

Minutes of the Board of Governors of the Federal Reserve System
on Thursday, January 28, 1960. The Board met in the Board Room at 10:00 a.m.

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

Mr. Sherman, Secretary
Mr. Thomas, Adviser to the Board
Mr. Young, Adviser to the Board
Mr. Shay, Legislative Counsel
Mr. Molony, Assistant to the Board
Mr. Fauver, Assistant to the Board
Mr. Hackley, General Counsel
Mr. Noyes, Director, Division of Research and
Statistics
Mr. Farrell, Director, Division of Bank Operations
Mr. Solomon, Director, Division of Examinations
Mr. Hexter, Assistant General Counsel
Mr. O'Connell, Assistant General Counsel
Mr. Robinson, Adviser, Division of Research and
Statistics
Mr. Dembitz, Associate Adviser, Division of
Research and Statistics
Mr. Nelson, Assistant Director, Division of
Examinations
Mr. Landry, Assistant to the Secretary

Items circulated to the Board. The following items, which had
been circulated to the members of 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 Westbury Trust Company, Westbury, New York, approving the establishment of a branch in the Westbury Shopping Center.	1

1 Withdrew from meeting at point indicated in minutes.

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	<u>Item No.</u>
Letter to the Fidelity-Philadelphia Trust Company, Philadelphia, Pennsylvania, approving an extension of time to establish a branch in the Cheltenham Shopping Center.	2
Letter to the Federal Reserve Bank of San Francisco continuing in effect permission previously granted to Fidelity Bank, Los Angeles, California, to carry reduced reserves.	3

Request of the Department of Justice for notification of receipt of applications under Bank Holding Company Act (Item No. 4). At the meeting on January 8, 1960, the Board considered a memorandum from Mr. Hexter dated November 25, 1959, recommending that hereafter the Department of Justice be informed of the receipt of applications under section 3(a) of the Bank Holding Company Act of 1956 for approval of the acquisition of bank shares or bank assets. At that meeting it was decided to consider further the request of the Department of Justice contained in its letter of November 17, 1959, after Chairman Martin had had an opportunity to discuss the subject with Comptroller of the Currency Gidney.

The Chairman reported that he had talked with Mr. Gidney about this general question and had ascertained that the views of members of the Comptroller's Office came out at about the same place as those expressed in the memorandum of November 25 from Mr. Hexter. In that memorandum, the Legal Division took the position that since the Board had recognized the propriety and advisability of informing the Justice Department of Holding Company Act applications when they reached the

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Tentative Decision stage (see letter to Justice on February 27, 1959), it was difficult to see any justification for refusing the Department's request that it be informed of each application upon receipt by the Board. Chairman Martin noted that Governor Mills previously had expressed strong views contrary to these, and the matter had been placed on the agenda for this meeting in order that the Board might dispose of the request made by the Department of Justice in its letter of November 17, 1959, one way or the other. He then called upon Governor Mills for comments.

Governor Mills said that he would not take the Board's time to restate in full the reasoning for his objections to acceding to the request of the Department of Justice. In brief, his conception of the proper and special place occupied by the Board of Governors in the structure of the Federal Government would be violated by compliance with this request in the absence of a specific statutory requirement. He went on to say, in reply to a question from Governor Shepardson, that he thought there was a close relationship between this request from the Department of Justice and the position the latter took with respect to S. 1062, the bank merger bill, which would provide that every bank merger should have the prior approval of the Federal Deposit Insurance Corporation, the Comptroller of the Currency, or the Board of Governors. As passed by the Senate in May 1959 and currently under consideration by the House Banking and Currency Committee, the bill

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included provisions that would make it mandatory rather than permissive for the Federal bank supervisory agencies to obtain a report from the Attorney General and would require the banking agencies to submit semi-annual reports to Congress regarding bank mergers, including a statement in justification of their approval of any merger where a report had been submitted by the Attorney General. Such legislation would give the Department of Justice authority to pass on bank mergers--something it does not now possess. Mr. Hackley had now reported to the Board on an informal suggestion to members of the staff by Mr. Cardon, Clerk of the House Banking and Currency Committee, regarding a possible amendment to the merger bill as passed by the Senate, the principal effect of which would be to require the appropriate banking agency to consider whether the effect of a merger would be "substantially" to lessen competition or to tend to create a monopoly, and to prohibit the banking agency from approving a merger where there would be a "substantial" lessening of competition unless it should find that the merger would nevertheless be "in the public interest" because the benefits to the public would outweigh the adverse effect upon competition. It was his view, said Governor Mills, that if the Board were to accede to the November 17 request of Justice and give information regarding the receipt of applications under the Bank Holding Company Act, it would be admitting that agency to almost equal status with the Board in this area and giving it power to intervene in such cases prior to the Board's arriving

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at a tentative decision on the applications. If that were done, he could see no reason why the Board should not accept merger legislation that would incorporate a provision such as Mr. Cardon had discussed. The voluntary giving of this information would, in his judgment, abdicate the Board's responsibilities in this field to the Department of Justice.

Governor Szymczak stated that his reaction to the request of Justice was just the opposite of that expressed by Governor Mills: in his view, if the Board informed Justice of the receipt of applications and permitted their inspection, that would eliminate any need for the kind of merger legislation being sought by the Department of Justice.

Mr. Hackley commented that there was a difference between the status of the Department of Justice under the proposed bank merger legislation and under the Bank Holding Company Act, in terms of its authority under the Clayton Act. The bank merger bill merely provides that in passing on mergers, the banking agencies shall request the views of the Attorney General on the merger, leaving the banking agency free to consider the Attorney General's views along with the banking factors. On the other hand, the Bank Holding Company Act provides explicitly that approval by the Board of a bank holding company application shall not in any way affect the jurisdiction of the Department of Justice under the Clayton Act to proceed against stock acquisition of banks. He went on to say that in the light of the legislation and particularly in view of the Board's Rules of Organization, the Legal

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Division could find no good reason for refusing the request of Justice for advance notice of applications received under the Bank Holding Company Act. Should the Board refuse this request, Justice could cite such action as evidence of the Board's unwillingness to cooperate and thus strengthen the case for merger legislation of the type being sought by the Department.

Governor Robertson said that he agreed completely with the position and reasoning of the Legal Division on this matter. He felt, in fact, that the Board had already crossed this bridge in its letter of February 27, 1959, to Justice stating "that it would be desirable to bring directly to your attention all applications filed with the Board for approval of the acquisition by bank holding companies of bank stocks or bank assets." He noted further that in a letter of the same date Representative Celler, Chairman of the House Judiciary Committee, was informed that "the Board will hereafter give the Department (of Justice) direct notice of all applications filed with the Board under the Bank Holding Company Act." Failure to respond favorably to the request of Justice would subject the Board to the justifiable criticism that it was not cooperating with the chief law enforcement agency of the Government in carrying out a matter of law, he said, and he did not see how acceding to the request from Justice would interfere with the position taken by the Board supporting the bank merger bill in the form in which it was introduced in February 1959. For these reasons, he would respond favorably to the November 17 request of the Department of Justice.

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Mr. Hackley said that the request was for notification of the receipt of applications and that the proposed reply prepared by the Legal Division would inform Justice that such applications would be available for inspection on a confidential basis. After Governor Mills commented to the effect that this still would be making available to Justice the applications of bank holding companies which look to the Board for free and independent judgment in that regard, Mr. Hackley said that the Legal Division understood that the Federal Trade Commission assigned one person to spend his time on matters coming to the Commission which might be of interest to Justice and that the Department was kept currently and fully informed on all such matters.

Governor Shepardson stated that, on principle, he agreed with the recommendation of the Legal Division. He did not see how the Board could justify not furnishing the information requested by Justice.

Chairman Martin said that one aspect of the matter that struck him was that the Board might be classed as noncooperative with another agency of Government if it refused the request. He felt that this should be avoided at all times if that possibly could be done. At the same time, he felt it desirable to have before the Board the views that had been expressed by Governor Mills.

Governor Mills then said that if the majority of the Board were to approve the request of Justice, he would like to know what the Board had in mind for giving adequate notice to other supervisory authorities

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and to the bank holding companies that an additional agency of Government would be injected into the consideration of applications under the Bank Holding Company Act before the Board had arrived at its tentative decision. When Chairman Martin stated that he thought the other supervisory agencies and the holding companies were already fully aware of the interest and authority of the Department of Justice, Governor Mills called attention to the suggestion for an amendment to Regulation Y, Bank Holding Companies, when the Board considered on October 8, 1959, a possible change in the procedure for issuing tentative decisions on applications under the Act, with notice of such proposed amendment to be published in the Federal Register for comment.

Mr. Hackley stated that shortly after the Bank Holding Company Act was passed in 1956, Transamerica Corporation, San Francisco, raised the specific question whether any publicity would be given to receipt of applications under that Act, and the Board replied to the effect that such applications would be treated as unpublished information in accordance with the Board's Rules of Organization. Purely as a technical matter, the Rules provided a means for making unpublished information available to other agencies of Government, and therefore the holding companies could be said technically to be on notice that the Board might give notice to the Department of Justice of receipt of their applications. On the other hand, in all fairness to the holding companies, it might be argued that Regulation Y should be amended to provide specifically for this. Mr. Hackley said he was not convinced of the desirability of an

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amendment. It could also be argued that giving advance notice to Justice of receipt of these applications would assist the holding companies in avoiding situations where, as in the Firstamerica decision of January 1959, an approval by the Board was followed by litigation by Justice to prevent the holding company from carrying out its plans.

Mr. Hexter expressed the opinion that it would be undesirable to amend Regulation Y in this manner. It was difficult for him to see how applicant holding companies could feel that they had the right to secrecy from the Department of Justice, which had the responsibility for enforcing the anti-trust laws. If a proposal would not violate the law, Justice would not have a basis to prosecute; if it would violate the law, the holding company could hardly object to having Justice know of the proposal.

Mr. O'Connell said that in his opinion an amendment to Regulation Y would clarify the situation and, in his opinion, the advantages of such an amendment would outweigh any disadvantages. He also referred to conversations that he had had with Mr. Gesell, Counsel for Firstamerica Corporation, from which he had drawn the impression that this particular holding company would have benefited from the knowledge that the Board had informed Justice of its application as soon as it had been received.

Mr. Solomon said that he had no strong feeling about an amendment. He thought the main purpose of an amendment could be served as well by a letter to all holding companies registered under the Bank Holding Company Act informing them that, pursuant to the Board's Rules of Procedure

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regarding release of unpublished information to other Federal agencies, the Department of Justice would be advised of the receipt of applications under the Holding Company Act and that such applications would be made available for inspection by that Department.

Mr. Hackley said that Mr. Solomon's suggestion appealed to him. It would avoid giving the impression that the Board was amending Regulation Y because of a change in procedure that was already covered by the Board's Rules of Organization. He would favor sending such a letter to all registered bank holding companies because of their interest in the subject, stating that this was being done under the Board's Rules and pursuant to a request of the Department of Justice.

Mr. Hexter stated that this procedure would be less objectionable, in his opinion, than an amendment to Regulation Y, and Mr. O'Connell said that he could see no objection to the procedure suggested.

Governor Mills suggested that similar advice of the action also should be sent to the bank supervisory agencies, and there was general agreement with this suggestion. Governor Mills added that he would dissent from an action of the Board to make available to the Department of Justice information regarding receipt of applications under the Bank Holding Company Act but, if a majority of the Board took such action, he would approve the procedure described for giving notice of that action.

Thereupon, approval was given to a letter to Mr. Robert A. Bicks, Acting Attorney General, Department of Justice, (Governor Mills dissenting),

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informing him that the Board would, in response to the request in his letter of November 17, 1959, hereafter notify the Department of the receipt of applications filed under the Bank Holding Company Act and that such applications would be made available for the inspection of the Department on a confidential basis. A copy of the letter sent to Mr. Bicks under date of January 29 is attached to these minutes as Item No. 4.

Bank merger legislation. There had been distributed memoranda dated January 26 and 27, 1960, respectively, from Mr. Hackley relating to meetings held January 25 and 27 regarding pending bank merger legislation as embodied in S. 1062, passed by the Senate in May 1959 and now before the House Banking and Currency Committee. The first of these meetings had been attended by staff representatives from the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the American Bankers Association, and Mr. Hackley. The second meeting had been similarly attended except that no representatives from the American Bankers Association were present. The earlier memorandum indicated that the subject considered during the January 25 meeting was the draft of a possible amendment to the bank merger bill on which hearings were to be held on February 16 before the House Banking and Currency Committee. The second memorandum supplemented the first by recording the view of Mr. Gidney, Comptroller of the Currency that, although he preferred the bank merger bill as originally introduced in the Senate, he would support it as passed by the Senate in May 1959

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and that he would oppose an amendment such as that suggested informally by Mr. Cardon, Clerk of the House Banking and Currency Committee, the principal effect of which would be, as indicated earlier in this meeting, to require the appropriate banking agency to consider whether the effect of a merger would be "substantially" to lessen competition or tend to create a monopoly, and to prohibit the banking agency from approving a merger where there would be a substantial lessening of competition unless it should find that the merger would nevertheless be "in the public interest" because the benefits to the public would outweigh the adverse effect upon competition. This memorandum also indicated that Chairman Wolcott of the Federal Deposit Insurance Corporation had similar views. It was recalled that the Board as well as the Comptroller and the Federal Deposit Insurance Corporation supported the merger bill, S. 1062, in its earlier form providing that every bank merger should have the prior approval of the three supervisory agencies; that banking agencies should consider the so-called "banking factors" stated in section 6 of the Federal Deposit Insurance Act and also whether the effect of the merger would be to lessen competition "unduly" or to tend "unduly" to create a monopoly; and that the banking agency be required to obtain the views of the other two banking agencies on the question of competition and be authorized to request the opinion of the Attorney General with respect to this question. The bill as passed by the Senate, however, included provisions making it mandatory for the banking agencies to obtain a report from the Attorney General.

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In commenting on the meetings of the staff of the three Federal Bank supervisory agencies and representatives of the American Bankers Association, Mr. Hackley stated that the amendment proposed by Mr. Cardon was strongly opposed by the Comptroller's Office because (1) it would use the word "substantially" instead of "unduly"; (2) it would make it necessary for the banking agency to justify its approval of any merger where it found that there would be a substantial lessening of competition; (3) any agreement by the banking agencies to the proposed amendment would probably open the door to further amendments that would be unacceptable. On the other hand, the representatives from the Federal Deposit Insurance Corporation and the American Bankers Association appeared to see no real objection to the proposed amendment. For his part, Mr. Hackley said, he had pointed out that in testifying before the Senate Committee last March Governor Robertson stated that the Board's position in this matter was based on the premise that competition should be one but not the only factor to be considered in passing on bank mergers. He concluded by noting that Mr. Cardon did not expect an official expression of opinion on his amendment from the Board.

Mr. Shay commented that the Board might not be able to avoid expressing its views on such an amendment at the hearings on February 16, and the Chairman indicated that he had agreed to testify on this subject at that time.

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There followed a long discussion of the merger legislation during which particular attention was given to the interpretations that might be placed on the meaning of the words "substantially" and "unduly" as applied to lessening of competition. At the conclusion of the discussion, it was understood that the Legal Division would prepare a draft of testimony for use by Chairman Martin when he appeared before the House Banking and Currency Committee on February 16 and that the draft testimony would be considered by the Board at an early date.

Messrs. Hexter, O'Connell, and Nelson then withdrew from the meeting.

Topics for meeting with Federal Advisory Council (Item No. 5).

Before this meeting there had been distributed a draft letter to the Federal Advisory Council suggesting topics for discussion at the joint meeting of the Board and the Council to be held on February 16, 1960.

Governor Robertson noted that the Board customarily placed on the agenda a question asking the Federal Advisory Council for its views as to appropriate credit policy between this meeting and the next one. He stated reasons why he considered it undesirable to include such a question among those asked the Council, and there was agreement with his proposal that this question be deleted, at least for the February meeting.

The letter was then approved with other minor editorial changes in the form attached as Item No. 5.

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Messrs. Conkling and Collier, Assistant Director and Chief, Current Series Section, Division of Bank Operations, respectively, entered the room at this point.

Report for Congressman Spence. There had been distributed under date of January 27, 1960, a draft of report from the Board requested by the House Committee on Banking and Currency in its report on the reserve requirement bill S. 1120, approved July 28, 1959, which would (1) make a comparison of the relative efficiency of the reserve requirement instrument with open market operations and (2) consider possible improvements in its use as an anti-inflationary monetary tool.

During the discussion of this report, Governor Robertson advanced several suggestions for substantive changes in the text. Following this discussion it was understood that a revised draft would be distributed to the Board for further consideration tomorrow.

Chairman Martin withdrew from the meeting during the discussion of this item, and Mr. Shay withdrew at its conclusion.

Statement by Chairman Martin before the Joint Economic Committee.

There had been distributed a draft of statement to be made by Chairman Martin before the Joint Economic Committee on February 2, 1960, in connection with the annual review of the President's economic report. In the ensuing discussion, it was indicated that this statement should be in the hands of the Committee on Monday, February 1, and question was raised as to the best procedure to be adopted for expediting the Board's

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approval. In this connection, Governor Robertson said that if the statement were to go to the Committee as representing the views of the Board, he was not prepared to approve the statement in advance of editorial changes discussed at this meeting.

Following discussion of the procedural question, it was agreed that the staff be instructed to put the statement in final form with the understanding that such draft would be distributed to the members of the Board in time for their approval prior to transmittal to Senator Douglas and that there would be opportunity for any Board member to record his views regarding the statement at the meeting of the Board tomorrow.

Date for 1960 Chairmen's Conference. Governor Shepardson said that the executive committee of the Conference of Chairmen of the Federal Reserve Banks would like to set the date for this year's meeting and had suggested Thursday and Friday, December 1 and 2, if that was agreeable to the Board. No objection to this date was indicated, and it was understood that the members of the Conference would be informed that it was satisfactory to the Board.

The meeting then adjourned.

Secretary's Note: Governor Shepardson today approved on behalf of the Board letters to the following persons (attached as Items 6 and 7), respectively:

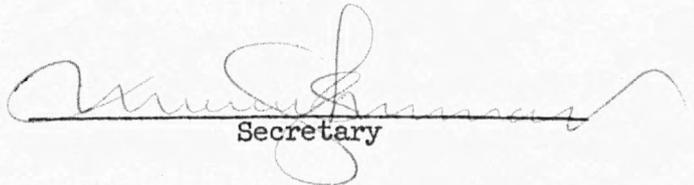
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To Dr. Frederic D. Chapman, Washington, D. C., regarding the annual physical examination for each employee in the Board's cafeteria for the year 1960.

To Professor Edwin L. Stevens, Washington, D. C., confirming verbal arrangements with him to conduct a course for members of the Board's staff as an activity of the Employee Training and Development Program.

Governor Shepardson also approved today on behalf of the Board a letter to the President's Committee on Government Employment Policy advising of the designation of Elizabeth L. Carmichael as the Board's Deputy Employment Policy Officer, replacing Clarke L. Fauver.



Secretary

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

Item No. 1
1/28/60

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

January 28, 1960.



Board of Directors,
Bank of Westbury Trust Company,
Westbury, New York.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of New York, the Board of Governors of the Federal Reserve System approves the establishment of a branch in the Westbury Shopping Center, on the north side of Jericho Turnpike, approximately 300 feet east of Aintree Road, Town of Oyster Bay, New York, by Bank of Westbury Trust Company, Westbury, New York, 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. 2
1/28/60

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

January 28, 1960.



Board of Directors,
Fidelity-Philadelphia Trust Company,
Philadelphia 9, Pennsylvania.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of Philadelphia, the Board of Governors has approved an extension of time until March 25, 1961, in which Fidelity-Philadelphia Trust Company may establish a branch in the Cheltenham Shopping Center at the northwest corner of Cheltenham Avenue and Washington Lane, Montgomery County, Pennsylvania. The establishment of this branch was authorized in a letter dated March 25, 1959.

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
1/28/60

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

January 28, 1960.

Mr. E. H. Galvin, Assistant Vice President,
Federal Reserve Bank of San Francisco,
San Francisco 20, California.

Dear Mr. Galvin:

This refers to your letter of January 11 inquiring whether it will be necessary for the Fidelity Bank again to make application to the Board, when it moves its head office from Los Angeles (Mar Vista) to Beverly Hills and opens a branch at its former head office location, for permission to continue to carry the same reserves against deposits as are required to be maintained by banks located outside of central reserve and reserve cities.

It is the Board's understanding that no change in the general character of the business transacted by the bank is expected as a result of the establishment of the new branch and the moving of the head office mentioned in your letter. In these circumstances, there does not appear to have been any change which might warrant revocation of the permission to carry reduced reserves previously granted to this bank.

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. 4
1/28/60

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

January 29, 1960

Mr. Robert A. Bicks,
Acting Assistant Attorney General,
Antitrust Division,
Department of Justice,
Washington 25, D. C.

Dear Mr. Bicks:

In accordance with the request in your letter of November 17, 1959, the Board will hereafter inform the Department of Justice of the receipt of applications, under section 3(a) of the Bank Holding Company Act of 1956, for approval of the acquisition of bank shares or bank assets.

The applications themselves will also be available for inspection by representatives of your Department. However, since such applications are not made available for public inspection unless the Board has ordered a hearing, such inspection will be on a confidential basis.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.



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

Item No. 5
1/28/60

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

January 28, 1960



AIR MAIL

Mr. Herbert V. Prochnow,
Secretary,
Federal Advisory Council,
c/o The First National Bank of Chicago,
P.O. Box A,
Chicago 90, Illinois.

Dear Mr. Prochnow:

The Board suggests the following topics for inclusion on the agenda for the meeting of the Federal Advisory Council to be held on February 15, 1960, and for discussion at the joint meeting of the Council and the Board on February 16:

1. What are the views of the Council regarding the current business situation and the prospects for business activity during approximately the next six months?
2. How does current demand for bank credit compare with demands at this season in recent years of high activity? Is demand for bank loans and other credit likely to rise during the spring of 1960? What is the outlook for consumer instalment credit? Are banks tending to limit their commitments in any areas of demand? If so, in what areas?
3. Have the members of the Council noted any recent change in the attitude of the public in general and of businessmen in particular toward the question of inflation? Specifically, has the publicity given to the adverse balance of payments of the United States, the wage settlement in the steel industry, and the Federal Government's budget prospect for fiscal 1960-61 appeared to affect views as to (1) whether inflationary pressures will continue strong during 1960 and (2) what actions by banks and by Government should be taken to help prevent depreciation of the value of the currency?
4. The Board would appreciate having the observations of the members of the Council regarding changes in the level of farm land prices during recent months and the significance of such changes.

Sincerely yours,

Merritt Sherman,
Secretary.

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

Item No. 6
1/28/60

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

January 28, 1960.



Dr. Frederic D. Chapman,
1150 Connecticut Avenue, N.W.,
Washington, D.C.

Dear Dr. Chapman:

The annual physical examination for each employee in the cafeteria of the Board of Governors of the Federal Reserve System will be continued during 1960 on the same basis as set forth in our letter to you of December 22, 1953.

The Division of Personnel Administration indicates that these arrangements have worked out satisfactorily, and it is understood that the fee of \$100 for the calendar year 1960 is agreeable with you. The number of examinations to be conducted will be substantially the same as in previous years. It is understood that the examinations will begin on March 2, 1960, and will be conducted in the Board's Health Service Unit each Wednesday morning from 9 to 10 until all cafeteria employees are examined.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

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

Item No. 7
1/28/60

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

January 28, 1960.



Professor Edwin L. Stevens,
2711 Terrace Road, S. E.,
Washington, D. C.

Dear Professor Stevens:

This letter will confirm verbal arrangements which the Division of Personnel Administration made with you to conduct a 20-hour Discussion and Conference Leadership Course for members of the Board's staff as an activity of our Employee Training and Development Program.

The course will be comprised of ten 2-hour sessions which will be held in the Board's building each Wednesday from 2:30 to 4:30 p.m., beginning on March 30, 1960, and extending through June 1, 1960, or until the ten sessions are completed. It is understood that you will provide your own materials and references for this course, and that any materials required by participants will be provided by the Board. The Board of Governors agrees to pay you \$500 for your services in connection with this course, payable at its completion.

If the above is satisfactory, please indicate your acceptance on the attached copy and return it to the Board.

Yours very truly,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

I accept:

Edwin L. Stevens