

The attached set of minutes of the Board of Governors of the Federal Reserve System on Monday, September 8, 1958, has been amended at the request of Governor Balderston to delete the last sentence of the first full paragraph on page 6.

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

Chm. Martin



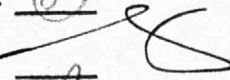
Gov. Szymczak



Gov. Vardaman



Gov. Mills



Gov. Robertson



Minutes for September 8, 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><i>M</i></u>	_____
Gov. Szymczak	x <u><i>MS</i></u>	_____
Gov. Vardaman	x <u><i>W</i></u>	_____
Gov. Mills	x <u><i>J</i></u>	_____
Gov. Robertson	x <u><i>R</i></u>	_____
Gov. Balderston	x <u><i>CCB</i></u>	_____
Gov. Shepardson	x <u><i>CS</i></u>	_____

Minutes of the Board of Governors of the Federal Reserve System
on Monday, September 8, 1958. The Board met in Room 1202 at 2:30 p.m.

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

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

Messrs. Young and Noyes, Miss Burr, and Messrs.
Koch, Williams, Brill, Eckert, Gehman, Keir,
Manookian, Peret, T. Smith, Wernick, and
Wood of the Division of Research and Statistics

Messrs. Marget, Furth, Hersey, Sammons, Bangs, Katz,
Reynolds, and Summers of the Division of Inter-
national Finance

Economic review. In summarizing the review of international trade and financial developments presented by the Division of International Finance, Mr. Marget said that there still was no evidence of a strong expansionary movement in export trade but a small recovery had taken place. Further developments depended largely on the economic climate in countries abroad which had been characterized for the most part recently by stability at high levels of activity. Where downward adjustments were evident it was encouraging to note that some of these declines had been of a character which would lay the foundation for sound recovery.

1/ Withdrew at point indicated in minutes.

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The evidence presented by the members of the Division of Research and Statistics in their review of domestic developments afforded further corroboration of the upward trend in economic activity.

Members of the two Divisions then commented informally in response to a number of questions raised by members of the Board in the light of the economic review, after which they withdrew from the meeting.

Messrs. Riefler and Thomas also withdrew at this point, and Messrs. Hackley, General Counsel, Leonard, Director, Division of Bank Operations, Masters, Director, Division of Examinations, and Sprecher, Assistant Director, Division of Personnel Administration, entered the room.

Ratification of actions taken by the available members of the Board (Items 1 through 5, inclusive). In the absence of a quorum, the available members of the Board met on August 22, 27, 29, September 4 and 5, 1958, and took certain actions subject to ratification when a quorum was available. Memoranda covering the five meetings are attached hereto as Items 1 through 5, inclusive.

There was a brief discussion of certain actions, including the approval on August 29 of an increase to \$750,000 from \$700,000 in the funds authorized for the purchase of a site for the new Denver Branch building. Governor Vardaman recalled that at the meeting on August 20 he recorded his reservations concerning the plan to locate the branch at a new site. He said that he continued to have reservations, but that he did not wish to be recorded as voting against the action of the Board

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which, pursuant to the understanding at the August 20 meeting, was taken only after receipt of Chairman Nielsen's letter indicating that the Denver Branch directors did not care to present further views on the matter to the Board of Governors.

Governor Mills asked for additional information on two items, including the letter to the Federal Reserve Bank of Boston on August 29 (Item No. M-18) which expressed the view that Section 32 of the Banking Act of 1933 did not prevent directors and officers of participating member banks from serving as directors and officers of a mutual trust investment fund to be known as Connecticut Fiduciaries' Fund, Inc.

In response to Governor Mills' inquiry, Mr. Hackley commented that the Board's position was identical with the position taken a few years ago in relation to a similar fund created in New York State. The issue was whether the fiduciary fund was actually to engage in the sale and distribution of securities, and in the opinion of the Legal Division the fund would not be so engaged. Therefore, on the specific set of facts involved in this instance, the statute would not appear to prohibit directors and officers of member banks from serving as directors and officers of the mutual trust investment fund. The Board's letter, Mr. Hackley added, had been drawn in such a form as to refer specifically to the facts of the particular situation in order to avoid establishing a general precedent.

Governor Mills also asked for additional information about the conference of the available members of the Board with representatives of

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The Michigan Bank on Friday, September 5. It was pointed out that no action had been taken at this conference, that the statements made by the representatives of The Michigan Bank were now being considered by the staff, and that the matters discussed would be brought to the Board for consideration at a later date.

Governor Mills commented that before leaving on vacation he had reviewed the file, which was then in circulation, relating to the applications of The Michigan Bank to establish two additional branches in the city of Detroit. At that time, he said, he reached the opinion that the applications were within the bounds of statutory permissibility and that the Board should avoid taking the position of denying an application on the ground of its views regarding the appropriate method of capitalization of the applicant bank, and where such denial might go beyond the Board's authority as set forth in the law. As he understood it, the action proposed by The Michigan Bank with respect to its capital structure, namely, the issuance of additional preferred stock, would not be contrary to the law. Hence, the Board's denial would have to be on the ground that in principle it did not look with favor on the issuance of preferred stock except in an emergency, and that would be carrying a principle to a point where the Board might be challenged at law with regard to its decision. Governor Mills noted in this connection that in the State of Michigan the Board was already involved in litigation as the result of its denial of a branch application in Grand Rapids and that a Detroit group previously

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had won in the courts a bank charter which was opposed by the banking authorities. He would be fearful of the Board's needlessly involving itself by taking a position that it might not be able to sustain at law.

Thereupon, the actions which had been taken by the available members of the Board during the absence of a quorum were ratified by unanimous vote.

At this point Governor Vardaman stated that he would have to leave the meeting to keep an appointment with Mr. Oscar Keller of Firstamerica Corporation who had called this afternoon and requested an appointment at 4:00 p.m. Mr. Molony also left the meeting at this point.

Official salaries at Federal Reserve Bank of Chicago. Governor Balderston recalled the Board's action on July 30 when it was agreed that salary payments to a Reserve Bank officer for a given calendar year should not exceed the amount approved by the board of directors of his Bank and by the Board of Governors. He stated that during a meeting of the Board's Budget Committee, Mr. Allen, President of the Federal Reserve Bank of Chicago had asked that the Board's decision be reconsidered at least insofar as it applied to the current year. The biweekly payment plan of the Chicago Bank had been in operation for approximately eight years and during this time the officers had accrued certain sums. Failure to pay these accruals, Mr. Allen said, would create a definite morale problem. In the course of the Committee's discussion, Governor Shepardson had suggested that perhaps as a procedural matter the policy decision reached

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by the Board on July 30 could be made effective on January 1, 1959. Adopting this effective date would permit payment of the amounts accrued to date in favor of the officers of the Federal Reserve Bank of Chicago.

Governor Balderston pointed out that the Board was placed in a difficult position in this matter and that regardless of the conclusion reached it was likely that inconsistencies would result. For example, if the Chicago Bank were permitted to make the accrued payments, there would be some inconsistencies as between that Bank and other Reserve Banks. On the other hand, if a Reserve Bank were not permitted to make biweekly payments to its officers on the basis the Chicago Bank had followed, there would be an inconsistency as between that Bank and all of the Board's personnel with the exception of the Board members themselves.

Governor Shepardson pointed out an additional possibility of inconsistency inasmuch as officers recently retired at the Federal Reserve Bank of Chicago had been paid the sums accrued in their favor. Therefore, to deny the payment of the accrued sums to the officers still on the Bank's staff would discriminate against them. All things considered, it seemed to him that the most appropriate procedure would be to amend the Board's action on July 30 by the adoption of an effective date.

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Thereupon, it was unanimously agreed to amend the Board's action so as to adopt January 1, 1959, as the effective date. It was understood that members of the Board's staff would talk with President Allen while he was in Washington for the current meeting of the Presidents' Conference in regard to implementing this decision at the Chicago Reserve Bank. It was also understood that the views of the Board in this matter would be communicated to all of the Federal Reserve Banks.

First National City Bank matter. Mr. Hackley reported to the Board that the statutory period for an appeal from the Board's decision and order on July 10, 1958, in the matter of the First National City Bank of New York and related applications expired as of this date. He stated further that he had been informed by Counsel for the First National City Bank on Friday, September 5, that after prolonged consideration the bank had decided not to seek judicial review of the Board's order.

The meeting then adjourned.

Secretary's Notes:

At the Board meetings on August 18 and 20, 1958, it was agreed that, until further action on the part of the Board, if any Reserve Bank advised that its directors had established a rate of

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either 1-3/4 per cent or 2 per cent on discounts and advances under Sections 13 and 13a along with appropriate subsidiary rates on discounts and advances, the Secretary's Office was authorized to advise the Bank of approval of such rates. It was also understood that if in any case this involved an increase in the discount rate from 1-3/4 per cent to 2 per cent, a press statement would be released in the usual form, all Reserve Banks and branches would be notified by telegram, and arrangements would be made for publication of a notice in the Federal Register.

Pursuant to this authorization, the Secretary's Office advised Reserve Banks of the approval of discount rates as follows:

August 21 - For the Federal Reserve Bank of Dallas, effective August 22, a rate of 2 per cent on discounts for and advances to member banks under Sections 13 and 13a; a rate of 2-1/2 per cent on advances to member banks under Section 10(b); and the remaining rates in the Bank's existing schedule without change.

For the Federal Reserve Banks of New York, Philadelphia, and Chicago, the rates on discounts and advances in their existing schedules.

August 25 - For the Federal Reserve Bank of Atlanta, effective August 26, a rate of 2 per cent on discounts for and advances to member banks under Sections 13 and 13a; a rate of 2-1/2 per cent on advances to member banks under Section 10(b); a rate of 3-1/4 per cent on advances to individuals, partnerships, and corporations other than member banks under the last paragraph of Section 13; a range of 2-3/4 per cent to 5-1/4 per cent on advances under Section 13b direct to industrial and commercial businesses; and the remaining rates in the Bank's existing schedule without change.

For the Federal Reserve Bank of Boston, the rates on discounts and advances in its existing schedule.

August 27 - For the Federal Reserve Bank of San Francisco, the rates on discounts and advances in its existing schedule.

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August 28 - For the Federal Reserve Bank of Kansas City, effective August 29, a rate of 2 per cent on discounts for and advances to member banks under Sections 13 and 13a; a rate of 2-1/2 per cent on advances to member banks under Section 10(b); a rate of 3-3/4 per cent on advances to individuals, partnerships, and corporations other than member banks under the last paragraph of Section 13; and the remaining rates in the Bank's existing schedule without change.

For the Federal Reserve Banks of New York, Cleveland, Richmond, St. Louis, Minneapolis, and Dallas, the rates on discounts and advances in their existing schedules.

September 3 - For the Federal Reserve Bank of Atlanta, the rates on discounts and advances in its existing schedule.

September 4 - For the Federal Reserve Banks of Chicago and Minneapolis, effective September 5, a rate of 2 per cent on discounts for and advances to member banks under Sections 13 and 13a; a rate of 2-1/2 per cent on advances to member banks under Section 10(b); and the remaining rates in the Banks' existing schedules without change except for Minneapolis a rate of 3-3/4 per cent on advances to individuals, partnerships, and corporations other than member banks under the last paragraph of Section 13.

For the Federal Reserve Banks of New York and Philadelphia, the rates on discounts and advances in their existing schedules.

On the dates indicated, Governor Shepardson approved the following items on behalf of the Board:

August 22 -

Memoranda from appropriate individuals concerned recommending the following items affecting the Board's staff:

Basic annual salary at the rate of \$8,570 for Robert M. Fisher, whose appointment as Economist in the Division of Research and Statistics was approved on April 25, 1958, effective the date he assumes his duties.

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August 22 (continued)

Acceptance of the resignation of Frank M. Tamagna, Consultant on Savings Statistics, Division of Research and Statistics, effective September 9, 1958.

August 27 -

Memorandum dated August 26, 1958, from Mr. Noyes, Adviser, Division of Research and Statistics, recommending that Carl T. Arlt, Jr., a member of the staff of that Division, be granted an advance of annual leave up to five days.

Memorandum dated August 25, 1958, from Mr. Masters, Director, Division of Examinations, recommending that Walker White, Jr., Review Examiner in that Division, be granted the necessary leave with pay, without charge to annual leave, for the purpose of attending the 1959 Summer Session of The Graduate School of Banking at Rutgers University, New Brunswick, New Jersey; that the Board reimburse him for transportation expenses from Washington, D. C., to New Brunswick, New Jersey; and that the Board pay the registration fees, resident and extension tuition fees, and dormitory and dining hall charges incident to Mr. White's attendance.

Memorandum dated August 27, 1958, from Mr. Fauver, Assistant Secretary, requesting that he be authorized to extend an invitation to a group of 16 Indian bankers to visit the Board's offices on Wednesday, October 1, for a meeting in Room 1202 and for luncheon in the Staff Dining Room.

Letter to the Bureau of Employment Security, Department of Labor, designating Harold L. Emerson of the Division of Personnel Administration as liaison for the Board in connection with the administration of the Federal employee unemployment compensation program. A copy of the letter is attached as Item No. 6.

August 28 -

Letter to the Federal Reserve Bank of New York (attached Item No. 7) approving the designation of John T. Seguin as special examiner.

August 29 -

Memoranda from appropriate individuals concerned recommending acceptance of the resignations of the following persons on the Board's staff:

W. Geoffrey Shepherd, Research Assistant, Division of Research and Statistics, effective September 5, 1958.

Grace Stewart, Clerk, Division of International Finance, effective September 26, 1958.

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August 29 (continued)

Memorandum dated August 29, 1958, from Mr. Masters, Director, Division of Examinations, recommending that Harry J. Meyer, who is retiring from the staff of the Federal Reserve Bank of New York effective today, be appointed as a consultant on a temporary basis, effective on or about September 8, 1958, and not extending beyond December 31, 1958, for work in the foreign bank supervisory area, with compensation at the rate of \$40 per day for his services plus \$12 per diem in lieu of expenses while in a travel status and necessary expenses for travel.

Letter to the Federal Reserve Bank of New York (attached Item No. 8) approving the appointment of Clifford H. Guion as assistant examiner.

September 2 -

Letter to the Federal Reserve Bank of Richmond (attached Item No. 9) approving the designation of Harold M. Scott as special assistant examiner.

Memorandum dated September 2, 1958, from Mr. Kelleher, Director, Division of Administrative Services, recommending that a termination notice dated August 29, 1958, from Henry Richelsen as manager of the Board's barber shop, be accepted effective at the close of business September 5, 1958, and that an agreement with Rufus M. Cordell to take over the management of the shop beginning September 8, 1958, be approved subject to a satisfactory investigation by the Division of Personnel Administration.

Memorandum dated August 27, 1958, from Mr. Marget, Director, Division of International Finance, recommending acceptance of the resignation of Mary E. McCarthy, Clerk in that Division, effective September 12, 1958.

September 3 -

Telegram to the Federal Reserve Bank of San Francisco (attached Item No. 10) approving the appointment of Allen F. Goodfellow as assistant examiner.

September 4 -

Letter to the Federal Reserve Bank of New York (attached Item No. 11) approving the appointment of Murray J. Alimo as assistant examiner.

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September 5 -

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

Change in employment basis

Georgine Winslett, Clerk-Typist in the Division of Research and Statistics, from a full-time basis to a half-time basis, with an adjustment in her basic annual salary from \$3,685 to \$1,843, effective September 8, 1958.

Acceptance of resignation

Edward J. Kane, Research Assistant, Division of Research and Statistics, effective September 17, 1958.

Pursuant to the recommendations contained in memoranda from appropriate individuals concerned, Governor Robertson, in the absence of Governor Shepardson, approved on behalf of the Board on September 5, 1958, increases in the basic annual salaries of the following persons on the Board's staff in the amounts indicated, effective September 7, 1958:

<u>Name and title</u>	<u>Division</u>	<u>Basic annual salary</u>	
		<u>From</u>	<u>To</u>
<u>Research and Statistics</u>			
Shirley A. Barham, Clerk Stenographer		\$ 3,945	\$ 4,040
Elsie Q. Davis, Statistical Clerk		4,230	4,325
Joanne L. Jessup, Clerk-Typist		3,590	3,685
Nancy H. Teeters, Economist		6,435	6,585
Joan R. Winter, Statistical Clerk		4,230	4,325
<u>International Finance</u>			
Ralph C. Wood, Chief, European Section		12,770	13,070
Samuel I. Katz, Chief, British Commonwealth, Scandinavia, & Near East Section		12,770	13,070
<u>Administrative Services</u>			
Gladys W. Garber, Mailing List Clerk		3,590	3,685

Kenneth A. Ferguson
Assistant Secretary

Item No. 1
9/8/58

Memorandum of a meeting of the available members of the Board of Governors of the Federal Reserve System which was held in the Special Library on Friday, August 22, 1958, at 10:00 a.m.

PRESENT: Mr. Balderston, Vice Chairman
Mr. Vardaman
Mr. Shepardson

Mr. Kenyon, Assistant Secretary
Mr. Fauver, Assistant Secretary
Mr. Masters, Director, Division of Examinations
Mr. Solomon, Assistant General Counsel

Items circulated to the Board. In accordance with the procedure agreed upon at the meeting of the Board on August 20, 1958, the following items, which had been circulated to the available members of the Board and copies of which are attached hereto under the respective item numbers indicated, were approved unanimously by the members of the Board present, subject to ratification of the respective actions at such time as a quorum of the Board was present:

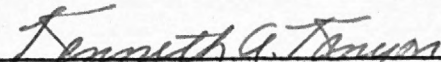
	<u>Item No.</u>
Letter to The Merrill Trust Company, Bangor, Maine, approving the establishment of a branch in Woodland, Maine. (For transmittal through the Federal Reserve Bank of Boston)	M-1
Letter to Wachovia Bank and Trust Company, Winston-Salem, North Carolina, approving the establishment of a seasonal branch in the Growers Warehouse at Glenn Avenue and 32nd Street. (For transmittal through the Federal Reserve Bank of Richmond)	M-2

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	<u>Item No.</u>
Letter to the First National Bank in Chicago Heights, Chicago Heights, Illinois, approving its application for fiduciary powers. (For transmittal through the Federal Reserve Bank of Chicago)	M-3
Letter to the Farm Credit Administration consenting to its request for certain information concerning the Bank of Dublin, Dublin, Virginia. (With the understanding that the Federal Reserve Bank of Richmond would be advised by telephone)	M-4
Letter to the Federal Reserve Bank of Richmond approving the payment of salary to John C. Horigan as Chief Examiner at the rate fixed by the Board of Directors.	M-5

The meeting then adjourned.


Assistant Secretary

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

Item No. M-1
8/22/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

August 22, 1958

Board of Directors,
The Merrill Trust Company,
Bangor, Maine.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of Boston, the Board of Governors of the Federal Reserve System approves the establishment by The Merrill Trust Company of a branch in Woodland, Town of Baileyville, Maine, provided the branch is established within six months from the date of this letter, and approval of the State authorities is effective as of the date the branch is established.

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. M-2
8/22/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

August 22, 1958



Board of Directors,
Wachovia Bank and Trust Company,
Winston-Salem, North Carolina.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of Richmond, the Board of Governors of the Federal Reserve System approves the establishment of a branch by Wachovia Bank and Trust Company, Winston-Salem, North Carolina, in the Growers Warehouse at Glenn Avenue and 32nd Street, Winston-Salem, North Carolina, during the 1958 tobacco marketing season, covering an approximate period of September through December, inclusive.

It is understood that the bank wishes to operate an office at this location each year during the tobacco marketing season. Consequently, the Board of Governors also approves the establishment and operation of a new branch at this location each succeeding year, subject to cancellation of such approval upon reasonable notice to the bank prior to the beginning of such period of any year.

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. M-3
8/22/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

August 22, 1958



Board of Directors,
First National Bank in Chicago Heights,
Chicago Heights, 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 such rights shall 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 First National Bank in Chicago Heights is now authorized to exercise will be forwarded to you in due course.

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. M-4
8/22/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

August 22, 1958

Mr. Harold T. Mason, Deputy Governor,
Farm Credit Administration,
Washington 25, D. C.

Dear Mr. Mason:

Receipt is acknowledged of your letter of August 5, 1958, addressed to Mr. Masters, regarding the furnishing by the Board of Governors of certain information concerning the Bank of Dublin, Incorporated, Dublin, Virginia.

The Board has considered the request for information, with due regard to the provisions of Section 208(e) of the Federal Farm Loan Act and of Section 8(a) of the Board's Rules of Organization, and consents to furnishing the desired information to your duly authorized representative.

It is suggested that arrangements be made with Mr. Masters to have your representative visit the Board's offices, as suggested in your letter, for the purpose of obtaining the information orally from the Board's Division of Examinations.

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. M-5
8/22/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

August 22, 1958

CONFIDENTIAL FR

Mr. John B. Woodward, Jr., Chairman of the Board,
Federal Reserve Bank of Richmond,
Richmond 13, Virginia.

Dear Mr. Woodward:

The Board of Governors approves the payment of salary to the following officer of the Federal Reserve Bank of Richmond for the period September 1 through December 31, 1958, at the rate indicated, which is the rate fixed by your Board of Directors as reported in your letter of August 14, 1958:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
John C. Horigan	Chief Examiner	\$12,000.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,
Assistant Secretary.

Memorandum of a meeting of the available members of the Board of Governors of the Federal Reserve System which was held in the Special Library on Wednesday, August 27, 1958, at 10:00 a.m.

PRESENT: Mr. Martin, Chairman
Mr. Balderston, Vice Chairman
Mr. Shepardson

Mr. Kenyon, Assistant Secretary
Mr. Fauver, Assistant Secretary
Mr. Riefler, Assistant to the Chairman
Mr. Leonard, Director, Division of Bank Operations
Mr. Young, Director, Division of Research and Statistics
Mr. Hackley, General Counsel
Mr. Sammons, Associate Adviser, Division of International Finance
Mr. Sprecher, Assistant Director, Division of Personnel Administration
Mr. O'Connell, Assistant General Counsel
Mr. Hostrup, Assistant Director, Division of Examinations
Mr. Nelson, Assistant Director, Division of Examinations
Mr. Huning, Review Examiner, Division of Examinations

Items circulated or distributed to the Board. In accordance with the procedure agreed upon at the meeting of the Board on August 20, 1958, the following items, which had been circulated or distributed to the available members of the Board and copies of which are attached hereto under the respective item numbers indicated, were approved unanimously by the members of the Board present, subject to ratification of the respective actions at such time as a quorum of the Board was present:

Item No.

Letter to the National Savings and Trust Company, Washington, D. C., approving an investment in bank premises. (For transmittal through the Federal Reserve Bank of Richmond)

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Item No.

- Letter to the Citizens Bank of Hattiesburg, Hattiesburg, Mississippi, granting an extension of time within which to establish a branch in Petal, Mississippi. (For transmittal through the Federal Reserve Bank of Atlanta) M-7
- Letter to the Federal Reserve Bank of Kansas City concurring in the view that section 32 of the Banking Act of 1933 would not be applicable to the concurrent service of Mr. Arthur Mag as a director of the First National Bank of Kansas City and a director of Stern & Stern Land Company. M-8
- Letter to the United States Post Office Department expressing interest in the results of consideration by that Department of proposals which might result in savings to the Treasury and the Federal Reserve Banks on shipments of currency and securities by registered mail. M-9
- Letter to the Federal Reserve Banks inviting comments regarding a proposed amendment to Regulation R. M-10
- Letter to the Federal Reserve Bank of New York interposing no objection to arrangements involved in a proposed assignment for Mr. Herbert Turkus. M-11
- Letter to the Federal Reserve Bank of Minneapolis approving the payment of salary to Robert W. Worcester, as Assistant Cashier assigned to the Helena Branch, at the rate fixed by the board of directors. M-12
- Letter to the Lemoyne Trust Company, Lemoyne, Pennsylvania, extending the time within which it may establish a branch in Camp Hill. (For transmittal through the Federal Reserve Bank of Philadelphia) M-13
- Letter to the State Bank, Gladbrook, Iowa, consenting to the retirement of its outstanding preferred stock. (For transmittal through the Federal Reserve Bank of Chicago) M-14
- Letter to The National Bank of Bossier City, Bossier City, Louisiana, approving its application for fiduciary powers. (For transmittal through the Federal Reserve Bank of Dallas) M-15

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Item No.

Letter to The Wolfe City National Bank, Wolfe City, Texas, approving its application for authority to act as trustee for the Mount Carmel Cemetery Association. (For transmittal through the Federal Reserve Bank of Dallas)

M-16

Letter to Texas Gulf Industries, Inc., Houston, Texas, advising that the company has been determined not to be a holding company affiliate except for the purposes of section 23A of the Federal Reserve Act. (For transmittal through the Federal Reserve Bank of Dallas)

M-17

Officer salaries at Federal Reserve Bank of Chicago. Governor

Balderston reported to the Board further developments with regard to procedural matters in the payment of officer salaries at the Federal Reserve Bank of Chicago. It was recalled that at its meeting on July 30 the Board had taken the position that salary payments to a Reserve Bank officer for a calendar year should not exceed the annual salary approved by the board of directors of his bank and by the Board of Governors. This question had arisen primarily at the Federal Reserve Bank of Chicago which had adopted a bi-weekly system of payments in 1950. In 1959, adherence to this schedule would result in 27 pay days and therefore in actual payments greater than the annual salaries approved by the Board.

Advice of the Board's position had been conveyed to the Federal Reserve Bank of Chicago and when President Allen met recently with the Budget Committee of the Board he had expressed concern over the effect of the policy. He felt that since the Chicago bi-weekly plan had been

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in effect for several years, there had developed certain expectations on the part of the Bank's officers and that to change the procedure now might have serious effects on morale.

During the budget conference the suggestion had been advanced by Governor Shepardson that perhaps as a procedural matter the effective date of the Board's recent action might be fixed at January 1, 1959, which would permit a payment at the end of the current calendar year to take care of the accruals that had developed under the bi-weekly schedule, after which a semi-monthly schedule or some other schedule in conformity with the Board's decision could be instituted.

Following a brief discussion it was agreed that this was a matter on which a final decision should be postponed until a quorum of the Board was available. At Chairman Martin's suggestion it was understood that this item would be placed on the agenda for the Board meeting on September 8.

In a concluding comment, Governor Balderston said that Mr. Allen had indicated in a telephone conversation that if the Board was disposed not to accept the amendment suggested by Governor Shepardson, he (Mr. Allen) would like an opportunity to appear before the Board because there were complexities Mr. Allen had uncovered one by one which he felt that the Board should be aware of before making a final decision.

Budget discussions. Governor Balderston stated that the Board's Budget Committee (with Governor Shepardson acting as a second member in the absence of Governors Szymczak and Mills) had now met with the Presidents

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of six Federal Reserve Banks for preliminary discussion of 1959 budget problems and that the meetings had been quite satisfactory. He said that Mr. Leonard had been asked to furnish each President with minutes of the meeting in which that President participated in order that the Reserve Bank would have available the same record of the meeting as kept in the Board's files.

Governor Balderston noted that in at least two Reserve Banks questions regarding the procedure appeared to have arisen at the director level. In one Bank such a question had arisen even though the President and First Vice President had worked out a careful statement with respect to the reasons for the new procedure. At the moment, however, there did not appear to be any particular problem; the Presidents seemed to understand and endorse the procedure that the Board was following and the meetings were proceeding smoothly.

Report by the Legislative Reference Service of the Library of Congress. As a matter of information, Mr. Young brought the members of the Board up to date on developments in connection with a report prepared by the Legislative Reference Service of the Library of Congress for the Senate Banking and Currency Committee and referred to the Board for staff comment by Chairman Fulbright of that Committee on June 30, 1958. The report, entitled "Federal Reserve Policies and Economic Stability, 1951-1957," had been reviewed by the staff, and comments resulting from that

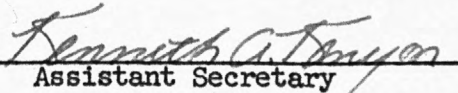
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review had been transmitted informally, as indicated in a letter from Chairman Martin to Chairman Fulbright on August 13.

Mr. Young said he had been informed by Mr. Asher Achinstein, of the Legislative Reference Service, who had prepared the study, that a revised draft would be received this afternoon. He was told that the revised draft would incorporate most of the staff's suggestions as to facts and some of the suggestions as to the theory of Federal Reserve operations, but that there would remain some differences of interpretation. Mr. Young stated that the staff would review the revised draft as quickly as possible inasmuch as he had been given to understand that the Committee hoped to be able to send the report to the printer not later than September 15. While it had been indicated that a memorandum of staff comments could be submitted, if desired, Mr. Young pointed out that the decision on whether to submit such a memorandum would depend to a large extent on a reading of the revised draft.

Thereupon the meeting adjourned.


Assistant Secretary

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

Item No. M-6
8/27/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

August 27, 1958

Board of Directors,
National Savings and Trust Company,
Washington 5, D. C.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of Richmond, the Board of Governors of the Federal Reserve System approves, under the provisions of Section 24A of the Federal Reserve Act, an additional investment in bank premises by National Savings and Trust Company, Washington, D. C., of not to exceed \$250,000 for the purpose of acquiring real estate in connection with establishing drive-in facilities adjacent to the bank's main office.

It is understood that the \$250,000 additional investment in bank premises will be charged to undivided profits at the time the property is acquired.

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. M-7
8/27/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

August 27, 1958



Board of Directors,
Citizens Bank of Hattiesburg,
Hattiesburg, Mississippi.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of Atlanta, the Board of Governors further extends until April 3, 1959, the time within which the Citizens Bank of Hattiesburg, Hattiesburg, Mississippi, may establish a branch at 117 South Main Street, Petal, Mississippi, under the authorization contained in the Board's letter dated October 3, 1957.

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. M-8
8/27/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

August 27, 1958



Mr. George H. Clay,
Vice President and General Counsel,
Federal Reserve Bank of Kansas City,
Kansas City 6, Missouri.

Dear Mr. Clay:

Reference is made to your letter of July 8, 1958, and the enclosed letter from Mr. Arthur Mag regarding the question whether section 32 of the Banking Act of 1933 would prevent him from being a director of Stern & Stern Land Company while serving as a director of the First National Bank of Kansas City.

Briefly, it appears that Stern & Stern Land Company is not engaged in any business of the kinds described in section 32, but that it owns 61.8 per cent of the stock of Stern Brothers & Co., which is primarily engaged in such business. It further appears that if the corporate entities were to be disregarded and the income derived by Stern & Stern Land Company from its investment in Stern Brothers & Co. which is attributable to the section 32 business done by the latter were to be regarded as income from section 32 business done by the former, it would have constituted percentages ranging from 6.57 to 15.30 per cent of the total income of Stern & Stern Land Company during the last five calendar years.

It appears that Stern & Stern Land Company was organized in 1906 for the purpose of engaging in farming, cattle, land and oil business, and devotes its attention to this type of business almost entirely. Mr. Richard Stern, who is President of Stern Brothers & Co., takes no active part in Stern & Stern Land Company.

Federal Reserve Bank of -2-
Kansas City

Consequently, it appears that Mr. Mag will not be a director, officer or employee of a corporation "primarily engaged" in the business described in section 32, but will be a director of a corporation owning 61.8 per cent of the stock of a corporation engaged in such business. In the circumstances described, and since it appears that the proposed arrangement is not for the purpose of evading the statute, the Board sees no reason for disregarding the corporate entities or for departing from the literal words of the statute, and is of the opinion that section 32 would not apply to Mr. Mag if he were to become a director of Stern & Stern Land Company.

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. M-9
8/27/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

August 27, 1958



The Honorable Hyde Gillette,
Assistant Postmaster General,
United States Post Office Department,
Washington 25, D. C.

Dear Mr. Gillette:

At a meeting held in your office on May 16, 1958, attended by representatives of your Department, the United States Treasury Department, and the Board of Governors of the Federal Reserve System, there was a discussion of the costs involved in shipping currency and securities by postal facilities from the Treasury in Washington to Federal Reserve Banks and branches.

The Federal Reserve Banks pay all charges for shipment of new Federal Reserve notes from Washington. These shipments are in large amounts, usually over \$1,000,000 and ranging up to \$15,000,000. They are made by registered mail or fourth class mail treated as registered mail. The Banks have their expenses under constant review, and questions are raised from time to time as to savings that might be gained by use of alternative means of shipment of new currency from Washington.

The Federal Reserve Banks also incur substantial costs for shipments of currency and securities to and from their member banks. These shipments are in much smaller amounts than shipments of new currency from Washington to the Reserve Banks and branches. They seldom exceed \$1,000,000 in amount, and on the basis of a sample survey made in 1953, a summary of which was supplied to your Department, it appears that the majority of them are under \$50,000. A considerable number of these shipments are made by armored car. In 1954, surcharges were reduced on shipments of over \$1,000,000 and it was understood at the time that the Post Office Department had under way a study of the entire postage rate structure including surcharge rates on shipments of \$1,000,000 and less.

Representatives of your office indicated at the meeting on May 16 that the Post Office Department had several proposals under

The Honorable Hyde Gillette

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consideration which might result in substantial economies to the Treasury and Federal Reserve Banks for shipments of currency and securities by registered mail, both from Washington to the Reserve Banks and between the Reserve Banks and their member banks.

The Board will be interested in learning of the results of your consideration of these matters, and Board representatives stand ready to render any assistance they can if you so desire.

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. M-10
8/27/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

August 27, 1958



Dear Sir:

Enclosed is a draft of a proposed amendment to Regulation R which would broaden the exception now contained in that regulation. It will be appreciated if you will furnish the Board with any comments you may have regarding this proposal.

For your further information in this connection, there is enclosed a memorandum giving the background of the existing exception.

Very truly yours,

A handwritten signature in cursive script that reads "Kenneth A. Kenyon".

Kenneth A. Kenyon,
Assistant Secretary.

Enclosures

TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS

PROPOSED AMENDMENT TO REGULATION R

Amend section 2 of Regulation R by inserting after the words "Federal Land banks," the words "bonds, notes, debentures, or other securities of the Central Bank for Cooperatives, the Federal Home Loan Banks, the Federal National Mortgage Association, the International Bank for Reconstruction and Development,".

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

Item No. M-11
8/27/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

August 27, 1958

Mr. William H. Braun, Jr.,
Secretary,
Federal Reserve Bank of New York,
New York 45, New York.

Dear Mr. Braun:

This letter is in reply to your letter of August 18, 1958, regarding the proposed leave of absence of Mr. S. Herbert Turkus in order to permit him to accept an assignment with the International Cooperation Administration to assist the National Bank of Viet-Nam in setting up a Bank Examinations Department.

The Board interposes no objection to the arrangements outlined in your letter.

Sincerely yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,
Assistant Secretary.



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

Item No. M-12
8/27/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

August 27, 1958



CONFIDENTIAL (FR)

Mr. Frederick L. Deming, President,
Federal Reserve Bank of Minneapolis,
Minneapolis 2, Minnesota.

Dear Mr. Deming:

The Board of Governors approves the payment of salary to the following newly appointed officer of the Federal Reserve Bank of Minneapolis, assigned to the Helena Branch, for the period September 1 through December 31, 1958, at the rate indicated, which is the rate fixed by your Board of Directors as reported in your letter of August 14, 1958:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
Robert W. Worcester	Assistant Cashier	\$10,000

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. M-13
8/27/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

August 27, 1958



Board of Directors,
Lemoine Trust Company,
Lemoine, Pennsylvania.

Gentlemen:

In accordance with the request submitted through the Federal Reserve Bank of Philadelphia, the Board of Governors extends to October 31, 1958, the time within which Lemoine Trust Company, Lemoine, Pennsylvania, may establish a branch in Camp Hill, Cumberland County, Pennsylvania. It is understood the branch is to be located 100 feet west of the 3025 Market Street location specified in the Board's letter of May 1, 1957.

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. M-14
8/27/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

August 27, 1958



Board of Directors,
State Bank,
Gladbrook, Iowa.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of Chicago, the Board of Governors of the Federal Reserve System hereby gives its consent, under the provisions of Section 9 of the Federal Reserve Act, to the retirement of \$50,000 outstanding preferred stock by State Bank, Gladbrook, Iowa.

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. M-15
8/27/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

August 27, 1958



Board of Directors,
The National Bank of Bossier City,
Bossier City, Louisiana.

Gentlemen:

The Board of Governors of the Federal Reserve System has given consideration to your supplemental application for fiduciary powers and grants you authority to act, when not in contravention with 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 Louisiana. The exercise of such rights shall 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. The specific authorization granted on September 23, 1953, to act as trustee in connection with Public Housing Authority bonds and as registrar of such bonds, is now included in the general fiduciary powers herein authorized.

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

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. M-16
8/27/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

August 27, 1958

Board of Directors,
The Wolfe City National Bank in Wolfe City,
Wolfe City, Texas.

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 for Mount Carmel Cemetery Association, Wolfe City, Texas. The exercise of this authority shall 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 certificate evidencing this specific authority is enclosed.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,
Assistant Secretary.

Enclosure

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

Item No. M-17
8/27/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

August 27, 1958

Mr. Robert C. Lanier, President,
Texas Gulf Industries, Inc.,
945 San Jacinto Building,
Houston 2, Texas.

Dear Mr. Lanier:

This refers to the request contained in your letter of July 10, 1958, submitted through the Federal Reserve Bank of Dallas, for a determination by the Board of Governors of the Federal Reserve System, as to the status of the Texas Gulf Industries, Inc., as a holding company affiliate.

From the information supplied, the Board understands that Texas Gulf Industries, Inc., has withdrawn from the field of finance business and its present principal activities are the development of real estate which it holds; that Texas Gulf Industries, Inc., is a holding company affiliate of The Citizens National Bank of Greenville, Texas, by reason of the fact that it owns more than 50 per cent of the number of shares voted at the latest election of directors of such bank; but that Texas Gulf Industries, Inc., does not own or control, directly or indirectly, any other bank stock, and does not manage or control, directly or indirectly, any other banking institution.

In view of these facts the Board has determined that Texas Gulf Industries, Inc., is not engaged, directly or indirectly, as a business in holding the stock of, or managing or controlling, banks, banking associations, savings banks, or trust companies within the meaning of section 2(c) of the Banking Act of 1933, as amended; and, accordingly, Texas Gulf Industries, Inc., is not deemed to be a holding company affiliate except for the purposes of section 23A of the Federal Reserve Act, and does not need a voting permit from the Board of Governors in order to vote the bank stock which it owns.



Mr. Robert C. Lanier

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If, however, the facts should at any time differ from those set out above to an extent which would indicate that Texas Gulf Industries, Inc., might be deemed to be so engaged, this matter should again be submitted to the Board. The Board reserves the right to rescind this determination and make a further determination of this matter at any time on the basis of the then existing facts.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,
Assistant Secretary.

Memorandum of a meeting of the available members of the Board of Governors of the Federal Reserve System which was held in the Special Library on Friday, August 29, 1958, at 10:00 a.m.

PRESENT: Mr. Martin, Chairman
Mr. Shepardson

- Mr. Kenyon, Assistant Secretary
- Mr. Fauver, Assistant Secretary
- Mr. Riefler, Assistant to the Chairman
- Mr. Leonard, Director, Division of Bank Operations
- Mr. Young, Director, Division of Research and Statistics
- Mr. Hackley, General Counsel
- Mr. Solomon, Assistant General Counsel
- Mr. Chase, Assistant General Counsel
- Mr. Hostrup, Assistant Director, Division of Examinations
- Mr. Nelson, Assistant Director, Division of Examinations
- Mr. Huning, Review Examiner, Division of Examinations

Items circulated or distributed to the Board. In accordance with the procedure agreed upon at the meeting of the Board on August 20, 1958, the following items, which had been circulated or distributed to the available members of the Board and copies of which are attached hereto under the respective item numbers indicated, were approved unanimously by the members of the Board present, subject to ratification of the respective actions at such time as a quorum of the Board was present:

Item No.

Letter to the Federal Reserve Bank of Boston expressing the view that section 32 of the Banking Act of 1933 would not prevent directors and officers of participating member banks from serving as directors and officers of a mutual trust investment fund to be known as Connecticut Fiduciaries' Fund, Inc.

M-18

8/29/58

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	<u>Item No.</u>
Letter to The Trust Company of New Jersey, Jersey City, New Jersey, approving an investment in bank premises. (For transmittal through the Federal Reserve Bank of New York)	M-19
Letter to the Citizens-Union Bank & Trust Company, Lexington, Kentucky, approving the application for fiduciary powers submitted on behalf of Citizens-Union National Bank & Trust Company, Lexington, Kentucky, into which the State bank is to be converted. (For transmittal through the Federal Reserve Bank of Cleveland)	M-20
Telegrams to the Federal Reserve Agent at Atlanta authorizing the issuance of general voting permits to Citizens and Southern Holding Company and The Citizens and Southern National Bank, both of Savannah, Georgia, covering their stock in The Augusta Citizens and Southern National Bank, Augusta, Georgia.	M-21 and M-22
Letter to the Federal Reserve Bank of Minneapolis approving the furnishing of future reports of examination of Montana Bank, Great Falls, Montana, to Firstamerica Corporation, San Francisco, California.	M-23
Letter to the First State Bank, Odessa, Texas, approving its application for fiduciary powers. (For transmittal through the Federal Reserve Bank of Dallas)	M-24
Letter to the Comptroller of the Currency recommending unfavorably with regard to an application to organize a national bank at Fort Myers Beach, Florida. (With a copy to the Federal Reserve Bank of Atlanta)	M-25
Order granting Otto Bremer Company additional time within which to submit proposed findings, conclusions and supporting brief.	M-26
Letter to the Federal Reserve Agent at St. Louis approving the appointment of Ewell M. Coleman, Jr., as a full-time Alternate Assistant Federal Reserve Agent.	M-27

8/29/58

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Item No.

Letter to the Federal Reserve Agent at St. Louis approving the appointment of Walter F. Davisson as an additional Assistant Federal Reserve Agent.

M-28

Return to Treasury of Section 13b advances (Item No. M-29).

Prior to the meeting there had been distributed to the members of the Board a memorandum dated August 27 from Mr. Daniels, Assistant Director, Division of Bank Operations, outlining a recommended procedure by which the Federal Reserve Banks would return to the Treasury Department funds which they had heretofore received under Section 13b of the Federal Reserve Act. The return of such funds was required by the Small Business Investment Act of 1958 which became law on August 21, 1958. Section 602(a) of that Act provided that within 60 days after the enactment of the Act each Federal Reserve Bank should pay to the United States the aggregate amount which the Secretary of the Treasury had heretofore paid to such Bank under the provisions of Section 13b of the Federal Reserve Act.

The memorandum pointed out that the amounts received from the Treasury by the Reserve Banks and now to be repaid totaled \$27,546,310.97, which was \$3,657.47 more than Section 13b Surplus. Section 13b Surplus consisted of advances received from the Treasury plus net earnings derived from the use of Treasury funds and less net losses from the use of such funds. Six banks had more than enough in their Section 13b surplus accounts to repay the amounts due the Treasury while six other Reserve Banks had deficiencies which would be made up by drawing

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on Section 7 Surplus funds. The memorandum recommended advising the Reserve Banks by telegram of the procedure suggested for the repayment of these funds to the Treasury Department and at this meeting Mr. Leonard proposed September 2 as the payment date if the Board should act today.

Mr. Leonard reviewed the provisions of the Small Business Investment Act and the suggested procedure, following which there was unanimous agreement to approve the sending of a telegram to the Presidents of all Reserve Banks in the form attached to these minutes as Item No. M-29.

Suggested topics for discussion with Federal Advisory Council (Item No. M-30). Prior to the meeting there had been distributed a proposed letter to Mr. Korsvik, Assistant Secretary of the Federal Advisory Council, suggesting a number of topics to be placed on the agenda of the Federal Advisory Council for discussion at its meeting on Monday, September 15, and at the joint meeting of the Council and the Board on Tuesday, September 16. Governor Shepardson suggested a clarification in the wording of the second suggested item and with this change the letter was unanimously approved in the form attached to these minutes as Item No. M-30.

Denver Branch building (Item No. M-31). Mr. Kenyon reported to the Board that a letter dated August 25 had been received from Mr. Aksel Nielsen, Chairman of the Board of the Denver Branch of the Federal Reserve Bank of Kansas City, in reply to Chairman Martin's telephone call and letter following the discussion at the Board meeting on August 20. At that meeting it had been understood that the Denver Board would be

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given a further opportunity to express its views regarding the building program for the Denver Branch if that Board should so desire. It had been understood that if the Branch Board wished it could come to Washington and review the various proposals with the Board of Governors.

Mr. Nielsen's letter expressed appreciation for the invitation to discuss further the matter of the site selection in Denver but expressed the view that the Denver Board felt that all aspects of the matter had been fully discussed and that there would be no point in a further meeting in Washington.

In the light of this reply and of the Board's previous understanding on August 20, the sending of the telegram attached to these minutes as Item No. M-31 was approved, increasing the aggregate purchase price for the proposed new building site for the Denver Branch to a maximum of \$750,000 plus \$35,000 real estate fee instead of the maximum of \$700,000 plus \$35,000 real estate fee which was authorized in the Board's telegram of April 4, 1958.

The Michigan Bank, approval of branches. Mr. Kenyon then advised the Board that a letter dated August 27 had been received from Mr. John C. Hay, President of The Michigan Bank, Detroit, Michigan, concerning the Board's letter of August 20 which had approved the establishment of two new branch offices in Detroit by The Michigan Bank provided that, prior thereto, an additional million dollars of capital was raised through the sale of common stock. Mr. Hay's letter requested a meeting with a member

8/29/58

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or members of the Board in order to have a full discussion of the condition imposed. It stated that if such a meeting could be arranged The Michigan Bank would be represented by Mr. Hay, Mr. Howard J. Stoddard, and its attorney, Mr. James B. Alley.

Mr. Kenyon also stated that a letter dated August 26 had been received from the Federal Reserve Bank of Chicago enclosing a memorandum of a conversation between President Allen and Mr. Stoddard of The Michigan Bank regarding the condition under which the two new branches were approved and also regarding one of the conditions of membership imposed when the bank joined the Federal Reserve System.

The suggestion was made that a meeting be arranged on Thursday or Friday, September 4 or 5, between the representatives of The Michigan Bank and the members of the Board available at that time. There was unanimous agreement with this suggestion and the Secretary's Office was authorized to arrange such a meeting.

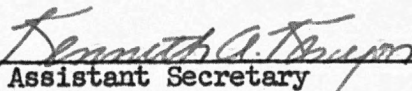
Jacksonville Branch matter. Mr. Leonard advised the Board that President Bryan of the Federal Reserve Bank of Atlanta had forwarded to the Board a complete report on the Jacksonville Branch matter involving an employee of the bank and a television program which awarded prizes for dollar bills with certain specified serial numbers. As reported to the Board on August 18 the prize money received for the bill, which had not entered circulation, had been returned by the employee's wife. It was

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indicated that the full report would be circulated to the members of the Board as a matter of information.

Thereupon the meeting adjourned.


Assistant Secretary

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

Item No. M-18
8/29/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

August 29, 1958

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

Dear Mr. Groot:

Reference is made to your letter of August 13, 1958, and enclosures relating to a mutual trust investment fund to be known as Connecticut Fiduciaries' Fund, Inc., which is being incorporated under the provisions of a statute of the State of Connecticut. The question is whether directors and officers of participating member banks may serve as directors and officers of the Fund, in view of the provisions of section 32 of the Banking Act of 1933.

Briefly, the statute authorizes the incorporation of "a mutual trust investment company as a medium for the common investment of funds and property held by state banks and trust companies and national banks with trust powers located in [Connecticut] acting as executor, administrator, guardian, trustee or conservator, either alone or with one or more individual co-fiduciaries," and restricts the ownership of the Fund's shares to such fiduciaries in their capacities as such. The statute authorizes the bank commissioner to examine the Fund, to require the Fund to make special reports, and to remove directors and officers of the Fund for violations of law and continued unsafe and unsound practices in conducting the business of the Fund. The assets of the Fund may be invested only in assets which are legal investments for trustees under State law. There are appropriate limitations on the amount which may be invested in any one corporation, and on the amount of any one trust which may be represented by shares of the Fund.

From the information presented, the Board understands that the Fund will receive only funds of trusts created or used "for bona fide fiduciary purposes"; that no shares of the Fund may be purchased by any institution which operates its own common trust fund; that the Fund ordinarily will permit the purchase and redemption of shares only on one day during each quarter of the year on the basis of valuations prepared only once each quarter.

It is further understood that the Fund's board of directors will be composed of one member from each participating bank or trust company; that no director or officer of the Fund will receive any

Mr. Benjamin F. Groot

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compensation from the Fund; that a bank will be selected by the Fund as its custodian and investment manager, which bank will have no representation on the Fund's board of directors; that the Fund will have no paid employees, will employ no sales personnel, will undertake no active sales campaign, will impose no sales or loading charges in connection with the issuance or sale of its shares (except initially a 2-1/2 cent charge per share to recover organizational expenses estimated at \$5000).

The Board also understands that the Fund will not engage in the issue, flotation, underwriting, public sale or distribution, at wholesale or retail, or through syndicate participation, of any stocks, bonds or other similar securities, except the issue and sale of shares of its own stock.

There appears to be no substantial difference, as far as section 32 is concerned, between this proposed Fund and the fund organized under New York law which was the subject of the Board's letter of December 22, 1954, to Mr. Phelan, Vice President, Federal Reserve Bank of New York, and therefore, on the basis of the information presented, the Board is of the view that interlocking relations between the Fund and member banks would not be prohibited by section 32.

You will understand, of course, that the Board's view, as expressed above, is based upon the facts and circumstances peculiar to this case and would not necessarily be applicable to other cases where the facts might be somewhat similar or to this case if there should be any material change in the facts.

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. M-19
8/29/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

August 29, 1958

Board of Directors,
The Trust Company of New Jersey,
Jersey City, New Jersey.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of New York, the Board of Governors approves, under the provisions of Section 24A of the Federal Reserve Act, an additional investment of \$75,000 in bank premises. This expenditure is to pay for refurbishing the bank's main office and two branches.

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. M-20
8/29/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

August 29, 1958

Board of Directors,
Citizens-Union Bank & Trust Company,
Lexington, Kentucky.

Gentlemen:

The Board of Governors of the Federal Reserve System has given consideration to the application for permission to exercise fiduciary powers made by you on behalf of the Citizens Union National Bank & Trust Company, Lexington, Lexington, Kentucky, the national bank into which the Citizens-Union Bank & Trust Company, Lexington, Kentucky, is to be converted, and grants such national bank authority, effective if and when it is authorized by the Comptroller of the Currency to commence business, 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 Kentucky. The exercise of such rights shall 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.

After the conversion becomes effective and the Comptroller of the Currency authorizes the national bank to commence business, you are requested to have the board of directors of the national bank adopt a resolution ratifying your application for permission to exercise fiduciary powers, and a certified copy of the resolution so adopted should be forwarded to the Federal Reserve Bank of Cleveland for transmittal to the Board for its records. When a copy of such resolution has been received by the Board, a formal certificate covering the national bank's authority to exercise trust powers will be forwarded.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,
Assistant Secretary.

T E L E G R A M
LEASED WIRE SERVICE

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON

Item No. M-21
8/29/58

August 29, 1958

MITCHELL - ATLANTA

KEBJE

- A. Citizens and Southern Holding Company, Savannah, Georgia.
- B. The Augusta Citizens and Southern National Bank, Augusta, Georgia.
- C. (1) Prior to issuance of general voting permit authorized herein, applicant shall execute and deliver to you in duplicate an agreement in form accompanying Board's letter S-964 (FRLS #7190); and
(2) simultaneously with issuance of general voting permit authorized herein, there shall be issued to The Citizens and Southern National Bank, Savannah, Georgia, the general voting permit authorized in Board's telegram of this date.

(Signed) Kenneth A. Kenyon
KENYON

KEBJE - The Board authorizes the issuance of a general voting permit, under the provisions of Section 5144 of the Revised Statutes of the United States, to the holding company affiliate named below after the letter "A", entitling such organization to vote the stock which it owns or controls of the bank(s) named below after the letter "B" at all meetings of shareholders of such bank(s), subject to the condition(s) stated below after the letter "C". The period within which a permit may be issued pursuant to this authorization is limited to thirty days from the date of this telegram unless an extension of time is granted by the Board. Please proceed in accordance with the instructions contained in the Board's letter of March 10, 1947, (S-964).

T E L E G R A M
LEASED WIRE SERVICE

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON

Item No. M-22
8/29/58

August 29, 1958

MITCHELL - ATLANTA

KEBJE

- A. The Citizens and Southern National Bank, Savannah, Georgia.
- B. The Augusta Citizens and Southern National Bank, Augusta, Georgia.
- C. (1) Prior to issuance of general voting permit authorized herein, applicant shall execute and deliver to you in duplicate an agreement in form accompanying Board's letter S-964 (FRLS #7190), except that paragraph numbered 3 shall be modified in manner stated in paragraph numbered (3) of S-964; and (2) simultaneously with issuance of general voting permit authorized herein, there shall be issued to Citizens and Southern Holding Company, Savannah, Georgia, the general voting permit authorized in Board's telegram of this date.

(Signed) Kenneth A. Kenyon

KENYON

KEBJE - The Board authorizes the issuance of a general voting permit, under the provisions of section 5144 of the Revised Statutes of the United States, to the holding company affiliate named below after the letter "A", entitling such organization to vote the stock which it owns or controls of the bank(s) named below after the letter "B" at all meetings of shareholders of such bank(s), subject to the condition(s) stated below after the letter "C". The period within which a permit may be issued pursuant to this authorization is limited to thirty days from the date of this telegram unless an extension of time is granted by the Board. Please proceed in accordance with the instructions contained in the Board's letter of March 10, 1947, (S-964).

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

Item No. M-23
8/29/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

August 29, 1958



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

Dear Mr. McConnell:

This refers to your letter of August 12, 1958, with which there were transmitted copies of a letter dated August 7, 1958, from Mr. E. R. Millard, Vice President of the Federal Reserve Bank of San Francisco, and a resolution of the Board of Directors of Montana Bank, Great Falls, Montana, authorizing any Federal Reserve Bank to transmit copies of all future reports of examination to Firstamerica Corporation, San Francisco, California.

In view of the fact that Firstamerica Corporation is the holding company affiliate of Montana Bank, the furnishing of future reports of examination of that bank to Firstamerica Corporation is approved pursuant to paragraph 8, section 9, of the Federal Reserve Act and applicable provisions of the Board's Rules of Organization, provided that it is understood by representatives of the holding company affiliate that information obtained from examination reports of Montana Bank is subject to the same restrictions and conditions as to recall, use, disclosure, or publication, as those which govern the copies of reports furnished to State member banks pursuant to Form F.R. 410-45-Receipt.

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. M-24
8/29/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

August 29, 1958

Board of Directors,
First State Bank,
Odessa, Texas.

Gentlemen:

This refers to your request for permission, under applicable provisions of your condition of membership numbered 1, to exercise fiduciary powers.

Following consideration of the information submitted, the Board of Governors of the Federal Reserve System grants permission to First State Bank to exercise the fiduciary powers now or hereafter authorized under the terms of its Articles of Association and the laws of the State of Texas.

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. M-25
8/29/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

August 29, 1958

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

Attention Mr. W. M. Taylor,
Deputy Comptroller of the Currency.

Dear Mr. Comptroller:

Reference is made to a letter from your office dated March 19, 1958, enclosing copies of an application to organize a national bank at Fort Myers Beach, Florida, and requesting a recommendation as to whether or not the application should be approved.

A report of investigation of the application made by an examiner for the Federal Reserve Bank of Atlanta indicates that the organizers plan to provide a capital structure of \$300,000 for the bank instead of \$150,000 as shown in the application. This revised capital structure would be adequate. However, it appears that the prospects for profitable operations of the bank are poor and there is not sufficient need for it at this time. The management factor cannot be evaluated satisfactorily inasmuch as the managing officers have not been selected and the proposed directors have had little or no banking experience. In view of the unfavorable factors in this situation, the Board of Governors does not feel justified in recommending approval of the application.

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

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,
Assistant Secretary.

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

Item No. M-26
 8/29/58

 | In the Matter of the Applications of |
 | OTTO BREMER COMPANY |
 | Pursuant to section 4(c)(6) of the |
Bank Holding Company Act of 1956

DOCKET NOS.
 BHC-29, 31-33, 35

ORDER EXTENDING TIME WITHIN WHICH APPLICANT
 MAY SUBMIT TO HEARING EXAMINER PROPOSED FINDINGS
 AND CONCLUSIONS, AND SUPPORTING BRIEF

Additional time having been requested by the Applicant,
 Otto Bremer Company, within which to submit to the Hearing Examiner
 proposed findings and conclusions, and supporting brief, and it
 appearing to the Board that such request should be granted, it is
 hereby ORDERED that the time within which the Applicant may file
 such proposed findings and conclusions, and supporting brief, be,
 and the same hereby is, extended to and including October 15, 1958.

This 29th day of August, 1958.

By order of the Board of Governors.

Kenneth A. Kenyon

 Kenneth A. Kenyon,
 Assistant Secretary.

(SEAL)

Washington, D. C.
 August 29, 1958.

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

Item No. M-27
8/29/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

August 29, 1958

Mr. Pierre B. McBride,
Federal Reserve Agent,
Federal Reserve Bank of St. Louis,
St. Louis 66, Missouri.

Dear Mr. McBride:

In accordance with the request contained in your letter of August 15, 1958, the Board of Governors approves the appointment of Mr. Ewell M. Coleman, Jr. as full-time Alternate Assistant Federal Reserve Agent at the Federal Reserve Bank of St. Louis, effective September 2, 1958, to succeed Edward A. Zehner.

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

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

It will be appreciated if Mr. Coleman 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 is noted from your letter that, upon the approval of the appointment of Mr. Coleman by the Board of Governors, he will execute the usual oath of office which will be forwarded to the Board of Governors.

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. M-28
8/29/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD



August 29, 1958

Mr. Pierre B. McBride,
Federal Reserve Agent,
Federal Reserve Bank of St. Louis,
St. Louis 66, Missouri.

Dear Mr. McBride:

In compliance with the request contained in your letter of August 15, 1958, the Board of Governors approves the appointment of Mr. Walter F. Davisson as an additional Assistant Federal Reserve Agent at the Federal Reserve Bank of St. Louis, effective September 2, 1958.

This approval is given with the understanding that Mr. Davisson 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. Davisson 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. Davisson 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 is noted from your letter that, upon the approval of the appointment of Mr. Davisson by the Board of Governors, he will execute the usual oath of office which will be forwarded to the Board of Governors.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,
Assistant Secretary.

T E L E G R A M
LEASED WIRE SERVICEBOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTONItem No. M-29
8/29/58

August 29, 1958

TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS

Section 602 of the Small Business Investment Act of 1958, approved August 21, 1958, provides in part that within sixty days after the enactment of the Act, each Federal Reserve Bank shall pay to the United States the aggregate amount which the Secretary of the Treasury has heretofore paid to such Bank under the provisions of Section 13b of the Federal Reserve Act.

Pursuant thereto, your Bank is requested to make such payment in the amount shown below on September 2 by credit to the Treasurer's General Account as "repayment of advances under Section 13b, F. R. Act". Treasury requests that CD Form 219 be used, filling in designated blocks as follows and sending extra copy to Treasury, Investment Branch, Bureau of Accounts, Washington, D. C.

Block Number 1 - 9,000

Block Number 2 - Washington, D. C.

Block Number 4 - Account symbol 205,520

Block Number 6 - Investment Branch,
Bureau of Accounts,
Washington, D. C.

TELEGRAM
LEASED WIRE SERVICE

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON

TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS - Page 2

Boston	\$2,875,115.98	Chicago	\$1,417,701.33
New York	7,752,044.63	St. Louis	547,832.83
Philadelphia	4,198,400.60	Minneapolis	1,007,746.96
Cleveland	1,015,571.33	Kansas City	1,145,717.73
Richmond	3,420,662.05	Dallas	1,251,788.08
Atlanta	756,934.44	San Francisco	2,156,795.01

In making the payment to the Treasury, Section 13b surplus should be closed out and the difference between the payment and the present balance in Section 13b surplus charged or credited direct to Section 7 surplus. After the payment, "Surplus (Section 13b)" will be eliminated from the fourth page of the Board's published condition statements of the Federal Reserve Banks (H.4.1(c)) and the remaining surplus account will be entitled "Surplus" instead of "Surplus (Section 7)". On the combined statement, the two surplus stubs will remain unchanged for one week, thus showing the \$27 million decrease in Section 13b Surplus in the second and third columns, after which only "Surplus" will appear and the year-ago comparison footnoted for an appropriate period.

(Signed) Kenneth A. Kenyon

KENYON

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

Item No. M-30
8/29/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

August 29, 1958.

Mr. William J. Korsvik, Assistant Secretary,
Federal Advisory Council,
c/o The First National Bank of Chicago,
P. O. Box A,
Chicago 90, Illinois.

Dear Mr. Korsvik:

In response to the request contained in your letter of August 21, 1958, the Board of Governors would like to suggest that the following topics be placed on the agenda of the Federal Advisory Council for discussion at its meeting on Monday, September 15 and at the joint meeting of the Council and the Board on Tuesday, September 16.

1. What are the views of the Council regarding (a) the current business situation, and (b) prospects for the next six months? Does the Council find the evidences of business recovery general or confined to a relatively few sectors or areas?
2. Comment in the financial, real estate, and other press suggests a mounting public concern about inflation, especially about longer run loss of purchasing power of the dollar. How widespread is the feeling that further inflation is inevitable? Does the Council feel that a developing inflationary psychology is a threat to sustainable recovery? If so, what steps might best be taken to counter this psychology?
3. What influences account for the very rapid rate of increase in time deposits at commercial banks? Are there any indications that this rate of increase may be slowing down?
4. What are the Council's views as to an appropriate credit policy between now and the next meeting of the Federal Advisory Council?
5. Would the Council care to express any views with regard to the status of the commercial bank emergency preparedness program and how that program might best be encouraged?

Sincerely yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,
Assistant Secretary.

TELEGRAM
LEASED WIRE SERVICEBOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTONItem No. M-31
8/29/58

August 29, 1958.

Leedy - Kansas City

Reurlet of August 15, 1958, concerning proposed new building site for the Denver Branch, Board approves increase in aggregate purchase price to maximum of \$750,000 plus \$35,000 real estate fee, instead of maximum of \$700,000 plus \$35,000 real estate fee as authorized in Board telegram of April 4, 1958.

(Signed) Kenneth A. Kenyon

Kenyon

Item No. 4
9/8/58

Memorandum of a meeting of the available members of the Board of Governors of the Federal Reserve System which was held in the Special Library on Thursday, September 4, 1958, at 10:00 a.m.

PRESENT: Mr. Szymczak, Acting Chairman
Mr. Robertson
Mr. Shepardson

Mr. Kenyon, Assistant Secretary
Mr. Hackley, General Counsel
Mr. Masters, Director, Division of Examinations
Mr. Conkling, Assistant Director, Division of Bank Operations
Mr. Solomon, Assistant General Counsel
Mr. Nelson, Assistant Director, Division of Examinations
Mr. Hooff, Assistant Counsel

Items circulated to the Board. In accordance with the procedure agreed upon at the meeting of the Board on August 20, 1958, the following items, which had been circulated to the available members of the Board and copies of which are attached hereto under the respective item numbers indicated, were approved unanimously by the members of the Board present, subject to ratification of the respective actions at such time as a quorum of the Board was present:

	<u>Item No.</u>
Letter to the Fidelity Trust Company, Pittsburgh, Pennsylvania, consenting to its proposed merger with the Potter Bank and Trust Company and approving the establishment of two branches in Pittsburgh incident to the merger. (For transmittal through the Federal Reserve Bank of Cleveland)	M-32
Letter to the Bank of the Commonwealth, Detroit, Michigan, approving the establishment of a branch at 300-316 West Fort Street. (For transmittal through the Federal Reserve Bank of Chicago)	M-33

9/4/58

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Item No.

- Letter to the Bank of Commonwealth, Detroit, Michigan, approving the relocation of an in-town branch from 5900 Chene Street to 5360 Chene Street. (For transmittal through the Federal Reserve Bank of Chicago) M-34
- Letter to the Central Bank, Grand Rapids, Michigan, approving the establishment of three in-town branches. (For transmittal through the Federal Reserve Bank of Chicago) M-35
- Letter to the California Bank, Los Angeles, California, approving an extension of time within which to establish a branch near the intersection of La Brea Avenue and Rodeo Road in Los Angeles. (For transmittal through the Federal Reserve Bank of San Francisco) M-36
- Letter to the Union Bank, Los Angeles, California, granting an extension of time within which to establish a branch in the Toluca Lake area of Los Angeles. (For transmittal through the Federal Reserve Bank of San Francisco) M-37
- Letter to the Presidents of all Federal Reserve Banks advising that submission to the Board of the following schedules may be discontinued: Bankers' Acceptances Purchased, BD-7; U.S. Securities Purchased, S-2; and Municipal Warrants Purchased. M-38

Mr. Conkling then withdrew from the meeting.

Matters involving The Michigan Bank. Pursuant to the understanding at the meeting on Friday, August 29, arrangements had been made for a meeting of the available Board members with representatives of The Michigan Bank, Detroit, Michigan, tomorrow at 10:30 a.m. for the purpose of allowing the latter to present their views with respect to the condition imposed by the Board in connection with its approval of the bank's application to

9/4/58

-3-

establish two specified in-town branches. This condition provided that prior to the establishment of the branches The Michigan Bank would increase its capital structure by the sale of not less than \$1,000,000 of additional common stock.

The discussions and other developments which preceded the Board's action on the branch applications were reviewed by members of the staff, following which it was understood that at the meeting tomorrow the members of the Board present would listen to such statements as might be made by the representatives of The Michigan Bank and that further consideration of the matter would then be deferred pending the availability of the other members of the Board.

Advice also had been received by a member of the Board's staff from counsel for The Michigan Bank, Mr. James B. Alley, that at tomorrow's meeting Mr. Alley and his associates would like to discuss the following condition of membership which the bank accepted when admitted to membership in the Federal Reserve System in 1956:

"None of the bank's stock shall be held or owned, directly or indirectly, by The Michigan Bank's proposed employees' profit-sharing retirement trust if such trust is established."

The reasons for the imposition of this special condition of membership were reviewed and discussed informally at some length, following which it was agreed that the views of The Michigan Bank would be received tomorrow and that the matter then would receive further consideration by the Board of Governors.

9/4/58

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The meeting then adjourned.

Kenneth A. Thomas

Assistant Secretary

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

Item No. M-32
9/4/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

September 4, 1958

Board of Directors,
Fidelity Trust Company,
Pittsburgh 22, Pennsylvania.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of Cleveland, the Board of Governors hereby gives its written consent, under the provisions of Section 18(c) of the Federal Deposit Insurance Act, to the merger of the Fidelity Trust Company with the Potter Bank and Trust Company, Pittsburgh, Pennsylvania, under the present title and charter of the Fidelity Trust Company, and approves the establishment of a branch by the merged bank on Grant Street at Fifth and Forbes and a branch at 618 North Homewood Avenue, both in Pittsburgh, Pennsylvania, provided:

- (a) the merger is effected substantially in accordance with the joint plan of merger dated July 22, 1958,
- (b) the transactions are effected within six months from the date of this letter,
- (c) formal approval by the State authorities is obtained and in effect at the time the merger is effected and the branches are established, and
- (d) shares of stock acquired from dissenting shareholders are disposed of within six months after date of acquisition.

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. M-33
9/4/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

September 4, 1958

Board of Directors,
Bank of the Commonwealth,
Detroit, Michigan.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of Chicago, the Board of Governors of the Federal Reserve System approves the establishment of a branch at 300-316 West Fort Street, Detroit, Michigan, by the Bank of the Commonwealth, Detroit, Michigan, provided the branch is established within six months from the date of this letter, and the approval of the State authorities is in effect as of the date of the establishment of the branch.

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. M-34
9/4/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

September 4, 1958



Board of Directors,
Bank of the Commonwealth,
Detroit, Michigan.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of Chicago, the Board of Governors of the Federal Reserve System approves the relocation of the branch presently operated by Bank of the Commonwealth at 5900 Chene Street, Detroit, Michigan, to 5360 Chene Street, Detroit, Michigan, provided the branch is established at the new location within one year from the date of this letter.

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. M-35
9/4/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

September 4, 1958



Board of Directors,
Central Bank,
Grand Rapids, Michigan.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of Chicago, the Board of Governors of the Federal Reserve System approves the establishment of a branch in Grand Rapids, Michigan, by Central Bank, Grand Rapids, Michigan, at each of the following locations:

2002 Division Avenue, South,
1146 Grandville Avenue, S. W.,
At or near the corner of Leonard Street, N. W.,
and Alpine Avenue,

Provided the branches are established within six months from the date of this letter, and the approval of the State authorities is in effect as of the date of the establishment of the branches.

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. M-36
9/4/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

September 4, 1958



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

Gentlemen:

In accordance with the request submitted through the Federal Reserve Bank of San Francisco, the Board of Governors extends to August 11, 1959, the time within which California Bank may, under the authority granted in the Board's letter of October 11, 1957, establish a branch in the vicinity of the intersection of La Brea Avenue and Rodeo Road, Los Angeles, California.

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. M-37

9/4/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

September 4, 1958



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

Gentlemen:

In accordance with the request submitted through the Federal Reserve Bank of San Francisco, the Board of Governors extends to March 2, 1959, the time within which Union Bank may, under the authority granted in the Board's letter of August 30, 1957, establish a branch in the vicinity of the intersection of Riverside Drive and Lankershim Boulevard in the Toluca Lake area of Los Angeles (North Hollywood), California. It is noted that construction of the building, part of which is to house this branch, will be started soon.

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. M-38
9/4/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

September 4, 1958



Dear Sir:

Submission to the Board of the following schedules called for by the Board's letter of September 26, 1922 (St. 3057) may be discontinued:

Schedule of Bankers' Acceptances Purchased, BD-7
(Originally entitled: Schedule of Bills Bought
in Open Market)
Schedule of U. S. Securities Purchased, S-2
Schedule of Municipal Warrants Purchased

Discontinuance of submission of Schedule of Bills Discounted for Member Banks, BD-4, was authorized in the Board's letter of January 30, 1956 (FRIS #3949.4), and the letter of September 26, 1922, therefore, now becomes obsolete.

Transactions giving rise to forms BD-7 and S-2 are in effect only at the Federal Reserve Bank of New York, and there have been no transactions in municipal warrants for years. This letter is being sent to all Federal Reserve Banks, however, since the original request was addressed to all of them.

To facilitate examination procedures, the Federal Reserve Bank of New York should continue to send current copies of form S-2 to the Board's Division of Examinations.

Very truly yours,

Kenneth A. Kenyon

Kenneth A. Kenyon,
Assistant Secretary.

TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS

9/8/58

Memorandum of a meeting of the available members of the Board of Governors of the Federal Reserve System which was held in the Special Library on Friday, September 5, 1958, at 10:00 a.m.

PRESENT: Mr. Szymczak, Acting Chairman
Mr. Robertson
Mr. Shepardson

Mr. Kenyon, Assistant Secretary
Mr. Hackley, General Counsel
Mr. Masters, Director, Division of Examinations
Mr. Solomon, Assistant General Counsel
Mr. Nelson, Assistant Director, Division of Examinations
Mr. Hooff, Assistant Counsel

Items circulated or distributed to the Board: In accordance with the procedure agreed upon at the meeting of the Board on August 20, 1958, the following items, which had been circulated or distributed to the available members of the Board and copies of which are attached hereto under the respective item numbers indicated, were approved unanimously by the members of the Board present, subject to ratification of the respective actions at such time as a quorum of the Board was present:

	<u>Item No.</u>
Letter to The Hackensack Trust Company, Hackensack, New Jersey, approving the establishment of a branch in the vicinity of the intersection of Main Street and Johnson Avenue. (For transmittal through the Federal Reserve Bank of New York)	M-39
Letter to the First National Bank in Taylorville, Taylorville, Illinois, approving its application for fiduciary powers. (For transmittal through the Federal Reserve Bank of Chicago)	M-40
Letter to St. Joseph Agency, Inc., South Bend, Indiana, granting an additional extension of time for the retention by that company of its general casualty insurance business. (With identical letters to St. Joseph Bank and Trust Company and to Doran, Manion, Boynton & Kamm, both of South Bend, Indiana, and to the Federal Reserve Bank of Chicago)	M-41

9/5/58

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Conversation with President Hayes. Governor Szymczak reported that yesterday afternoon, following the meeting of the Board of Directors of the Federal Reserve Bank of New York, he received a telephone call from President Hayes, who reviewed reasons underlying the decision of the New York directors to reestablish a discount rate of 1-3/4 per cent. According to Mr. Hayes, the directors unanimously felt that the economy was still vacillating, that there was not definite, clear-cut evidence that the economy was on the way up. The directors wanted it made known that in their opinion the current pattern of operations of the Federal Open Market Committee was too restrictive. In other words, they did not feel that open market operations should have gone as far as they had with respect to the absorption of reserves. They wished to register that opinion with the Board of Governors, and it was also understood that Mr. Hayes would cover the matter in his comments at the meeting of the Federal Open Market Committee on Tuesday, September 9.

At this point, Mr. Molony, Special Assistant to the Board, entered the room.

Bank Holding Company Act matters. With reference to the order issued by the Board recently denying the application of First Bank Stock Corporation to acquire shares of the proposed First Eastern Heights State Bank, St. Paul, Minnesota, Mr. Hackley reported that yesterday President Colman of First Bank Stock Corporation called him on the telephone and said that arrangements had been made under which Minnesota

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Mining and Manufacturing Company would establish a bank at the location in question, with an option to First Bank Stock Corporation to purchase the stock owned by Minnesota Mining and Manufacturing. First Bank Stock then proposed to file an application under the Bank Holding Company Act to acquire stock of the existing bank. If the Board should turn down that application also, First Bank Stock proposed to appeal to the courts both that order and the decision already rendered by the Board. President Colman expressed a desire to discuss next week with members of the Board's staff the "legal technicalities and particularly the timing." Mr. Hackley added that the information given by Mr. Colman previously had been outlined in substance to the Board's staff by President Deming of the Federal Reserve Bank of Minneapolis.

Mr. Hackley noted that the time for appeal by the First National City Bank of New York of the Board's recent order concerning applications of that bank and others under the Bank Holding Company Act would expire next Monday. He said it seemed probable that the applicants would file an appeal to "hold the place." The applicants were understood to consider it possible that new legislation would be enacted in New York State next year.

The meeting then recessed and reconvened at 10:30 a.m. with the same attendance except that Mr. Molony was not present. Messrs. John C. Hay, President of The Michigan Bank, Detroit, Michigan; Howard J. Stoddard, a director of the member bank; and James B. Alley, Counsel for the bank, joined the meeting at this time.

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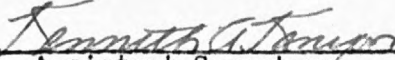
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Questions relating to The Michigan Bank. This meeting with Messrs. Hay, Stoddard, and Alley had been arranged in order to give them the opportunity which they had requested to present to the Board their views with respect to (1) the condition of membership imposed when The Michigan Bank was admitted to membership in the Federal Reserve System in 1956; namely, that "none of the bank's stock shall be held or owned, directly or indirectly, by The Michigan Bank's proposed employees' profit-sharing retirement trust, if such trust is established," and (2) the condition prescribed by the Board in approving recently the establishment of two specified in-town branches by The Michigan Bank; namely, that prior to the establishment of the branches the bank's capital would be increased by the sale of not less than \$1,000,000 of additional common stock.

A memorandum concerning the statements made by the representatives of The Michigan Bank and the discussion of those statements is being placed in the Board's files.

At the conclusion of the meeting Governor Szymczak advised the representatives of The Michigan Bank that the points they had raised would be taken under consideration and that the matters in question would be considered by the Board of Governors at the earliest opportunity.

The meeting then adjourned.


Assistant Secretary

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

Item No. M-39
9/5/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

September 5, 1958



Board of Directors,
The Hackensack Trust Company,
Hackensack, New Jersey.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of New York, the Board of Governors approves the establishment of a branch in the vicinity of the intersection of Main Street and Johnson Avenue, Hackensack, New Jersey, by The Hackensack Trust Company, Hackensack, New Jersey. This approval is given provided the branch is established within one year from the date of this letter and that formal approval of State authorities is effective at the time the branch is established.

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. M-40
9/5/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

September 5, 1958



Board of Directors,
First National Bank in Taylorville,
Taylorville, 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 First National Bank in Taylorville is now authorized to exercise will be forwarded to you in due course.

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. M-41
9/5/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

September 5, 1958



Mr. Paul M. LaMar, President,
St. Joseph Agency, Inc.,
St. Joseph Bank Building,
South Bend, Indiana.

Dear Mr. LaMar:

This refers to the applications of St. Joseph Agency, Inc. and St. Joseph Bank and Trust Company, relating to the operation of a general casualty insurance business.

In order to permit more time in which to study this matter, and pursuant to the provisions of section 4(a) of the Bank Holding Company Act of 1956, the Board hereby grants an additional extension of time of 120 days from September 6 for the retention by St. Joseph Agency, Inc. of its general casualty insurance business.

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. 6
9/8/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

August 27, 1958

Mr. Robert C. Goodwin, Director,
Bureau of Employment Security,
U. S. Department of Labor,
Washington 25, D. C.

Attention: UCFE

Dear Mr. Goodwin:

Pursuant to Section 609.9 of your regulations implementing the provisions of Public Law 767, Eighty-third Congress, Second Session, the Board of Governors of the Federal Reserve System has designated Mr. Harold L. Emerson of the Division of Personnel Administration to succeed Mr. John B. Bazuin as its liaison with your agency in connection with the administration of the Federal employee unemployment compensation program.

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. 7
9/8/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

August 28, 1958

Mr. John F. Pierce, Chief Examiner,
Federal Reserve Bank of New York,
New York 45, New York.

Dear Mr. Pierce:

In accordance with the request contained in your letter of August 26, 1958, the Board approves the designation of John T. Seguin as a special examiner for the Federal Reserve Bank of New York effective August 28, 1958.

The original appointment of Mr. Seguin as an examiner for the Federal Reserve Bank of New York has been cancelled as of August 28, 1958.

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. 8
9/8/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

August 29, 1958

CONFIDENTIAL (FR)

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

Dear Mr. Kimball:

In accordance with the request contained in your letter of August 26, 1958, the Board approves the appointment of Clifford H. Guion as an assistant examiner for the Federal Reserve Bank of New York. Please advise as to the date upon which the appointment is made effective.

It is noted that Mr. Guion is indebted to the Rockland National Bank, Suffern, Suffern, New York, in the amount of \$518.70 for home improvements and \$1,104.77 for the purchase of a car, and to The First National Bank of Jersey City, Jersey City, New Jersey, in the amount of \$10,200 secured by a mortgage on his home. Accordingly, the Board's approval of the appointment of Mr. Guion is given with the understanding that he will not participate in an examination of either of the above national banks until his indebtedness has been liquidated.

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. 9
9/8/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

September 2, 1958

Mr. John L. Nosker, Assistant Vice President,
Federal Reserve Bank of Richmond,
Richmond 13, Virginia.

Dear Mr. Nosker:

In accordance with the request contained in your letter of August 27, 1958, the Board approves the designation of Harold M. Scott as a special assistant examiner for the Federal Reserve Bank of Richmond for the purpose of participating in examinations of all State member banks except The Bank of Virginia, Richmond, Virginia.

The authorization heretofore given your bank to designate Mr. Scott as a special assistant examiner is hereby cancelled.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,
Assistant Secretary.

TELEGRAM
LEASED WIRE SERVICEBOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTONItem No. 10
9/8/58

September 3, 1958

MORRILL - SAN FRANCISCO

Reurlet August 28, 1958, Board approves appointment of Allen F. Goodfellow as an assistant examiner for the Federal Reserve Bank of San Francisco. Please advise date appointment is made effective.

(Signed) Kenneth A. Kenyon

KENYON

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

Item No. 11
9/8/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

September 4, 1958

Mr. R. B. Wiltse, Vice President,
Federal Reserve Bank of New York,
New York 45, New York.

Dear Mr. Wiltse:

In accordance with the request contained in your letter of August 29, 1958, the Board approves the appointment of Murray J. Alimo as an assistant examiner for the Federal Reserve Bank of New York. Please advise as to the date upon which the appointment is made effective.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,
Assistant Secretary.