

Minutes for February 12, 1959

To: Members of the Board

From: Office of the Secretary

Attached is a copy of the minutes of the Board of Governors of the Federal Reserve System on the above date.

It is not proposed to include a statement with respect to any of the entries in this set of minutes in the record of policy actions required to be maintained pursuant to section 10 of the Federal Reserve Act.

Should you have any question with regard to the minutes, it will be appreciated if you will advise the Secretary's Office. Otherwise, if you were present at the meeting, please initial in column A below to indicate that you approve the minutes. If you were not present, please initial in column B below to indicate that you have seen the minutes.

	A	B
Chm. Martin	x <u>(M)</u>	_____
Gov. Szymczak	x <u>[Signature]</u>	_____
Gov. Mills	x <u>[Signature]</u>	_____
Gov. Robertson	x <u>R</u>	_____
Gov. Balderston	x <u>CCB</u>	_____
Gov. Shepardson	_____	x <u>[Signature]</u>

Minutes of the Board of Governors of the Federal Reserve System  
on Thursday, February 12, 1959. The Board met in the Board Room at  
10:00 a.m.

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

Mr. Sherman, Secretary  
Mr. Hackley, General Counsel  
Mr. Hostrup, Assistant Director, Division of  
Examinations  
Mr. Nelson, Assistant Director, Division of  
Examinations  
Mr. Hill, Assistant to the Secretary

Discount rates. Unanimous approval was given to telegrams to  
the Federal Reserve Banks of Cleveland and San Francisco approving the  
establishment without change by those Banks on February 11, 1959, of  
the rates on discounts and advances in their existing schedules.

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

	<u>Item No.</u>
Letter to the Bank of Passaic and Clifton, Clifton, New Jersey, approving a temporary reduction in capital resulting from the proposed retirement of outstanding preferred stock. (For transmittal through the Federal Reserve Bank of New York)	1
Letter to the Queens National Bank of New York, Springfield Gardens, New York, advising that Jamcor, Inc., Brooklyn, New York, 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 to vote the bank stock it owns. (For transmittal through the Federal Reserve Bank of New York)	2

2/12/59

-2-

The meeting then adjourned.

Secretary's Note: Acting in the absence of Governor Shepardson, Governor Robertson today approved on behalf of the Board a letter to the Federal Reserve Bank of New York (attached Item No. 3) approving the appointment of Theodore L. Peasley as assistant examiner.



Secretary

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

Item No. 1  
2/12/59

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

February 12, 1959.



Board of Directors,  
Bank of Passaic and Clifton,  
Clifton, New Jersey.

Gentlemen:

The Board of Governors, under the provisions of Section 9 of the Federal Reserve Act, hereby approves a temporary reduction not exceeding \$175,500 in capital by Bank of Passaic and Clifton, Clifton, New Jersey, arising from the retirement of preferred stock. The Board notes that subsequent to retirement of the preferred stock on March 31, 1959, and prior to June 30, 1959, sufficient common stock will be sold to increase capital funds by not less than \$250,000 plus whatever sum is paid holders of preferred stock who present their shares for redemption. It is assumed that approval of the capital program has been obtained by the bank from the proper State authorities, if required.

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. 2  
2/12/59

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

February 12, 1959



Mr. J. A. Melnick, Chairman,  
The Queens National Bank of New York,  
Springfield Gardens 13, New York.

Dear Mr. Melnick:

This refers to the request contained in your letter of January 2, 1959, submitted through the Federal Reserve Bank of New York, for a determination by the Board of Governors of the Federal Reserve System as to the status of Jamcor, Inc., Brooklyn, New York, as a holding company affiliate.

From the information supplied, the Board understands that Jamcor, Inc. is a holding company for various assets of J. A. Melnick; that Jamcor, Inc. owns 43,361 of the 85,250 outstanding shares of common stock of The Queens National Bank of New York, Springfield Gardens, New York; and that Jamcor, Inc. does not, directly or indirectly, own or control any stock of, or manage or control any banking institution other than The Queens National Bank of New York.

In view of these facts the Board has determined that Jamcor, 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, Jamcor, 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.

If, however, the facts should at any time differ from those set out above to an extent which would indicate that Jamcor, Inc. might be deemed to be so engaged, this matter should again be

Mr. J. A. Melnick

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.

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

Item No. 3  
2/12/59

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

February 12, 1959.



CONFIDENTIAL (FR)

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 February 6, 1959, the Board approves the appointment of Theodore L. Peasley as an assistant examiner for the Federal Reserve Bank of New York. Please advise us as to the date upon which the appointment is made effective.

It is noted that Mr. Peasley is indebted to The National State Bank of Newark, Newark, New Jersey, in the amount of \$550 for the purchase of furniture, payable \$33 monthly. Accordingly, the Board's approval of the appointment of Mr. Peasley is given with the understanding that he will not participate in any examination of that bank until his indebtedness has been liquidated.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,  
Assistant Secretary.