

Minutes for June 3, 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 <u>W</u>	_____
Gov. Szymczak	x <u>MS</u>	_____
Gov. Vardaman	x <u>(S)</u>	_____
Gov. Mills	x <u>(S)</u>	_____
Gov. Robertson	x <u>R</u>	_____
Gov. Balderston	_____	x <u>CCB</u>
Gov. Shepardson	x <u>SS</u>	_____

Minutes of the Board of Governors of the Federal Reserve System  
on Tuesday, June 3, 1958. The Board met in the Board Room at 10:00 a.m.

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

Mr. Kenyon, Assistant Secretary  
Mr. Fauver, Assistant Secretary  
Mr. Leonard, Director, Division of Bank  
Operations  
Mr. Hackley, General Counsel  
Mr. Masters, Director, Division of  
Examinations  
Mr. Molony, Special Assistant to the Board  
Mr. Solomon, Assistant General Counsel  
Mr. Hexter, Assistant General Counsel  
Mr. Hostrup, Assistant Director, Division  
of Examinations  
Mr. Goodman, Assistant Director, Division  
of Examinations  
Mr. Boothe, Administrator, Office of  
Defense Loans

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

	<u>Item No.</u>
Letter to The Chase Manhattan Bank, New York, New York, transmitting copies of the reports of examination of foreign branches in Tokyo and Osaka, Japan, and Beirut, Lebanon. (With copies of the reports of examination to the Federal Reserve Bank of New York and the Super- intendent of Banks for the State of New York)	1
Letter to The First National Bank of Dwight, Dwight, Illinois, approving its application for fiduciary powers. (For transmittal through the Federal Reserve Bank of Chicago)	2

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	<u>Item No.</u>
Letter to the City Bank and Trust Company, Jackson, Michigan, approving an extension of time in which to establish a branch at Vandercook Lake, Michigan. (For transmittal through the Federal Reserve Bank of Chicago)	3
Telegram to the Federal Reserve Agent at Chicago authorizing the issuance of a general voting permit to Wisconsin Bankshares Corporation covering its shares of the Southgate National Bank of Milwaukee, Milwaukee, Wisconsin.	4
Letter to the Federal Reserve Bank of Dallas approving a proposed change in the classification of member banks for the purpose of electing Class A and Class B directors.	5

Mr. Goodman then withdrew from the meeting.

Discount rates. Unanimous approval was given to telegrams to the following Federal Reserve Banks approving the establishment without change by those Banks on the dates indicated of the rates on discounts and advances in their existing schedules:

Philadelphia	May 29
Chicago	May 29
Minneapolis	May 29
Kansas City	May 29
Boston	June 2
Atlanta	June 2

Proposed bill to amend the Defense Production Act (Item No. 6).

The Bureau of the Budget had requested the Board's views regarding a draft bill "to amend further the Defense Production Act of 1950, as amended." The proposed reply which had been distributed to the members of the Board would state that the Board had no comments with respect to

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section 1 of the bill, which was concerned with matters not directly related to the Board's primary responsibilities. Section 2 of the bill, which would extend until June 30, 1960, the authorities contained in the Defense Production Act, was identical with S. 3323, on which the Board reported to the Senate Banking and Currency Committee on April 25, 1958, and the letter to the Budget Bureau would be couched in the same language as the earlier report.

Following a brief discussion, the proposed letter was approved unanimously. A copy is attached as Item No. 6.

Mr. Boothe then withdrew from the meeting.

Acquisition of shares of Continental Gin Company (Items 7 and 8).

In a letter dated July 31, 1957, the Board took the position that purchase of additional shares of Continental Gin Company in accordance with a proposed plan for exercise of rights issued to Trust Company of Georgia and Trust Company of Georgia Associates would constitute a violation of the portion of section 4(a) of the Bank Holding Company Act which provides that "no bank holding company shall . . . acquire direct or indirect ownership or control of any voting shares of any company which is not a bank." On August 6, 1957, Mr. John A. Sibley, Chairman of the Board of the Trust Company of Georgia, requested the Board of Governors to "grant us a hearing preferably on the merits, if not, to give consideration to the method of obtaining a ruling by a court of competent jurisdiction." Mr. Sibley was thereupon requested to submit

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a brief with respect to the merits, so that the Board could determine "whether it is necessary or desirable for the Board to grant the companies an opportunity for presenting oral argument to the Board in Washington."

The brief subsequently received from attorneys representing the two holding companies was summarized in a memorandum from Mr. Hexter dated November 1, 1957, which had now completed circulation to the members of the Board. According to this memorandum, the brief contained no arguments that had not theretofore been considered by the Legal Division. Accordingly, since it appeared that there was reasonable ground for concluding that the acquisition of the additional shares of Continental Gin Company involved a violation of the Bank Holding Company Act, the memorandum suggested referral of the matter to the Department of Justice, with advice to the bank holding companies and the Federal Reserve Bank of Atlanta that the matter had been so referred. As a possible alternative, it was suggested that the Board might wish to accede to the request of attorneys for the two bank holding companies that a meeting with the Board be arranged, even though it appeared probable that discussion of the matter would be fruitless. Submitted with the memorandum were (1) a draft of letter to the Department of Justice, and (2) alternative drafts of letter to the Federal Reserve Bank of Atlanta.

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Following a review by Mr. Hexter of the circumstances involved, Chairman Martin stated that he had discussed the matter with Mr. Sibley at the time of the last meeting of the Federal Advisory Council. On the basis of that discussion it appeared to him that the appropriate course was to refer the matter to the Department of Justice.

There being agreement with the Chairman's conclusion, it was the unanimous decision of the Board to proceed in that manner, with the understanding that, instead of asking the Federal Reserve Bank of Atlanta to relate the Board's decision to the bank holding companies, the proposed letter to the Atlanta Bank would be rewritten in the form of a letter to counsel for the holding companies which would be transmitted through the Reserve Bank. Copies of the letters sent to counsel for the two bank holding companies and to the Department of Justice are attached as Items 7 and 8, respectively.

During the foregoing discussion Mr. Young, Director, Division of Research and Statistics, entered the room, and at its conclusion Messrs. Hexter and Hostrup withdrew.

Defense planning program (Item No. 9). At the meeting on May 22, 1958, the Board approved for use by the Federal Reserve Banks in negotiations with "agent" banks a memorandum regarding the granting of credit for uncollectible checks in the event of a national emergency due to enemy attack, with the understanding that before the memorandum was

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sent to the Reserve Banks the views of the Treasury Department and the Office of Defense Mobilization would be sought. When no reply was forthcoming from the Treasury, a letter was sent to the Reserve Banks on May 29 enclosing a copy of the statement that had been approved by the Board. However, Governor Robertson received yesterday a letter dated May 29 from Secretary of the Treasury Anderson suggesting that it be made clear to the Reserve Banks by changing somewhat the language of the memorandum that the plan for granting credit for uncollectible checks was a suggestion of the Federal Reserve System which was only in the recommendation stage and had not been authorized by Congress. Upon consideration of Secretary Anderson's letter, it was deemed appropriate by Governor Robertson that the Federal Reserve Banks be informed of this development before beginning discussions with agent banks. Therefore, after Governor Robertson had discussed the matter with Chairman Martin, the telegram of which a copy is attached to these minutes as Item No. 9 was sent to the Presidents of all Federal Reserve Banks yesterday. In addition, similar advice was sent to Mr. John J. McCloy, Chairman of the Advisory Committee on Commercial Bank Preparedness, who had previously been given information in line with the Board's letter of May 29 to the Reserve Banks.

Prior to this meeting, copies of the letter from the Secretary of the Treasury and yesterday's telegram to the Federal Reserve Banks had been distributed to the members of the Board.

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In reviewing developments in connection with this matter, Governor Robertson explained that although the revised first paragraph of the memorandum, as sent to the Reserve Banks yesterday, did not follow exactly the substitute language suggested by the Secretary of the Treasury, it was intended to reflect the spirit of the suggestion. In response to a question, he stated that the Secretary of the Treasury had been advised of the substitute language sent to the Reserve Banks, with the statement that it was thought to be within the spirit of his letter.

Following further discussion, the action taken in sending the telegram to the Reserve Banks yesterday was ratified by unanimous vote.

At this point Messrs. Thomas, Economic Adviser to the Board, and Shay, Legislative Counsel, entered the room.

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

	<u>Item No.</u>
Letter to the Federal Reserve Bank of Boston approving the payment of salary to George H. Ellis as Vice President and Director of Research at the annual rate fixed by the Board of Directors.	10
Letter to the Federal Reserve Bank of Boston interposing no objection to an extension of the leave of absence without pay granted to Mr. Donald R. Gilmore.	11



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Item No.

Letter to the Federal Reserve Bank of New York approving the payment of salaries to George Garvy (Adviser), Frank W. Schiff (Senior Economist), Alan R. Holmes (Manager), and Robert G. Link (Manager), at the respective annual rates established by the Board of Directors.

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At this point Messrs. Koch, Associate Adviser, and Dembitz, Research Associate, Division of Research and Statistics, entered the room.

Reserve requirements. At the meeting on April 28, 1958, the Board requested that two memoranda be prepared for its consideration with regard to the reserve requirements bill now pending in the Congress. The first of these, subsequently submitted by Mr. Hackley, discussed what the bill would do, but did not deal with the reasons for the changes that would be made in existing law. This memorandum was accepted by the Board at the meeting on May 19, with the understanding that copies would be sent to the members of the Federal Advisory Council, among others. At that time, however, the Board put over for further discussion the second memorandum, which had been prepared by Messrs. Thurston and Molony in cooperation with other members of the staff. This memorandum, which was intended to form the basis for testimony on the proposed legislation, dealt with the purposes and possible effects of the proposed changes in the law.

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Prior to consideration of the memorandum, Chairman Martin referred to an address made before the Pennsylvania Bankers Association on May 28, 1958, by Chairman Fulbright of the Senate Committee on Banking and Currency, in which Mr. Fulbright commented favorably on the reserve requirements bill and expressed the hope that the Congress might pass such legislation at this session. In the same address, however, Mr. Fulbright also referred to the Financial Institutions Act currently being considered by the House Banking and Currency Committee and reported that it seemed unlikely to pass because, for reasons which he was unable to explain, it had become highly controversial within the House Committee.

Chairman Martin stated that Senator Fulbright's remarks afforded a basis for judging the likelihood of obtaining legislation on reserve requirements at this session. There appeared to be a reasonable chance that the matter would come up before the Senate Banking and Currency Committee, and the Board, therefore, should be prepared to offer testimony at any time. The Board also should be prepared to testify before the House Committee, if requested, but the situation to which Mr. Fulbright referred made it seem rather unlikely that the reserve requirements bill would be taken up by that Committee in the near future.

The discussion then turned to the memorandum drafted by Messrs. Thurston and Molony, and the reactions expressed by the members of the Board were in a generally favorable vein. Those members of the Board

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who had disagreed with certain parts of the proposed legislation when the Board voted to submit it to the Congress indicated that the same reservations still applied. However, they felt that the memorandum itself was on the whole a satisfactory document.

Certain suggestions for changes in the memorandum then were made, following which it was agreed that a revised draft of memorandum would be distributed to the Board for consideration.

The meeting then adjourned.

Secretary's Note: Governor Shepardson approved on behalf of the Board on June 2, 1958, the following items:

Memorandum dated May 27, 1958, from Mr. Leonard, Director, Division of Bank Operations, recommending the appointment of George G. Noory as Analyst in that Division, with basic annual salary at the rate of \$4,350, effective the date he assumes his duties.

Letter to the Federal Reserve Bank of Minneapolis (attached Item No. 13) approving the appointment of Joseph R. Vogel as assistant examiner.

In the light of the action taken by the Board on May 16, 1958, with respect to the status of the Republic National Bank of Dallas as a bank holding company, and with the approval of Governor Shepardson, the letter of which a copy is attached as Item No. 14 was sent to the Republic National Bank on June 2, 1958, with a copy to the Federal Reserve Bank of Dallas.

  
Assistant Secretary

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

Item No. 1  
6/3/58

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

June 3, 1958



Mr. John J. McCloy, Chairman,  
Board of Directors,  
The Chase Manhattan Bank,  
18 Pine Street,  
New York 18, New York.

Dear Mr. McCloy:

There are enclosed two copies each of the reports of examination of the following foreign branches of The Chase Manhattan Bank, New York, New York, made as of the dates indicated below by examiners for the Board of Governors of the Federal Reserve System:

<u>Branch</u>	<u>Date</u>
Tokyo, Japan	February 15, 1958
Osaka, Japan	February 22, 1958
Beirut, Lebanon	March 6, 1958

These examinations were made jointly and in cooperation with examiners for the Banking Department of the State of New York. The second copy of each of the reports is for the information and files of the officer in charge of the respective branch.

Your courtesy in acknowledging receipt of the reports will be appreciated.

Very truly yours,

(Signed) S. R. Carpenter

S. R. Carpenter,  
Secretary.

Enclosures.

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

Item No. 2  
6/3/58

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

June 3, 1958

Board of Directors,  
The First National Bank of Dwight,  
Dwight, Illinois.

Gentlemen:

The Board of Governors of the Federal Reserve System has given consideration to your application for fiduciary powers and grants you authority to act, when not in contravention of State or local law, as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics, or in any other fiduciary capacity in which State banks, trust companies or other corporations which come into competition with national banks are permitted to act under the laws of the State of Illinois, the exercise of all such rights to be subject to the provisions of section 11(k) of the Federal Reserve Act and Regulation F of the Board of Governors of the Federal Reserve System.

A formal certificate indicating the fiduciary powers which The First National Bank of Dwight is now authorized to exercise will be forwarded to you in due course.

Very truly yours,

(Signed) S. R. Carpenter

S. R. Carpenter,  
Secretary.

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

Item No. 3  
6/3/58

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

June 3, 1958



Board of Directors,  
City Bank and Trust Company,  
Jackson, Michigan.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of Chicago, the Board of Governors of the Federal Reserve System extends until November 29, 1958, the time within which City Bank and Trust Company, may establish a branch at 4608 Francis Street in the unincorporated village of Vandercook Lake, Michigan, under the authorization contained in the Board's letter of August 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. 5  
6/3/58



ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

June 3, 1958

Mr. Watrous H. Irons, President,  
Federal Reserve Bank of Dallas,  
Dallas 2, Texas.

Dear Mr. Irons:

As recommended in your letter of May 22, 1958, the Board of Governors has changed the classification of member banks in the Eleventh District, for the purpose of electing Class A and Class B directors, to the following:

<u>Group</u>	<u>Banks with Capital and Surplus of:</u>
1	\$2,000,000 and over
2	\$300,000 and over, but under \$2,000,000
3	Under \$300,000

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. 6  
6/3/58

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

June 3, 1958



Mr. Phillip S. Hughes,  
Assistant Director for  
Legislative Reference,  
Bureau of the Budget,  
Washington 25, D. C.

Dear Mr. Hughes:

This is in response to your communication of May 27, 1958, requesting the Board's views with respect to a draft bill proposed by the Office of Defense Mobilization "To amend further the Defense Production Act of 1950, as amended".

Section 2 of the bill would extend until June 30, 1960, the authorities contained in the Act. This section of the bill is identical with S. 3323, with respect to which the Board reported to the Senate Banking and Currency Committee by letter dated April 25, 1958, a copy of which was transmitted to the Bureau of the Budget on the same date. In that report, the Board stated that the only provisions of the Act which directly concern the responsibilities of the Board are contained in Title III, relating to Government-guaranteed loans for defense production under the Board's Regulation V, and since the Office of Defense Mobilization considers that this authority is useful, particularly to the procuring agencies, as a means of assisting their contractors in securing working capital and additional equipment needed for the performance of defense contracts, the Board would have no objection to the extension of this program for an additional two years as provided by the bill.

The Board has no comments with respect to section 1 of the bill, which is concerned with matters not directly related to the Board's primary responsibilities.

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. 7  
6/3/58

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD



June 3, 1958

James M. Sibley, Esq.,  
Spalding, Sibley, Troutman, Meadow & Smith,  
434 Trust Company of Georgia Building,  
Atlanta 3, Georgia.

Dear Mr. Sibley:

This is with further reference to the purchases on June 17, 1957 of additional shares of Continental Gin Company through exercise of rights issued by that Company to Trust Company of Georgia and Trust Company of Georgia Associates, both of which are bank holding companies.

The Board has considered the brief submitted by your firm in October 1957 on behalf of the two holding companies, but continues to be of the opinion that there is reasonable ground for the view that the transactions constituted violations of section 4(a) of the Bank Holding Company Act.

The Board has also considered the request by the holding companies for "an opportunity to explore with the Board a means of presenting their differing opinions to a court of competent jurisdiction for a final settlement of any such differences." However, since the question in this case is whether a criminal statute of the United States has been violated, the matter is within the jurisdiction of the Department of Justice and the Board is not authorized to engage in litigation for the purpose of seeking an answer to that question. Accordingly, the matter is being referred today to the Department of Justice for such action as that Department may consider appropriate.

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. 8  
6/3/58

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

June 3, 1958



The Honorable,  
The Attorney General,  
Washington 25, D. C.

Sir:

Section 4(a) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843) provides that "Except as otherwise provided in this Act, no bank holding company shall . . . acquire direct or indirect ownership or control of any voting shares of any company which is not a bank. . . ." Section 8 of said Act (12 U.S.C. 1847) provides penalties for willful violations of the Act by any company and for willful participations in a violation of the Act by any individual.

Trust Company of Georgia and Trust Company of Georgia Associates, both of Atlanta, Georgia, are registered as bank holding companies pursuant to section 5 of the Bank Holding Company Act (12 U.S.C. 1844). Each owns shares of common stock of Continental Gin Company, a company which is not a bank, and at some date in 1957 prior to June 17 they received, as shareholders of Continental, rights to purchase additional shares of Continental stock. The two holding companies conveyed these rights to trustees, who on June 17, 1957, exercised the rights and purchased shares of Continental with funds borrowed from Trusco Finance Company, a subsidiary of said holding companies. Under the trust agreement the trustees are required to sell all of the stock held by them within five years, and thereupon "any overplus must be distributed to Trust Company and Associates as their respective interests may appear."

It appears that the above-mentioned purchases of shares of Continental may have constituted acquisition by the two bank holding companies of indirect ownership of voting shares of a company which is not a bank, in violation of section 4(a) of the Bank Holding Company Act. Accordingly, the matter is hereby brought to the attention of the Department of Justice for such action as the Department may consider appropriate.

Very truly yours,

(Signed) S. R. Carpenter

S. R. Carpenter,  
Secretary.

T E L E G R A M  
LEASED WIRE SERVICEItem No. 9  
6/3/58BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTON

June 3, 1958

TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS

First paragraph of Memorandum for Federal Reserve Bank Discussion with Agent Banks, forwarded with our letter of May 29, has been revised in accordance with suggestion of the Treasury to read as follows:

"The Federal Reserve Board assumes that, when the Government's plans for dealing with a national emergency due to enemy attack are developed by the Congress and the Administration at some future time, they will comprehend measures to preserve the monetary system."

This makes more explicit what was implicit in the original statement, namely, that the assumptions and plans based upon them cannot be considered at this stage as final commitments since the plans and underlying assumptions are both subject to change during development and upon final determination by the Government.

(Signed) S. R. Carpenter

CARPENTER

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

Item No. 10  
6/3/58

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

June 3, 1958

CONFIDENTIAL (FR)

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

Dear Mr. Erickson:

The Board of Governors approves the payment of salary to George H. Ellis, Vice President and Director of Research at the Federal Reserve Bank of Boston, for the period July 1, 1958 through December 31, 1958, at the rate of \$17,000 per annum, which is the rate fixed by your Board of Directors, as reported in your letter of May 20, 1958.

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. 11  
6/3/58

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

June 3, 1958

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

Dear Mr. Erickson:

Thank you for your letter of May 19, 1958, advising that the Board of Directors had granted an extension of leave of absence without pay to Mr. Donald R. Gilmore, Acting Manager and Industrial Economist in the Research Department, for the period beginning July 1, 1958 and ending not later than December 31, 1958, so that he might complete his work on a study of area development programs for the Committee for Economic Development.

It is noted that the Reserve Bank will continue to make contributions to the Retirement System and will maintain Blue Cross-Blue Shield coverage for Mr. Gilmore, as it has been doing since his leave of absence began on July 1, 1957.

The Board of Governors interposes no objection to the extension of arrangements with respect to Mr. Gilmore as described in your letter.

Very truly yours,

(Signed) S. R. Carpenter

S. R. Carpenter,  
Secretary.



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

Item No. 12  
6/3/58



ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

June 3, 1958

CONFIDENTIAL (FR)

Mr. William F. Treiber,  
First Vice President,  
Federal Reserve Bank of New York,  
New York 45, New York.

Dear Mr. Treiber:

The Board of Governors approves payment of salaries to the following officers of the Federal Reserve Bank of New York for the period May 16, 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 May 19, 1958:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
George Garvy	Adviser	\$15,750
Frank W. Schiff	Senior Economist	13,250
Alan R. Holmes	Manager	12,500
Robert G. Link	Manager	12,500

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. 13  
6/3/58

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

June 2, 1958.



Mr. H. G. McConnell, Vice President,  
Federal Reserve Bank of Minneapolis,  
Minneapolis 2, Minnesota.

Dear Mr. McConnell:

In accordance with the request contained in your letter of May 26, 1958, the Board approves the appointment of Joseph R. Vogel as an assistant examiner for the Federal Reserve Bank of Minneapolis. Please advise the Board if the appointment is not made effective June 16, 1958, as planned.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,  
Assistant Secretary.



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

Item No. 14  
6/3/58

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

June 2, 1958

Mr. James W. Aston, President,  
Republic National Bank of Dallas,  
Dallas 22, Texas.

Dear Mr. Aston:

Mr. Watrous H. Irons, President of the Federal Reserve Bank of Dallas, has forwarded to the Board your letter to him of May 2, 1958, together with the seven letters you attached, also dated May 2, addressed to you by Mr. E. B. Fowler. Mr. Fowler's letters relate to seven of the investment companies involved in the situation which led the Board to the conclusion that your bank was a bank holding company within the meaning of section 2(a) of the Bank Holding Company Act of 1956. Mr. Fowler's letters indicate that each of these seven investment companies has disposed of bank stock previously held to such an extent that each of them now owns less than 25 per cent of the shares of stock of a bank. From these letters and information previously submitted, it appears that there is now only one bank of which 25 per cent or more of its shares are held by trustees for the benefit of shareholders of your bank, and that the circumstances which led the Board to the conclusion that your bank was a bank holding company no longer exist.

On the basis of the information before the Board, and assuming that your bank does not in any other respect fall within the definition of a bank holding company in section 2(a) of the Act, the Board is of the opinion that your bank has ceased to be a bank holding company within the meaning of the Bank Holding Company Act of 1956.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,  
Assistant Secretary.