Minutes for June 5, 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.

<p>| | |</p>
<table>
<thead>
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<tr>
<td>A</td>
<td>B</td>
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<tr>
<td>Chm. Martin</td>
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<tr>
<td>Gov. Szymczak</td>
<td>x</td>
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<td>Gov. Vardaman</td>
<td>x</td>
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<td>Gov. Mills</td>
<td>x</td>
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<td>Gov. Robertson</td>
<td>x</td>
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<tr>
<td>Gov. Balderston</td>
<td>x</td>
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<tr>
<td>Gov. Shepardson</td>
<td>x</td>
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Federal Reserve Bank of St. Louis
Minutes of the Board of Governors of the Federal Reserve System

on Thursday, June 5, 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. Carpenter, Secretary
Mr. Kenyon, Assistant Secretary
Mr. Hackley, General Counsel
Mr. Masters, Director, Division of Examinations

Merger involving Central Bank and Trust Company, Great Neck, New York (Item No. 1). Central Bank and Trust Company of Great Neck, New York, had requested that the Board (1) grant consent under the provisions of Section 18(c) of the Federal Deposit Insurance Act to a merger of The Lynbrook National Bank and Trust Company, Lynbrook, New York, with and into the applicant bank, (2) approve the establishment of a branch in Lynbrook incident to the merger, and (3) grant permission to Central Bank and Trust Company to exercise the trust powers now or hereafter authorized by its charter and State law. A file on the matter had been circulated to the members of the Board, with favorable recommendations from the New York Reserve Bank and the Division of Examinations. However, in accordance with usual Board policy the Division of Examinations recommended that the Board not approve a proposed write-up of certain fixed assets to be acquired by the applicant bank in connection with the merger.

Following a discussion during which Mr. Masters commented on certain aspects of the proposal, unanimous approval was given to the
letter to Central Bank and Trust Company of which a copy is attached as Item No. 1, for transmittal through the Federal Reserve Bank of New York.

Discount rates. Unanimous approval was given to a telegram to the Federal Reserve Bank of Richmond approving the establishment without change by that Bank on June 4, 1958, of the rates on discounts and advances in its existing schedule.

Extension of time for filing Hearing Examiner's report (Item No. 2). Mr. Arthur Leff, Hearing Examiner on the applications of First Bank Stock Corporation to retain two of its nonbanking subsidiaries under section 4(c)(6) of the Bank Holding Company Act, had requested that the date for filing his report and recommended decision be extended from June 10 to August 4, 1958. In a memorandum from Mr. Solomon, Assistant General Counsel, dated June 4, 1958, copies of which had been distributed to the members of the Board, the view was expressed that it would be appropriate to grant the requested extension of time in the light of the circumstances reported by Mr. Leff.

Following a brief discussion, unanimous approval was given to an order granting the requested extension of time, with the understanding that appropriate advice would be sent to the interested parties. A copy of the order is attached as Item No. 2.

The members of the staff then withdrew and the Board went into executive session.
Changes in official staff. Governor Shepardson later informed the Secretary that during the executive session the Board took the following actions with regard to its official staff pursuant to recommendations contained in a memorandum which he (Governor Shepardson) had prepared under date of June 4, 1958:

1. Having been advised by Mr. S. R. Carpenter of his desire to resign as Secretary of the Board effective July 31, 1958, in order to enter the service of his Church, the Board appointed Mr. Merritt Sherman, currently Assistant Secretary, as Secretary of the Board to succeed Mr. Carpenter, with annual salary at the rate of $16,000, effective at the beginning of the first pay roll period following the date of his return to duty at the Board's offices (probably October 1, 1958) upon the completion of his current overseas assignment under the staff development program.

2. In view of advice received from Mr. Robert F. Leonard, Director of the Division of Bank Operations, concerning his desire to retire from active service at the Board effective December 31, 1958, the Board appointed Mr. John R. Farrell, currently Assistant Director, as Associate Director of that Division, with annual salary at the rate of $14,500, effective July 1, 1958.

Staff development program. Governor Shepardson also informed the Secretary that during the executive session the Board, acting pursuant to the recommendation contained in a memorandum from him dated June 4, 1958, approved the nomination of Mr. Farrell, Assistant Director of the Division of Bank Operations, to participate in a one-month program of the Summer Institute for Executive Development of Federal Administrators to be conducted in August 1958 by the University of Chicago in cooperation with the Civil Service Commission, with the understanding that the Board would pay the tuition fee of $600 along with travel and incidental expenses.
involved in attendance at the Institute. This action contemplated that Mr. Farrell would also attend the Brookings Institution Executive Conference to be held at Williamsburg, Virginia, from June 15 to June 27, 1958, advice having been received that Mr. Farrell's nomination for attendance at that Conference had been approved by the Brookings Institution.

The meeting then adjourned.

Secretary's Notes: Pursuant to recommendations contained in memoranda from appropriate individuals concerned, Governor Shepardson approved on behalf of the Board on June 4, 1958, the following items affecting the Board's staff:

Appointment

Leslie P. Anderson as Economist in the Division of Research and Statistics, with basic annual salary at a rate of not less than $8,000 but within the range of Salary Groups U or V (presently $6,390-7,465 and $7,570-8,645 respectively), with the understanding that a recommendation regarding the specific rate of salary would be submitted to the Board for approval before the date on which Mr. Anderson assumes his duties.

Salary increases, effective June 15, 1958

<table>
<thead>
<tr>
<th>Name and title</th>
<th>Division</th>
<th>Basic annual salary</th>
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<tbody>
<tr>
<td>Joyce Meyer, Clerk-Stenographer</td>
<td>Research and Statistics</td>
<td>$3,585 - $3,670</td>
</tr>
<tr>
<td>Wilhelmina Morello, Economist</td>
<td></td>
<td>5,980 - 6,115</td>
</tr>
<tr>
<td>Mary Ann Shuler, Clerk-Stenographer</td>
<td></td>
<td>3,500 - 3,585</td>
</tr>
<tr>
<td>Frances D. Skehan, Statistical Clerk</td>
<td></td>
<td>3,585 - 3,670</td>
</tr>
<tr>
<td>Elizabeth N. Tyson, Librarian</td>
<td></td>
<td>4,075 - 4,210</td>
</tr>
<tr>
<td>Catherine Anne Wright, Statistical Clerk</td>
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<td>3,670 - 3,755</td>
</tr>
</tbody>
</table>
Salary increases, effective June 15, 1958 (continued)

Name and title | Division | Basic annual salary
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**Bank Operations**

Doris V. Bubb, Statistical Clerk | $4,075 to $4,210
Mary Teresa Johnson, Clerk-Stenographer | 3,415 to 3,500
Barbara Joan Wrenn, Statistical Clerk | 3,585 to 3,670

**Examinations**

Patricia R. Baker, Stenographer | 3,670 to 3,755
Joyce L. West, Stenographer | 3,500 to 3,585

**Personnel Administration**

Sada Ann Weitzell, Clerk-Stenographer | 3,500 to 3,585

**Administrative Services**

William F. Becker, Guard | 3,470 to 3,555
Joan C. Bell, Clerk-Stenographer | 3,670 to 3,755
Helen M. Capozio, Printing Clerk | 4,620 to 4,755
Charles E. Evans, Messenger | 2,690 to 2,775
Richard J. Michel, Laborer | 2,745 to 2,830

Governor Shepardson approved today on behalf of the Board the following items:

Memoranda from appropriate individuals concerned recommending the following actions affecting the Board’s staff:

**Appointment**

Donald W. Farrell as Legal Assistant in the Legal Division, with basic annual salary at the rate of $5,980, effective the date he assumes his duties.

Dorothy J. Buschman as Draftsman-Trainee in the Division of Research and Statistics, with basic annual salary at the rate of $3,175, effective the date she assumes her duties.

**Notice of retirement**

Robert W. Cooke, Senior Federal Reserve Examiner, Division of Examinations, effective August 1, 1958.
Letter to the Federal Reserve Bank of Cleveland approving the appointment of Harry Lyndon Hickman, Jr., as assistant examiner. A copy of the letter is attached as Item No. 3.

Letter to the Federal Reserve Bank of Kansas City approving the designation of seven persons as special assistant examiners. A copy of the letter is attached as Item No. 4.

[Signature]
Secretary
Board of Directors,
Central Bank and Trust Company,
Great Neck, New York.

Gentlemen:

The Board of Governors of the Federal Reserve System hereby gives its written consent, under the provisions of Section 18(c) of the Federal Deposit Insurance Act, to the merger of The Lynbrook National Bank and Trust Company, Lynbrook, New York, with and into Central Bank and Trust Company, Great Neck, New York, and approves the establishment by the latter bank of a branch at 310 Merrick Road, Lynbrook, New York, incident to the merger.

This consent is given provided

a. the merger is effected substantially in accordance with the terms of the Plan of Merger dated April 28, 1958;

b. shares of stock acquired from dissenting shareholders are disposed of within six months after date of acquisition;

c. fixed assets acquired from The Lynbrook National Bank and Trust Company are placed on the books of the Central Bank and Trust Company at amounts not in excess of the depreciated values allowed for Federal income tax purposes;

d. the branch is established within six months from the date of this letter; and

e. that formal approval of the State authorities is obtained.

It is noted that Central Bank and Trust Company has been granted trust powers under its charter and that it now proposes to succeed to the trust business of The Lynbrook National Bank and Trust Company. The Board of Governors hereby grants permission to Central Bank and Trust Company to exercise the trust powers now or hereafter authorized under the terms of its charter and the laws of the State of New York.

Very truly yours,

(Signed) S. R. Carpenter

S. R. Carpenter,
Secretary.
UNITED STATES OF AMERICA
BEFORE THE
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, D. C.

IN THE MATTER OF
THE APPLICATIONS OF
FIRST BANK STOCK CORPORATION
FOR DETERMINATIONS PURSUANT TO
SECTION 4(c)(6) OF BANK HOLDING
COMPANY ACT OF 1956

ORDER EXTENDING TIME FOR FILING OF
REPORT BY HEARING EXAMINER

Additional time having been requested by the Hearing Examiner within which to file with the Secretary of the Board his report containing his recommended decision and it appearing to the Board that such request should be granted, it is hereby ORDERED that the time within which the Hearing Examiner may file such recommended decision be, and the same hereby is, extended to and including August 4, 1958.

This 5th day of June, 1958.

By order of the Board of Governors.

(SEAL)
S. R. Carpenter,
Secretary.
Mr. Paul C. Stetzelberger, Vice President,
Federal Reserve Bank of Cleveland,
Cleveland 1, Ohio.

Dear Mr. Stetzelberger:

In accordance with the request contained in your letter of June 2, 1958, the Board approves the appointment of Harry Lyndon Hickman, Jr., as an assistant examiner for the Federal Reserve Bank of Cleveland. Please advise as to the date on which the appointment is made effective.

Very truly yours,

(Signed) S. R. Carpenter

S. R. Carpenter,
Secretary.
June 5, 1958

Mr. D. W. Woolley, Vice President,
Federal Reserve Bank of Kansas City,
Kansas City 6, Missouri.

Dear Mr. Woolley:

In accordance with the request contained in your letter of June 2, 1958, the Board approves the designation of the following named individuals as special assistant examiners to assist in examinations of Commerce Trust Company, Kansas City, Missouri, and The International Trust Company, Denver, Colorado:

Stanley Andrews  Grady Hopper
Glenn DuBois  Hugh McKee
Al Hedstrom  Jerry L. Shull
Lawrence Walker

The names of George A. Dewey and F. A. Reynolds have been deleted from the list of special assistant examiners.

Very truly yours,

(Signed) S. R. Carpenter

S. R. Carpenter,
Secretary.