FR 609
Rev. 10/59

Minutes for October 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, please initial below. If you were present at the meeting, your initials will indicate approval of the minutes. If you were not present, your initials will indicate only that you have seen the minutes.

Chm. Martin _____

Gov. Szymczak _____

Gov. Mills _____

Gov. Robertson _____

Gov. Balderston _____

Gov. Shepardson _____

Gov. King _____

Minutes of the Board of Governors of the Federal Reserve System on Monday, October 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. Shepardson
Mr. King

Mr. Sherman, Secretary
Mr. Riefler, Assistant to the Chairman
Mr. Thomas, Economic Adviser to the Board
Mr. Young, Director, Division of Research and Statistics
Mr. Hackley, General Counsel
Mr. Garfield, Adviser, Division of Research and Statistics
Mr. Noyes, Adviser, Division of Research and Statistics
Mr. Koch, Associate Adviser, Division of Research and Statistics
Mr. Williams, Associate Adviser, Division of Research and Statistics
Mr. Furth, Associate Adviser, Division of International Finance
Mr. Hersey, Associate Adviser, Division of International Finance
Mr. Landry, Assistant to the Secretary
Miss Hart, Assistant Counsel

Messrs. Katz, Dahl, Emery, Maroni, Reynolds, and Wood of the Division of International Finance

Messrs. Altmann, Fisher, Ford, Keir, Trueblood, and Wernick, and Misses Dingle and Stockwell of the Division of Research and Statistics

Economic review. The staffs of the Divisions of International Finance and Research and Statistics presented a review of international and domestic economic conditions and developments.

All members of the staff except Messrs. Sherman, Riefler, Thomas, Young, Fauver, Hackley, and Landry and Miss Hart then withdrew. Mr. Fauver had joined the meeting during the Economic Review.

Discount rates. The establishment without change by the Federal Reserve Banks of New York, Cleveland, Richmond, Atlanta, St. Louis, Kansas City, and Dallas on October 8, 1959, and the Federal Reserve Bank of Minneapolis on October 9, 1959, of the rates on discounts and advances in their existing schedules was approved unanimously, with the understanding that appropriate advice would be sent to those Banks.

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:

	Item No.
Letter to the Federal Reserve Bank of New York regarding a request from attorneys for L. F. Rothschild & Co., concerning a liberalizing interpretation of section 220.3(e) of Regulation T.	1
Letter to the Federal Reserve Bank of Cleveland regarding a request by Central National Bank of Cleveland for an interpretation of Regulation Q.	2

Miss Hart then withdrew from the meeting and Messrs. Farrell, Director, Division of Bank Operations, Masters, Associate Director, and Hostrup, Assistant Director, Division of Examinations, entered the room.

Draft notice of tentative decision on applications under the Bank Holding Company Act by The Atlantic National Bank of Jacksonville and Atlantic Trust Company, both of Jacksonville, Florida (Item No. 3).

There had been distributed under date of October 8, 1959, a memorandum from the Legal Division transmitting drafts of (1) a Notice of Tentative Decision, which would be published in the Federal Register, stating that the Board proposed to approve the acquisition of up to 94.75 per cent of the voting shares of the proposed Southside Atlantic Bank; (2) an accompanying Tentative Statement, which would not be published in the Federal Register, but which would be available for inspection and would be released to the press; and (3) a proposed statement for the press regarding the Board's action. Because of a number of changes that appeared desirable, there was also distributed on October 9, 1959, a revised draft of the proposed Tentative Statement in this case in order to clarify and strengthen the Statement.

After general comment to the effect that the revised Tentative Statement was a considerable improvement over the unrevised Statement, the three items were approved in the form attached to these minutes as Item No. 3, along with a letter to the Presidents of all Federal Reserve Banks informing them of the Board's action in this matter.

Governor King then disclosed that Mr. J. T. Lane, Chairman of the Board of Atlantic National Bank, had asked for an appointment to see him today, and he inquired as to the proper procedure to follow regarding disclosure of the Board action in matters of this type, declaring that his preference was not to reveal anything.

Mr. Hackley replied that the release time for the statement to the press regarding the Board's action would be 4 o'clock this afternoon, Eastern Daylight Time, and that it was customary for the Reserve Bank concerned to be asked to inform the holding company of the Board's action; he saw no objection to Governor King's informing Mr. Lane of the Board's action at 4 o'clock, to which Governor King replied that he did not wish to give out any information.

Draft answers to Senator Douglas' questions on monetary policy and debt management. In a memorandum dated October 6, 1959, Mr. Young had transmitted draft answers to questions received in a letter dated August 17, 1959, from Senator Douglas, Chairman of the Joint Economic Committee, regarding monetary policy and debt management.

Governor Mills made a number of general comments relating to the proposed answers: (1) In certain instances the "answers" appeared to be arguments rather than direct responses to the questions posed. He here cited the position taken in some of the answers that monetary policy of the Federal Reserve played a neutral role, with market factors being emphasized as the causes of changes in interest rates and credit conditions. He felt that a discriminating analyst, such as Senator Douglas, could, and probably would, challenge this position. (2) He suggested that the discussion of the System's maintaining an "even keel" during Treasury financings might be too lengthy in view of the fact that Federal Reserve support of the Treasury during a period of

Treasury financing and for a reasonable time thereafter, followed by return to the credit policy in effect before the financing period, could be cited by a critic as "playing the public for a sucker" in a period when System policy was to restrict credit, since it left the buyers of the new Treasury security "stranded". Similarly, the "bills only" policy was elaborated on at length but was dwelt upon at the expense of neglecting the subject of the Federal Reserve's responsibility to correct a disorderly market. He suggested that a definition of the latter term would be desirable, as well as some indication of the moves necessary to correct such a condition. (3) With reference to the lumping together of velocity and liquidity factors, as in the section relating to "Theory of Debt Management", the answers tended to overemphasize the liquidity factor, overlooking the danger that should both commercial banks and corporate holders of short-term Treasury debt attempt to liquidate these holdings, the effect of a restrictive monetary policy would be heightened.

Governor Shepardson then asked about the extent to which an "even keel" had been regularly maintained during periods of Treasury financings and whether exceptions to this policy had been noted, to which Mr. Young replied that this point would be checked.

On a question from Governor Robertson as to the method for revising the draft answers to Senator Douglas, Mr. Young answered that

it would probably have to be done on the basis of specific comments and questions at this late date; and he indicated a desire to obtain a copy of each Board member's comments on the questions for this purpose. Governor Robertson said that he had not written out his comments but would be glad to have members of the staff go over the draft answers with him for the purpose of obtaining his views.

The Chairman observed that the draft answers revealed the dilemma of monetary policy wherein there were shades of difference in judgment as well as of interpretation, adding that this was a problem with which the System must live, since it could not expect to give precise mathematical answers to such questions.

In referring to the section on the "Impact of Monetary Policy", Mr. Thomas remarked that there was a tendency in both the questions and answers to accept the premise that monetary policy was responsible for any and all economic effects experienced by any sector of the economy. He felt that at the outset the Board's answers should bring out that monetary factors were only one set of a large number of fundamental forces in the economy and that not all parts of the economy were equally affected by monetary factors. In consequence, it would be a grave mistake to attempt to correct certain economic maladjustments by monetary policy, which directly concerned only the amount of credit created by the banking system but did not determine the level of interest rates.

Mr. Farrell suggested that, in view of the economic sophistication of the individuals who would be reading the Board's replies to the submitted questions, it would be desirable to eliminate the first two pages of the answer to Question 1 under "Proper Degree of Monetary Restraint."

In concurring with this opinion, Governor Balderston stated that the answer to this question could be a simple "Yes." He then went on to say, with respect to Question 1(c), "The Mix of Weapons of Monetary Control," that the answer given, namely, "the Federal Reserve has had no policy aimed at a long-run secular decrease in reserve requirements," might possibly be challenged in view of certain statements made by the Chairman before the Joint Economic Committee.

Mr. Riefler recalled that he had been told by Mr. Fand, who had been working with the Joint Economic Committee, that Chairman Martin had given the impression during the hearings of committing the System to reducing bank reserve requirements. He felt that this misconception should be corrected.

Governor Balderston commented that virtually every change in reserve requirements since the United States left the gold standard in 1934 had been in a downward direction and that Senator Douglas had asked why changes in reserve requirements in both directions might not be made more frequently than they had in the past. He then referred to the

possibility of answering this question in the way that Mr. Riefler had done during informal discussion, namely, pointing out the adverse effect on the Treasury bond market of raising reserve requirements.

Mr. Young replied that the draft answers represented attempts to respond to the questions as framed by the Douglas Committee. He reminded the meeting that a request had been received from the House Ways and Means Committee at the time the reserve requirement bill was under consideration to comment on the matter of flexibility of reserve requirements. He suggested that a brief statement could be placed in the Annual Report of the Board for 1959 relative to the System's policy on reserve requirements similar to the brief section concerning discount rate policy carried in the Annual Report for 1958.

Governor Balderston suggested that an answer to the question in terms of making the banking system more efficient and also raising the question of leverage would be in order; and Mr. Riefler suggested inserting the word "specific" with reference to the Federal Reserve System's having no policy on long-run secular decreases in reserve requirements.

It was then agreed that the draft answers should be revised in the light of comments made; and Mr. Young noted that in a conversation with Mr. Knowles of the staff of the Joint Economic Committee, the latter had urged that the Board's answers to the questions on monetary

policy and debt management presented by Senator Douglas be delivered to the Committee by Wednesday, October 21.

The meeting then adjourned.

Secretary's Notes: Governor Shepardson approved on behalf of the Board on October 9, 1959, issuance of a certificate of immediate availability for military service of William F. Upshaw of the Board's staff, 1/Lt. USAFRES A02235947, in the event of partial or full mobilization, with the understanding the certificate may be withdrawn at the Board's discretion to take effect 60 days following Board's request unless emergency has been declared by the President or the Congress.

On October 9, 1959, Governor Shepardson also approved on behalf of the Board a letter to the International Cooperation Administration, Washington, D. C., (attached Item No. 4) concerning the reimbursable detail of Ralph E. Holben from that office to the Board of Governors of the Federal Reserve System in connection with his trip to Guatemala.

Secretary

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

Item No. 1
10/12/59

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

October 12, 1959

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

Dear Mr. Wiltse:

This refers to your letter of August 12, 1959, enclosing and commenting on a copy of a letter dated July 31, 1959, from Mr. Michelson of Moses & Singer, attorneys for L. F. Rothschild & Co., which requested that the Board consider a liberalizing interpretation of section 220.3(e) of Regulation T. This section deals with liquidations in general accounts where the customer has failed to deposit the required margin following a purchase of registered or exempted securities.

It is true that a liquidation in a customer's account under the provisions of section 220.3(e) could result in the account being brought up to or beyond a fully margined status, or the adjusted debit balance being brought into a credit status. The customer might thereby incur additional commissions and may have realized unwanted capital gain or loss, with attendant tax consequences. These and other possible effects of a liquidation under section 220.3(e) are recognized. However, it is felt that these effects are unavoidable in view of the basic purpose of section 220.3(e). Mr. Michelson refers to an "election" which a customer may make to provide margin through liquidation under section 220.3(e) rather than supplying margin within four days as required by section 220.3(b). This would appear to be a misconception of the purpose of section 220.3(e). Section 220.3(e) is not meant to provide an alternative method of supplying margin, nor is it designed to excuse compliance with the requirements of section 220.3(b). Rather, the section directs the broker to effect certain liquidating transactions in the event of <u>noncompliance</u> with section 220.3(b).

Therefore, it is felt that a liquidation under section 220.3(e) must be made to the extent that the "decrease in the adjusted debit balance of the account exceeds" by an amount as great as the required deposit the retention requirement of the securities sold even if the result thereof would be a credit status in either the margin required or the adjusted debit balance.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

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

Item No. 2
10/12/59

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

October 12, 1959

Mr. Paul C. Stetzelberger, Vice President,
Federal Reserve Bank of Cleveland,
Cleveland 1, Ohio.

Dear Mr. Stetzelberger:

This refers to your letter of September 18, 1959, with enclosures, regarding a request by Central National Bank of Cleveland for an opinion of the Board as to whether rates of interest payable under a certain form of time deposit, open account, contract with respect to deposits of public funds exceed the maximum rates permissible under Regulation Q.

While the form of contract is not entirely clear, it appears to contemplate receipt of deposits over a two-year period and to provide for payment of interest quarterly at a rate of $2\frac{1}{2}$ per cent per annum, provided that an additional one-half of one per cent will be paid semiannually on sums that have remained on deposit for the entire preceding semiannual period, and with a further provision that interest at a rate of only one per cent will be paid on any amounts withdrawn during a quarterly period on less than 90 days' written notice. From the context, it is assumed that, in the event of any such withdrawals on less than 90 days' notice, one per cent will be paid from the date of the last quarterly interest payment date rather than from the date of deposit; in other words, that any interest previously credited at higher rates would remain unaffected.

Assuming that the contract complies with the definition of a "time deposit, open account" contained in Regulation Q, it can only be regarded as such on the basis of providing a stated maturity of 2 years, but with an option on the part of the depositor within that period to make withdrawals on either 90 or 30 days' written notice. Even if so regarded, however, the contract contemplates interest rates in excess of those permissible under Regulation Q.

As the Board has previously stated (see 1953 Federal Reserve Bulletin, p. 1050; and 1956 Federal Reserve Bulletin, p. 833), if a time deposit has alternate maturities - payment at a stated maturity or earlier withdrawal after a prescribed period of notice - the

maximum rate payable depends upon the withdrawal privilege elected by the depositor; and in the event of the depositor's election of the earlier maturity, the maximum rate applies from the date of deposit. In the present case, therefore, if the depositor withdraws any part of the deposit on 30 days' written notice, the bank could not pay interest on the amount withdrawn in excess of one per cent per annum from the date of deposit.

Apparently, the member bank erroneously assumes that previous quarterly or semiannual credits of interest at rates of 2½ per cent or 3 per cent are warranted by the length of time the deposit had been with the bank at the times of such interest credits. Thus, the bank's letter of August 17, 1959, states that it is "proposing to pay interest both quarterly and semiannually, but at rates fully in accord with the corresponding 90-day and 6-month notice periods as currently provided in the Supplement to Regulation Q." On the contrary, as above indicated, the maximum rate payable from the date of deposit must be determined by the period of notice of withdrawal elected by the depositor.

For the reasons here stated, the Board concurs in the view expressed in your letter that the rates of interest provided in the form of contract in question would exceed the maximum rates permissible under the Supplement to Regulation Q.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

Item No. 3
10/12/59

BOARD OF GOVERNORS

OF THE

FEDERAL RESERVE SYSTEM

NOTICE OF TENTATIVE DECISION ON APPLICATIONS BY BANK HOLDING COMPANIES FOR PRIOR APPROVAL OF ACQUISITION OF VOTING SHARES OF A BANK

Notice is hereby given that, pursuant to section 3(a) of the Bank Holding Company Act of 1956, The Atlantic National Bank of Jacksonville and the Atlantic Trust Company, both of which are bank holding companies located in Jacksonville, Florida, have applied for the Board's prior approval of action whereby said bank holding companies would acquire up to 94.75 per cent of the voting shares of a proposed new bank, the Southside Atlantic Bank, Jacksonville, Florida. Information relied upon by the Board in making its tentative decision is summarized in the Board's Tentative Statement of this date, which is attached hereto and made a part hereof and which is available for inspection at the Federal Register Division and at the Office of the Board's Secretary and at all Federal Reserve Banks.

The record in this proceeding to date consists of the applications, the Board's letters to the Commissioner of Banking for the State of Florida and the Comptroller of the Currency inviting their views and recommendations on the applications, the replies of the Commissioner of Banking and the Comptroller, this Notice of Tentative Decision, and the facts set forth in the Board's Tentative Statement.

For the reasons set forth in the Tentative Statement, the Board proposes to grant the applications.

Notice is further given that any interested party may, not later than fifteen (15) days after the publication of this notice in the Federal Register, file with the Board in writing any comments upon or objections to the Board's proposed action, stating the nature of his interest, the reasons for such comments or objections, and the issues of fact or law, if any, raised by said applications which he desires to controvert. Such statement should be addressed to the Secretary, Board of Governors of the Federal Reserve System, Washington 25, D. C.

Following expiration of the said 15-day period, the Board's Tentative Decision will be made final by order to that effect, unless for good cause shown other action is deemed appropriate by the Board.

Dated at Washington, D. C., this 12th day of October, 1959.

By order of the Board of Governors.

(signed) Merritt Sherman

Merritt Sherman,
Secretary.

(SEAL)

BOARD OF GOVERNORS

OF THE

FEDERAL RESERVE SYSTEM

APPLICATIONS BY ATLANTIC TRUST COMPANY AND THE ATLANTIC NATIONAL BANK OF JACKSONVILLE, FLORIDA, FOR PRIOR APPROVAL OF ACQUISITION OF VOTING SHARES OF SOUTHSIDE ATLANTIC BANK

TENTATIVE STATEMENT

The Atlantic National Bank of Jacksonville ("National") and the Atlantic Trust Company ("Atlantic"), both of Jacksonville, Florida, at times hereinafter referred to as "Applicants", have applied, pursuant to section 3(a)(2) of the Bank Holding Company Act of 1956 ("the Act"), for the Board's prior approval of the acquisition of up to 37,900 of the 40,000 voting shares of a proposed new bank, Southside Atlantic Bank, Jacksonville, Florida ("Southside"). Both Atlantic and National are bank holding companies under the Act since Atlantic (which is not itself a bank) directly owns a controlling interest in 7 banks and all of Atlantic's outstanding stock is held by trustees for the benefit of the stockholders of National.

Views and recommendations of the Commissioner of Banking and the Comptroller of the Currency. - One of the Applicants is a national bank and the proposed bank is to be a Florida State bank. Accordingly, as required by section 3(b) of the Act, the Board gave notice of the applications to the Comptroller of the Currency and to the Commissioner of Banking for the State of Florida. The Comptroller advised that careful consideration had been given this proposal in the light of the five

factors set forth in section 3(c) of the Act and he recommended the Board's approval of these applications. The Commissioner advised that the proposal met with his approval and he also recommended approval by the Board.

Statutory factors. - Section 3(c) of the Act requires the Board to take into consideration the following five factors: (1) the financial history and condition of the holding companies and the bank concerned; (2) their prospects; (3) the character of their management; (4) the convenience, needs, and welfare of the communities and the area concerned; and (5) whether or not the effect of the acquisition would be to expand the size or extent of the bank holding company system involved beyond limits consistent with adequate and sound banking, the public interest, and the preservation of competition in the field of banking.

Discussion. - Applicants operate 8 banks (including National) in 6 counties of the State of Florida, with aggregate deposits of $324,602,000. As of December 31, 1958, these banks represented 2.9 per cent of the total number, and held 7.2 per cent of the total deposits, of all banks in Florida. Applicants presently have 3 banks in Duval County (in which Jacksonville is located) and one bank in each of 5 other counties, none of which immediately adjoins Duval County. As of June 10, 1959, there were 15 banks operating in Duval County with total deposits of $604,389,000, of which Applicants' banks held $210,075,000 or 34.8 per cent.

Although the proposed site of Southside is referred to as being in Jacksonville, it is actually about one-half mile south of the city limits of Jacksonville, at the intersection of Emerson Avenue and Phillips Highway, in an area designated as South Jacksonville. This area extends approximately 10 miles south and east of the downtown section of Jacksonville. The population of Jacksonville as of January 1, 1959, has been estimated at approximately 235,000. An analysis of relative growth shows that the population increase in the city of Jacksonville has been at a much slower pace than the growth elsewhere within Duval County.

It appears that Southside's primary service area would encompass a major portion of South Jacksonville, extending from the proposed location of Southside approximately two miles to the St. Johns River to the north, northwest, and southwest; beyond and somewhat parallel to U. S. Highway 90 to the northeast; and about four to seven miles to the south and southeast. This area has an estimated population of between 15,000 and 20,000, and presently no bank is located therein. Two banks not connected with bank holding companies are located, respectively, about 2 miles and 3.5 miles to the northwest of Southside's proposed site. The facts indicate that the over-all growth and development in the South Jacksonville area in the recent past has been greater in the designated primary service area of Southside than in the remaining portion of South Jacksonville, and the primary service area should enjoy a major share of South Jacksonville's future growth.

With respect to the statutory factors that the Board must consider in passing upon this application, it appears that the condition and prospects of the holding companies are good and that their managements are competent, and that Southside's prospects would also be favorable and its management competent. The facts support the conclusion that establishment and operation of the bank would contribute materially to the convenience of present and future businesses and residents of the portion of South Jacksonville to be served by the new bank, especially in view of anticipated continued growth in that area.

It remains to be considered whether the proposed acquisition would expand the size or extent of the holding company system beyond limits consistent with adequate and sound banking, the public interest, and preservation of competition in the field of banking.

The proposed acquisition would not significantly increase Applicants' percentages of control of banking offices or deposits within the State of Florida. It would cause Applicants to control 4 of 16 banks in Duval County and 4 of 15 banks in the Jacksonville area. According to Applicants' estimate of Southside's deposits at the end of its first year of operation, an estimate that appears reasonable in the judgment of the Board, the acquisition would result in an increase in Applicants' percentage of control of total deposits of banks from 34.8 per cent to 35.1 per cent in Duval County and from 35.1 per cent to 35.5 per cent in the Jacksonville area; and it would cause Applicants to control one of 3 banks in the South Jacksonville area, with approximately 7 per cent of the total deposits of these 3 banks.

Applicants' present 3 banks in Duval County are located, respectively, 3.8, 4.9, and 9.5 miles from the site of the proposed new bank. The nearest of these banks, and by far the largest, is located in the downtown section of Jacksonville and is in competition with 4 other downtown banks, 2 of which are large banks.

On the basis of these facts, it does not appear that the proposed transaction would result in undue concentration of control of banking resources by the Applicants in the relevant areas indicated above.

The proposed transaction would not, in the Board's judgment, have an adverse competitive effect upon non-holding-company banks in the areas concerned, in view of the distances of the nearest of such banks from the proposed location of Southside, the size of those banks, and the present and probable future population of the South Jacksonville area and, more particularly, of Southside's primary service area.

On the basis of the entire record in this case, the Board concludes that the proposed acquisition would probably meet existing and potential needs for banking services in, and materially contribute to the convenience and welfare of, the communities and area concerned, and that the proposed acquisition would not expand the Applicants' holding company system beyond limits consistent with adequate and sound banking, the public interest, and preservation of competition in the field of banking.

Conclusion. - Viewing the relevant facts in the light of the purposes of the Act and the factors enumerated in section 3(c) of the Act, it is the judgment of the Board that approval of the proposed applications would be consistent with the statutory objectives and the public interest.

BOARD OF GOVERNORS

OF THE

FEDERAL RESERVE SYSTEM

Statement for the Press

For release at 4:00 p.m. EDT
October 12, 1959.

The Board of Governors of the Federal Reserve System has issued a Notice of Tentative Decision on the applications of The Atlantic National Bank of Jacksonville and the Atlantic Trust Company, both of Jacksonville, Florida, filed pursuant to section 3(a) of the Bank Holding Company Act of 1956, for prior approval of the acquisition of up to 94.75 per cent of the outstanding voting shares of a proposed new bank, the Southside Atlantic Bank, Jacksonville, Florida.

Attached are a copy of the Notice of Tentative Decision, which will be published in the Federal Register, and a copy of the Board's Tentative Statement in the matter.

Attachments

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

Item No. 4
10/12/59

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

October 9, 1959.

Mr. Richard F. Cook,
Acting Deputy Director for Management,
International Cooperation Administration,
Room 500, Maiatico Building,
806 Connecticut Avenue, N. W.,
Washington 25, D. C.

Dear Mr. Cook:

This will confirm the understanding reached by telephone this morning between you and Mr. John E. Reynolds of our staff concerning the reimbursable detail of Mr. Ralph E. Holben from the International Cooperation Administration to the Board of Governors of the Federal Reserve System. It had earlier been agreed that Mr. Holben's detail would begin on October 10, the date he was scheduled to sail for Guatemala. The recent port strike has delayed the departure of his ship for an indeterminate period which is not expected to exceed two weeks. The reimbursable detail of Mr. Holben will therefore not begin on October 10, but rather on such later date as he is able to depart for Guatemala. You will be notified by the Board as soon as we know that date.

Sincerely yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.