggested presenting the recommendation on the basis that it was designed to facilitate the mechanical administration of the law and not to give any different meaning or intent to the law in this respect.

In the light of this discussion, it was agreed to include the suggested amendment in the Board's report but to revise the statement of reasons along the lines indicated.

The amendment suggested in item 21 would remove the existing exemption of labor, agricultural, or horticultural organizations which are bank holding companies from the divestment requirements of the Act.

The Board expressed agreement with a change in language suggested by Governor Robertson which would have the effect of presenting a firm recommendation in this respect.

Item 23 submitted with Mr. Hackley's memorandum raised the question of granting to the Board the subpoena power and the power to seek legal process as a means of restraining violations of, and compelling compliance with, the Bank Holding Company Act.

In discussing these matters, Mr. Hackley said that logically he could not help but feel that on balance a recommendation for granting these powers to the Board should be made, for they were sound in principle. However, it must be recognized that these powers would involve administrative difficulties and that they might affect the Board's functions in fields other than the administration of the Bank Holding Company Act. The power to issue subpoenas and the authorization to institute injunction actions were therefore of such fundamental importance that the Board might want to defer a recommendation.

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Governor Mills concurred in the view that a recommendation should be deferred. He pointed out that the Board's responsibilities in the supervisory area are, by and large, of an administrative nature and that they do not involve activities where those subject to the statutes being administered could flout the purposes of the law and escape penalty. Having these powers would no doubt facilitate the processing of cases arising under the Bank Holding Company Act but might at the same time vest in the Board powers going beyond necessities. He did not feel that powers going beyond those required in administering the statute should be sought.

It was then suggested that the subpoena power and the authority for injunctions might be considered separately, and it developed from the ensuing discussion that a recommendation for an amendment to the Bank Holding Company Act giving the Board authority to institute injunction actions was not favored. While the subpoena power was regarded somewhat more favorably, in order to compel the attendance of witnesses in connection with hearings conducted pursuant to the Act, it was pointed out that the availability of this power would also contain the possibility of certain undesirable features. For example, parties at interest in a hearing might demand that many witnesses be subpoenaed, with the result that the proceeding would be delayed unduly. Questions were raised as to whether the lack of the subpoena power had substantially handicapped the making of a record in proceedings thus far under the Act, and Mr.

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O'Connell indicated that in some instances the record was less then it would have been had the subpoena power been available.

Following further discussion, it was suggested that perhaps the Board would wish to defer a recommendation concerning the subpoena power, even though it appeared that its availability would be helpful in certain cases, until evidence showed that a hearing under the Act had not been fairly conducted because of the absence of that power. This led to the further suggestion that a recommendation for authority to institute injunction actions be deferred on the same basis, for developments in the future might indicate that this authority, like the subpoena power, was needed for the proper administration of the Act.

At the conclusion of the discussion, it was agreed to defer recommendations with regard to both the subpoena power and the authority to institute injunction actions, with the understanding that the record would show that there were valid arguments on both sides, particularly in the case of the subpoena power, and that the Board would be willing to give consideration at any time to staff recommendations if it developed from experience that a convincing case could be made that either or both of these powers should be available. It was also understood that the record would show that, as of this time, it was the feeling of the Board that a recommendation for the subpoena power had more merit than a recommendation for making available the authority to institute injunction actions.

The meeting then adjourned.

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Secretary's Note: Pursuant to the recommendations contained in memoranda from appropriate individuals concerned, Governor Shepardson today approved on behalf of the Board the following items affecting the Board's staff:

Transfer

Mary V. Malarkey, from the position of Minutes Clerk in the Office of the Secretary to the position of Clerk-Stenographer in the Division of Personnel Administration, with no change in her basic annual salary at the rate of $3,840, effective the date she assumes her new duties.

Acceptance of resignation

Elizabeth P. Tewksbury, Statistical Clerk, Division of Research and Statistics, effective April 19, 1958.

Secretary

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

Item No. 1
4/14/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

April 14, 1958

Mr. I. C. Rasmussen,
Commissioner of Banks,
209 State Office Building,
St. Paul 1, Minnesota.

Dear Mr. Rasmussen:

This Board has under consideration the question whether the sale of "income debentures" by Fidelity State Bank, Minneapolis, Minnesota, is in any way in contravention of section 19 of the Federal Reserve Act and the Board's Regulation Q relating to the payment of interest on deposits by member banks. As you know, the law prohibits member banks from paying any interest on demand deposits, directly or indirectly, and from paying interest on time and savings deposits at a rate in excess of that prescribed by the Board. The question involved here, of course, is whether the income debentures should be treated as deposits for this purpose.

In certain respects, particularly in form, the debentures do not appear to be deposit liabilities. It is understood also that they are subordinated to deposit liabilities and are issued only in multiples of $100 with a fixed maturity which is now about 10 years and that purchasers do not obtain a right to be repaid in the manner in which deposits are normally repaid. On the other hand, it is understood that the member bank advertises that the 4 per cent rate paid on such debentures is "the highest interest rate paid by any financial institutions in the Upper Midwest", thus suggesting that the debentures are akin to deposits. It may be noted that this rate is one per cent in excess of the maximum now permitted to be paid by member banks on time deposits. The question whether the debentures should be regarded as deposits rather than capital would become more difficult as the volume of such debentures increases. To illustrate, the issuance of the debentures in an amount greater than an existing capital deficiency would suggest that their issuance was not for the purpose of providing bona fide additions to capital but rather to attract time deposits at a rate which might violate existing provisions of Regulation Q.

It is understood that, in approving the issuance of such debentures by Fidelity State Bank, you indicated that they would constitute acceptable additions to capital funds only for the purpose

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of determining the ratio of the bank's capital to total deposit liabilities, and that you expressly stated that they should not be considered as capital for purposes of certain statutory limitations, such as those on lending money and investing in bank premises.

As you are probably aware, the Board has long discouraged, except in unusual circumstances, the sale of notes or debentures as a means of augmenting bank capital, since capital in this form creates a fixed obligation of the bank instead of providing equity capital as would the sale of common stock. If the practice adopted by Fidelity State Bank should attain widespread popularity, it would tend to make more difficult the task of bank supervisory authorities in requiring banks to obtain additional capital through sales of common stock.

In the circumstances, before taking any definite position as to whether the income debentures here involved should be regarded as deposits within the meaning of provisions of Federal law relating to payment of interest on deposits, the Board would greatly appreciate having the benefit of your views as to the extent to which it is desirable from a supervisory viewpoint to permit the augmenting of bank capital through debentures of this kind rather than through the issuance of common stock.

Very truly yours,

(Signed) S. R. Carpenter

S. R. Carpenter,
Secretary.

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BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

Item No. 2
4/14/58

OFFICE OF THE CHAIRMAN

April 15, 1958

The Honorable James O. Eastland,
Chairman, Committee on the Judiciary,
United States Senate,
Washington 25, D. C.

Dear Senator Eastland:

This is in response to your letter of April 2 requesting a report by the Board of Governors on S. 721, a bill "To amend section 11 of the Clayton Act to provide for the more expeditious enforcement of cease and desist orders issued thereunder, and for other purposes."

Under section 11 of the Clayton Act (15 U.S.C. 21) this Board is authorized to enforce compliance with sections 2, 3, 7 and 8 thereof "where applicable to banks, banking associations, and trust companies". The only proceeding that has been conducted pursuant to this authority terminated at a stage prior to the point at which would arise the problems of enforcement that led to the introduction of S. 721. Consequently, the Board can not draw upon actual experience with these problems in forming its judgment as to the desirability of the proposed amendment of section 11. However, it appears to the Board that the proposed enforcement procedure would be more expeditious than the present procedure without adversely affecting the rights and safeguards to which respondents in Clayton Act proceedings are entitled. The bill would introduce into the Clayton Act an enforcement procedure similar to that provided by section 5 of the Federal Trade Commission Act as amended in 1938 (15 U.S.C. 45).

The Board of Governors favors the general objective embodied in S. 721.

Sincerely yours,

Wm. McC. Martin, Jr.

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BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

Item No. 3
4/14/58

OFFICE OF THE CHAIRMAN

April 15, 1958

The Honorable James O. Eastland,
Chairman, Committee on the Judiciary,
United States Senate,
Washington 25, D. C.

Dear Senator Eastland:

The bills S. 198 and S. 722, which are the subject of current hearings before the Antitrust and Monopoly Subcommittee of your Committee, would affect directly the scope and character of this Board's responsibilities in the enforcement of the Clayton Act in its application to banks. The statement submitted herewith presents for consideration the views of the Board with respect to these bills to the extent that they relate to existing or potential problems of competition and monopoly in the field of banking.

Sincerely yours,

Wm. McC. Martin, Jr.

Enclosure

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

Item No. 4
4/14/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

April 14, 1958

Mr. Henry O. Koppang, First Vice President,
Federal Reserve Bank of Kansas City,
Kansas City 6, Missouri.

Dear Mr. Koppang:

In view of the circumstances outlined in your letter of April 2, 1958, the Board approves the retention in service of and the payment of salary through October 12, 1958, to Mrs. Clara E. Lott, Secretary in the Administrative Department, who reached age 65 on January 12, 1958.

Very truly yours,

(Signed) S. R. Carpenter

S. R. Carpenter,
Secretary.

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