

Minutes for October 7, 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>MS</u>	_____
Gov. Mills	x <u>[Signature]</u>	_____
Gov. Robertson	x <u>R</u>	_____
Gov. Balderston	x <u>CB</u>	_____
Gov. Shepardson	_____	<u>[Signature]</u>
Gov. King	x <u>[Signature]</u>	_____

## Minutes of the Board of Governors of the Federal Reserve System

on Wednesday, October 7, 1959. The Board met in the Board Room at 10:00 a.m.

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

Mr. Sherman, Secretary  
 Mr. Riefler, Assistant to the Chairman  
 Mr. Thomas, Economic Adviser to the Board  
 Mr. Johnson, Director, Division of Personnel  
 Administration  
 Mr. Hackley, General Counsel  
 Mr. Solomon, Director, Division of Examinations  
 Mr. Hexter, Assistant General Counsel  
 Mr. Hostrup, Assistant Director, Division of  
 Examinations  
 Mr. Benner, Assistant Director, Division of  
 Examinations  
 Mr. Landry, Assistant to the Secretary  
 Mr. Achor, Examiner, Division of Examinations

Items circulated to the Board. The following items, which had been circulated 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 Merchants Trust & Savings Bank, Kenner, Louisiana, approving the establishment of a branch at Moisant International Airport Terminal.	1
Letter to the Bankers Trust Company, Des Moines, Iowa, approving an additional investment in bank premises.	2
Letter to the Comptroller of the Currency recommending disapproval of an application to organize a national bank at Appleton City, Missouri.	3

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Leave of absence for Mr. Wheeler, Federal Reserve Bank of San Francisco (Item No. 4). A draft of letter to Mr. Mangels, President of the Federal Reserve Bank of San Francisco, which had been circulated prior to this meeting, indicated that the Board would interpose no objection to that Bank's granting a leave of absence without pay to Mr. Oliver P. Wheeler, Vice President, for the period September 28 to November 30, 1959, to enable him to accept an assignment from the International Cooperation Administration to serve as a consultant on a Private Enterprise Team which the Administration was sending to Thailand.

Governor Balderston stated that he had discussed informally with President Mangels in early September the possibility of Mr. Wheeler's being available for the overseas assignment involved, that he then indicated his belief that the Board would look favorably on a request for approval of leave for that purpose, that the board of directors of the San Francisco Bank had authorized the proposed leave without pay for Mr. Wheeler at a meeting in mid-September, and that through oversight the San Francisco Bank had not sent a formal request for Board approval of the leave until the day on which it was to commence.

In the discussion that followed, none of the members of the Board indicated objection to the leave that the San Francisco directors had granted, subject to the Board's approval. It was suggested, however, that the draft letter be changed to show clearly that the matter had been

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discussed with Governor Balderston prior to the mid-September action of the directors.

Thereupon, unanimous approval was given to a letter to Mr. Mangels in the form attached to these minutes as Item No. 4.

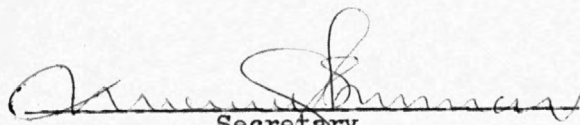
Messrs. Riefler, Thomas, and Johnson then withdrew from the meeting.

Items held over for further consideration. Memoranda dated September 10 and October 5, 1959, from the Division of Examinations and the Legal Division, respectively, had been distributed regarding the application of Wisconsin Bankshares Corporation, Milwaukee, Wisconsin, for prior approval of the acquisition of 2,950 voting shares of Mayfair National Bank of Wauwatosa, Wauwatosa, Wisconsin, as well as a memorandum under date of September 23, 1959, from the Division of Examinations regarding application by the First Bank and Trust Company of South Bend, South Bend, Indiana, for permission to establish three branches incident to the proposed merger of that bank and the St. Joseph Bank and Trust Co., South Bend, Indiana.

During the course of a brief discussion, Governor Robertson requested additional information with respect to these items.

In the light of this request, it was understood that these two matters would be considered at a Board meeting to be held on October 8, 1959.

The meeting then adjourned.

  
Secretary

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

Item No. 1  
10/7/59

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

October 7, 1959.



Board of Directors,  
Merchants Trust & Savings Bank,  
Kenner, Louisiana.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of Atlanta, the Board of Governors of the Federal Reserve System approves the establishment of a branch at Moisant International Airport Terminal, Kenner, Louisiana, by Merchants Trust & Savings Bank, Kenner, Louisiana, provided the branch is established within six months from the date of this letter.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,  
Secretary.

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

Item No. 2  
10/7/59

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

October 7, 1959.



Board of Directors,  
Bankers Trust Company,  
Des Moines, Iowa.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of Chicago, 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 Bankers Trust Company of not to exceed \$1,582,000, for the purpose of expanding its main office building.

It is understood that the program is to be accomplished by an additional investment of \$1,500,000 by the bank in its wholly owned affiliate, Bankers Building Corporation, and a loan by the bank to the affiliate in the amount of \$82,000 for the remainder.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,  
Secretary.

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

Item No. 3  
10/7/59

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

October 7, 1959.

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

Attention Mr. G. W. Garwood,  
Deputy Comptroller of the Currency.

Dear Mr. Comptroller:

Reference is made to a letter from your office dated May 12, 1959, enclosing copies of an application to organize a national bank at Appleton City, Missouri, 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 St. Louis indicates that the proposed capital structure would be adequate in relation to the anticipated volume and character of business. The prospective board of directors appears satisfactory and while no executive officer has been appointed, his selection would be made acceptable to your office. Prospects for satisfactory earnings are not entirely favorable and the need for an additional commercial bank in the area has not been sufficiently established at this time. Accordingly, 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) Merritt Sherman

Merritt Sherman,  
Secretary.

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

Item No. 4  
10/7/59

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

October 7, 1959.



Mr. H. N. Mangels, President,  
Federal Reserve Bank of San Francisco,  
San Francisco 20, California.

Dear Mr. Mangels:

This is to acknowledge your letter of September 28, 1959, regarding the granting of a leave of absence without pay for Mr. Oliver P. Wheeler, from September 28 to November 30, 1959, in order to permit him to accept an assignment with the International Cooperation Administration as a consultant on a Private Enterprise Survey Team to Thailand.

Governor Balderston reported to the Board his informal conversation with you early in September regarding the possibility of Mr. Wheeler's being made available for this assignment, and it is understood that at a meeting in mid-September the directors of your Bank authorized the necessary leave for Mr. Wheeler to enable him to accept the assignment. It is also understood that the formal request for Board approval, which was transmitted in your letter of September 28, was based on the action taken by the directors at their September meeting.

The Board of Governors has considered your request and interposes no objection to the leave of absence granted Mr. Wheeler.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,  
Secretary.