

Minutes for May 26, 1960

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

AM  
MMS

Gov. Szymczak

Gov. Mills

R  
D

Gov. Robertson

Gov. Balderston

CCB

Gov. Shepardson

SPS

Gov. King

MCK

Minutes of the Board of Governors of the Federal Reserve System  
 on Thursday, May 26, 1960. The Board met in the Board Room at 10:00 a.m.

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

Mr. Sherman, Secretary  
 Miss Carmichael, Assistant Secretary  
 Mr. Hackley, General Counsel  
 Mr. Farrell, Director, Division of  
 Bank Operations  
 Mr. Solomon, Director, Division of  
 Examinations  
 Mr. Connell, Controller  
 Mr. Harris, Coordinator, Office of  
 Defense Planning  
 Mr. Chase, Assistant General Counsel  
 Mr. Rudy, Special Assistant, Legal Division  
 Mr. Donald Farrell, Assistant Counsel  
 Mr. Kakalec, Assistant to the Controller

Item circulated to the Board. The following item, which had  
 been circulated to the Board, and a copy of which is attached to these  
 minutes as Item No. 1, was approved unanimously:

Letter to the Comptroller of the Currency recommending  
 favorably with respect to an application to organize  
 a national bank in Delaware Township, New Jersey.

Application of California Bank to establish a branch (Item No. 2).

Mr. Solomon reported that, pursuant to the understanding at the meeting  
 on May 25, he talked by telephone with Mr. Millard, Vice President,  
 Federal Reserve Bank of San Francisco, regarding the application of  
 California Bank, Los Angeles, California, to establish a branch in the  
 City of Industry, on which the Reserve Bank had recommended favorably  
 while the Board's Division of Examinations in a memorandum dated May 12,

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1960, had recommended unfavorably. Mr. Solomon said that Mr. Millard had no strong feeling regarding the application, although he was of the opinion that the proposed stockyards might well be established in the City of Industry, in which event the additional branch would then seem quite appropriate. Mr. Millard had indicated, however, that in view of the uncertainties as to the time when the stockyards might be established, the Reserve Bank would have no strong objection to denial of the application at the present time.

Thereupon, the application of California Bank was denied. A copy of the letter sent to California Bank pursuant to this action is attached as Item No. 2.

Letter to the Comptroller of the Currency regarding classification of "time deposits" under Regulation D (Item No. 3). In line with the discussion at the Board meeting on May 25, there was distributed a redraft of a letter to the Comptroller of the Currency regarding the question whether dealers' reserve or differential accounts may be classified as "time deposits" for the purpose of computing reserves under Regulation D, Reserves of Member Banks. The proposed letter would indicate that it would not be feasible to attempt to establish any general rule as to when such accounts may properly be classified as "time deposits." Mr. Hackley stated that the revised draft emphasized particularly the variation of dealers' reserve or differential accounts

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in individual cases, and this variation was the basis for indicating that it would not be feasible to establish any general rule regarding such accounts.

The letter was approved unanimously and is attached as Item No. 3.

Messrs. Chase and Donald Farrell then withdrew from the meeting.

Application by The Marine Corporation for acquisition of stock (Items 4 and 5). There had been distributed a memorandum dated May 24, 1960, from the Legal Division regarding an application by The Marine Corporation, Milwaukee, Wisconsin, for approval of acquisition of stock of Peoples Trust & Savings Bank, Green Bay, Wisconsin. The memorandum pointed out that a Tentative Decision that would approve the application was published in the Federal Register on May 7, 1960, and the 15-day period provided for filing comments on the proposed action expired on May 23. No comments were received during this period. Attached to the memorandum were drafts of an Order approving the application under the Bank Holding Company Act, together with a Statement and a press release.

Mr. Hackley noted that the proposed Order was in the same form as the Tentative Decision.

Unanimous approval was then given to the Order approving the application by The Marine Corporation, Milwaukee, Wisconsin, for acquisition of stock of Peoples Trust & Savings Bank, Green Bay, Wisconsin, and to the accompanying Statement, copies of which are attached as Items 4 and 5. It was understood that the Order and Statement would be released

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to the press in the regular manner and that notice would be published in the Federal Register.

Mr. Rudy then withdrew from the meeting.

Decentralization of storage of currency (Items 6 and 7).

There had been distributed a memorandum dated May 25, 1960, from Mr. Harris regarding a request from the Federal Reserve Bank of Cleveland to make a partial decentralization of the storage of currency as a preparedness measure in connection with the emergency planning program. The Bank proposed that currency be stored in vaults at eight commercial banks located in the Cleveland District. It was noted in the memorandum that decentralization of supplies of currency was in line with the policy approved on January 22, 1960, by the President of the United States. Alternative draft letters that would approve the proposal had been distributed prior to the meeting.

By way of background, Mr. Harris pointed out that this was the first instance in which a request for decentralization of currency storage had been presented to the Board for approval. While there had been discussions of the program over a period of time, presentation of a request for Board authorization had been deferred pending the determination of the Government's policy on the decentralization of currency and the reconsideration of related System policies, such as whether there should be flexibility in the implementation of the policy among districts, whether the currency stored with Cash Agents should be issued or unissued currency, and whether it would be appropriate for Reserve

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Banks to absorb the cost of major improvements to Cash Agents' vault facilities. Mr. Harris noted that these questions had been resolved and that it now seemed appropriate for the Cleveland Reserve Bank's request to be considered. He observed that three separate requests involving various phases of the proposal had been received from the Cleveland Bank, and that they were all included in the present proposal which came by telephone and had been confirmed by telegram. Mr. Harris noted that the Cleveland Bank was hopeful that the Board might approve the proposal this week.

Governor Robertson said that the Cleveland Bank had gone further than the other Reserve Banks in plans for decentralizing currency storage. He hoped the Board would approve the Cleveland Bank's proposal and send a copy of the letter granting that approval to the Presidents of all Reserve Banks encouraging them to take similar steps.

Mr. Solomon stated that he had discussed with Mr. Harris the Cleveland Bank proposal and it appeared satisfactory from the standpoint of the controls that would be established. He noted that the currency would be stored at individual banks in sealed chests or vault compartments and that combinations for the compartments would be placed in safety deposit boxes in other banks, thereby providing additional security.

In response to a question from Governor Shepardson, Mr. Harris indicated that the decentralized storage program involved issued currency, that is, Bank rather than Federal Reserve Agent's cash. If unissued

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currency were involved, he noted that there would be the complication of having it issued by the Agent in the event of an emergency.

Replying to a question from Governor Shepardson, Governor Robertson said that there appeared little likelihood that a currency storage center would ever be established at Fort Riley, Kansas, as had been suggested earlier. As a substitute, he indicated that a proposal for establishing a storage area in a midwest salt mine was being explored and might be submitted for the Board's consideration. Such an area, he noted, would afford a relatively inexpensive way of providing good storage facilities not only for currency but also for essential records.

Governor Shepardson then inquired as to the status of the storage center at the new Salt Lake City Branch building and Mr. Farrell stated that some difficulty had been encountered in arranging to have Federal Reserve Banks store currency at that branch. Some of the Reserve Banks preferred storing currency in their own districts because of the transportation problems involved in shipping currency to Salt Lake City. A number of the other Reserve Banks were lukewarm in regard to storing currency there.

Mr. Harris noted that the Board's letter of March 14, 1960, to the Presidents of all Reserve Banks concurred in the view that there was no need for uniformity among the Reserve Banks with respect to prepositioning of cash. However, adequate decentralization of supplies of currency was one of the basic planning policies of the Government, he said, and while there was flexibility as to procedure, it would be

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desirable to encourage the Reserve Banks to arrange for decentralization of the storage of currency.

Unanimous approval was then given to a letter to President Fulton of the Federal Reserve Bank of Cleveland in the form of attached Item No. 6, with the understanding that a copy would be sent to the Presidents of all Federal Reserve Banks with a transmittal letter suggesting that consideration be given to some decentralization of currency. A copy of the transmittal letter to all Reserve Bank Presidents is attached as Item No. 7.

Mr. Fauver entered the room during the foregoing discussion.

Budget experience report as of April 30, 1960. There had been distributed a memorandum dated May 17, 1960, from the Office of the Controller submitting a budget experience report as of April 30, 1960, outlining the status of selected budgeted projects as of that date.

Governor Shepardson stated that in the past the Controller's Office had prepared for the consideration of the Board midyear budget experience reports containing considerable detail on the total budget operation. At his request the Controller's Office had prepared a more concise review as of April 30 relating especially to major projects, both regular and special. Governor Shepardson said he thought the Board might prefer to have a brief report of this type on a monthly basis rather than the detailed midyear report.

Mr. Connell said that preparation of brief monthly reports in place of a detailed midyear report would result in a saving of time in

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the Office of the Controller. Also, information would be readily available each month as to the status of individual projects.

Governor Mills stated that he would favor the monthly reports if the final year-end budget report, which sets forth comparisons with other years and points out the direction in which the Board's work is moving, was not abandoned.

After a brief discussion it was agreed that the midyear budget experience report would be discontinued and a concise monthly report would be prepared and distributed to all Board members.

Continental Bank and Trust Company case. Pursuant to discussion at the Board meeting on April 26, 1960, it had been understood that consideration would be given the latter part of May to the administrative proceeding regarding capital adequacy instituted by the Board with respect to The Continental Bank and Trust Company, Salt Lake City, Utah. Governor Balderston noted that it had been planned to schedule the discussion for May 27, and he then suggested reasons why it would be desirable to postpone consideration of the case. He added that this matter had been discussed with Chairman Martin, who agreed.

Following a discussion, during which Mr. Hackley said that Mr. Solomon and he believed that presentation and consideration of this case by the Board was likely to require more than one meeting, it was understood that the matter would not be brought up for consideration on May 27 but that it would be scheduled for a later meeting, preferably soon after Governor Shepardson's return from Europe early in July.

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The meeting then adjourned.

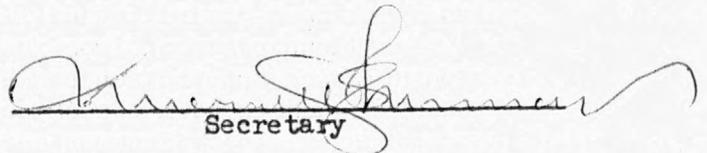
Secretary\*s Note: Governor Shepardson today approved on behalf of the Board the following items:

Memorandum dated May 24, 1960, from Mr. Johnson, Director, Division of Personnel Administration, recommending the appointment of Sally J. Hart as Clerk-Stenographer in that Division, with basic annual salary at the rate of \$3,850, effective the date she assumes her duties.

Memorandum dated May 25, 1960, from Mr. Fauver, Assistant to the Board, recommending that a program, including lunch, be arranged on June 9, 1960, for 10 trainees currently enrolled in the training program of the International Bank for Reconstruction and Development.

Letter to the Federal Reserve Bank of Philadelphia (attached Item No. 8) approving the appointment of William F. Walsh as assistant examiner.

Letter to the Federal Reserve Bank of Minneapolis (attached Item No. 9) approving the appointment of Lester G. Gable as examiner.

  
Secretary

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

Item No. 1  
5/26/60

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

May 26, 1960



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

Attention Mr. Hollis S. Haggard,  
Deputy Comptroller of the Currency.

Dear Mr. Comptroller:

Reference is made to a letter from your office dated March 18, 1960, submitting copies of an application to organize a national bank in Delaware Township, Camden County, New Jersey, signed by Mr. Joseph M. McCrane, Jr., and associates, 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 Philadelphia indicates that the proponents expect to provide a minimum capital structure of \$500,000 for the bank instead of \$250,000, as shown in the application. This capital structure would appear to be adequate. Based upon the information available with respect to the prospective development in the area, it appears that there will be sufficient need for banking facilities and that the proposed bank could operate profitably. Although only one of the proposed directors has had actual banking experience, the group as a whole represents diversified business interests and is well regarded in the community. It is understood that a close relationship is to be maintained with First Camden National Bank and Trust Company, Camden, New Jersey. The Board of Governors recommends favorable consideration 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.

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

Item No. 2  
5/26/60

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

May 26, 1960



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

Gentlemen:

Reference is made to your request, submitted through the Federal Reserve Bank of San Francisco, for permission to establish a branch in the vicinity of the intersection of Valley Boulevard and Hambleton Avenue, City of Industry, California.

According to available information there is no assurance that the proposed branch would be placed in operation in the near future and it appears that the establishment of the branch is contingent upon the relocation of the Los Angeles Union Stock Yards in City of Industry. Under such circumstances, it is the judgment of the Board of Governors that approval of the branch would not be justified.

The Board will be willing to consider another application when more definite assurance can be given that the branch would be established promptly.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,  
Assistant Secretary.

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

Item No. 3  
5/26/60

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

May 26, 1960.



The Honorable Ray M. Gidney,  
Comptroller of the Currency,  
Washington 25, D. C.

Dear Mr. Gidney:

This is in reply to your letter of March 14, 1960, referring to the interpretation of the Board published in 1960 Federal Reserve Bulletin 265, regarding the classification of so-called dealers' reserve or differential accounts as deposit liabilities for reserve purposes and inquiring as to the circumstances under which such accounts may be classified as "time deposits" for such purposes.

Ordinarily, of course, such an account would not be in such form as to constitute a "time certificate of deposit" under Regulation D; nor would it normally be eligible for classification as a "savings deposit" which is available only to individuals and nonprofit organizations. In order for such an account to constitute a "time deposit, open account" within the meaning of the definition of that term in Regulation D, (1) the account must be evidenced by a written agreement between the depositor and the bank, and (2) this written agreement must provide for either a stated maturity of at least 30 days or for 30 days' written notice of withdrawal from the account.

The form taken by dealers' reserve or differential accounts varies widely, as you know, in individual cases. Consequently, the Board believes that it would not be feasible to attempt to establish any general rule as to when such accounts may properly be classified as time deposits, open account. The circumstances of each case, including the terms of the agreement between the bank and the dealer, would need to be considered in order to determine whether the account complies with the definition of a time deposit, open account, set forth in Regulation D.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,  
Secretary.

## UNITED STATES OF AMERICA

BEFORE THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

WASHINGTON, D. C.

In the Matter of the Application of  
THE MARINE CORPORATION  
for prior approval of acquisition of  
voting shares of Peoples Trust & Savings  
Bank, Green Bay, Wisconsin

ORDER APPROVING APPLICATION UNDER  
BANK HOLDING COMPANY ACT

There having come before the Board of Governors pursuant to section 3(a)(2) of the Bank Holding Company Act of 1956 (12 USC 1843) and section 4(a)(2) of the Board's Regulation Y (12 CFR 222.4(a)(2)), an application on behalf of The Marine Corporation, Milwaukee, Wisconsin, for the Board's prior approval of the acquisition of 80 per cent or more of the 5,000 voting shares of Peoples Trust & Savings Bank, Green Bay, Wisconsin; a Notice of Tentative Decision referring to a Tentative Statement on said application having been published in the Federal Register on May 7, 1960 (25 Federal Register 4120); the said Notice having provided interested persons an opportunity, before issuance of the Board's final order, to file objections or comments upon the facts stated and the reasons indicated in the Tentative Statement; and the time for filing such objections and comments having expired and no such objections or comments having been filed;

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IT IS HEREBY ORDERED, for the reasons set forth in the Board's Statement of this date, that the said application be and hereby is granted, and the acquisition by The Marine Corporation of 80 per cent or more of the 5,000 voting shares of Peoples Trust & Savings Bank, Green Bay, Wisconsin, is hereby approved, provided that such acquisition is completed within three months from the date hereof.

Dated at Washington, D. C., this 26th day of May 1960.

By order of the Board of Governors.

Voting for this action: Governors Balderston, Mills, Robertson, Shepardson, and King

Absent and not voting: Chairman Martin and Governor Szymczak

(signed) Merritt Sherman

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Merritt Sherman,  
Secretary.

(SEAL)

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

APPLICATION BY THE MARINE CORPORATION, MILWAUKEE, WISCONSIN,  
FOR PRIOR APPROVAL OF ACQUISITION OF VOTING SHARES OF  
PEOPLES TRUST & SAVINGS BANK, GREEN BAY, WISCONSIN

STATEMENT

The Marine Corporation, Milwaukee, Wisconsin ("Marine"), a bank holding company, has 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 80 per cent or more of the 5,000 voting shares of Peoples Trust & Savings Bank, Green Bay, Wisconsin ("Peoples").

Views and recommendations of the Commissioner of Banks. -

As required by section 3(b) of the Act, the Board forwarded notice of the application to the Commissioner of Banks for the State of Wisconsin. The Commissioner of Banks, however, submitted no views regarding the application.

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 company and bank concerned; (2) their prospects; (3) the character of their management; (4) the convenience, needs, and welfare of the communities and 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. - Marine, the smallest of the three bank holding companies in Wisconsin, currently has five subsidiary banks in or near Milwaukee. The largest bank of the group is Marine National Exchange Bank, located in the business center of Milwaukee.

Peoples is located in downtown Green Bay and its primary service area includes the city of Green Bay, and the following adjacent towns: Ashwaubenon, Allouez, Preble, and Howard. The area comprises approximately 25 square miles, is primarily urban in character, and has an estimated population of 65,000. Peoples is the second largest of six banks serving the area and is approximately one-third the size of the largest.

The financial history and condition, prospects, and management of both Marine and Peoples are satisfactory.

Marine's application offers its services in securing management succession for Peoples, and proposes to have Peoples provide several additional banking services, if the application is granted. On the basis of available information, it appears that Peoples is serving the convenience and needs of its area in a satisfactory manner and that acquisition by Marine is not the only solution

to the problem of management succession. These considerations would not therefore have a material effect on the convenience, needs, and welfare of the community and area concerned, but would not be inconsistent with approval of the application.

Peoples is located more than 100 miles from Marine's subsidiary banks and outside of their service area. There are five other banks operating in Peoples' primary service area. With the acquisition of Peoples, Marine would control one of six banking offices (16.7 per cent) and \$14,908,000 (16.1 per cent) of the \$92,626,000 total deposits of individuals, partnerships, and corporations (IPC) as of December 31, 1959, of all banks operating in that area. Only Marine's largest subsidiary bank holds any IPC deposits from the primary service area of Peoples. These deposits from Peoples' area are only 0.3 per cent of that subsidiary's deposits and are equal in amount to 2.3 per cent of the total IPC deposits of Peoples.

It does not appear that the acquisition proposed would result in an undue concentration of banking resources or produce circumstances which would have an adverse effect on competition. A consideration of all the facts in this case does not indicate that the proposed acquisition would expand the size or extent of banking resources under Marine's control beyond limits consistent with adequate and sound banking, the public interest, and the preservation of competition in the field of banking.

Conclusion. - The above views were incorporated in the Tentative Statement issued in connection with the Notice of Tentative Decision published in the Federal Register on May 7, 1960 (25 Federal Register 4120), affording interested persons an opportunity to submit comments on, or objections to, the Board's proposed action. No comments or objections were received.

Viewing the relevant facts in the light of the general purposes of the Act and the factors enumerated in section 3(c), it is the judgment of the Board that the proposed acquisition would be consistent with the statutory objectives and the public interest and that the application should be approved.

May 26, 1960.

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

Item No. 6  
5/26/60



ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

May 26, 1960.

Mr. W. D. Fulton, President,  
Federal Reserve Bank of Cleveland,  
Cleveland 1, Ohio.

Dear Mr. Fulton:

The Board has approved the proposal of the Federal Reserve Bank of Cleveland to make a partial decentralization of the storage of currency as a preparedness measure. The terms of the proposal as conveyed to the Board by telephone and confirmed by telegram May 18, 1960, are set forth below.

Currency is to be stored in the vaults of selected emergency Cash Agents and at the Bank's Records Storage Center in amounts as follows:

Cash Agents

The Farmers National Bank and Trust Company of Ashtabula, Ashtabula, Ohio	\$ 9,500,000
First National Bank and Trust Company of Lima, Lima, Ohio	8,000,000
First National Bank of Mansfield, Mansfield, Ohio	12,000,000
The Toledo Trust Company, Toledo, Ohio	20,000,000
The First National Bank of Zanesville, Zanesville, Ohio	5,000,000
The Winters National Bank and Trust Company of Dayton, Dayton, Ohio	15,000,000

Mr. W. D. Fulton

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First National Bank and Trust Company of  
Lexington, Lexington, Kentucky

\$ 5,000,000

Records Storage Center

The Athens National Bank,  
Athens, Ohio

2,750,000  
\$77,250,000

The procedure for effecting the storage is to be carried out under the supervision of two officials of the Bank and a representative of the Audit Department. The currency will be placed in chests or vault compartments. The two officials and Auditor's representative will verify the amount in each chest or vault compartment, they will set the combination, lock and seal the chest or vault compartment. The Bank's Auditor or his representative will test the lock and seal. The combination will not be given to the Cash Agent, but will be placed in a safety deposit box in another bank, within the same vicinity, with instructions that the Cash Agent may have access thereto only in the event of an actual attack.

In approving this proposal, the Board noted that it was in accordance with the Government's emergency planning policies, that the facilities and protective devices of the banks in which the currency is to be stored are adequate, that no unusual expenditures are involved, and that the rental of vault space is reasonable.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,  
Secretary.

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

Item No. 7  
5/26/60

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

May 27, 1960.



CONFIDENTIAL (FR)

Dear Sir:

As you know, one of the basic features of the Emergency Preparedness Program of the Federal Reserve System is that provision should be made for the continuance of cash operations in the event of an attack emergency. The 1955 report of the Committee on Emergency Operations provides "Federal Reserve Banks intending to lodge currency with agents or key banks in advance of an emergency should obtain the prior approval of the Board of Governors."

Heretofore, the consideration of proposals to decentralize currency were deferred pending the determination of the Government's policy on the decentralization of currency and the reconsideration of related System policies; such as, whether there should be flexibility in the implementation of the policy among districts, whether the currency stored with Cash Agents should be issued or unissued currency, and whether it would be appropriate for Reserve Banks to absorb the cost of major improvements to Cash Agents' vault facilities.

The above policy matters having been resolved, the Board considered and approved a proposal made by the Federal Reserve Bank of Cleveland for a partial decentralization of the storage of currency. Since this is the first action of the Board on such proposals, it was thought that the Board's letter of May 26, 1960, to the Cleveland Bank, setting forth the terms of the Bank's proposal and the Board's approval, would be of interest to all Banks. A copy of the letter is enclosed.

All Banks which contemplate some decentralization of currency in advance of an emergency and are prepared to submit their proposals now, are invited to do so. It is suggested that other Banks may wish to give this matter further consideration.

Very truly yours,

Merritt Sherman,  
Secretary.

Enclosure

TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS

1939

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

Item No. 8  
5/26/60

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD



Mr. Joseph R. Campbell, Vice President,  
Federal Reserve Bank of Philadelphia,  
Philadelphia 1, Pennsylvania.

Dear Mr. Campbell:

In accordance with the request contained  
in your letter of May 20, 1960, the Board approves  
the appointment of William F. Walsh as an assistant  
examiner for the Federal Reserve Bank of Philadelphia.  
Please advise as to the date on which the appointment  
is made effective.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,  
Assistant Secretary.

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

Item No. 9  
5/26/60

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

May 26, 1960

AIR MAIL

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

Dear Mr. Deming:

In accordance with the request contained  
in your letter of May 19, 1960, the Board approves  
the appointment of Lester G. Gable, at present an  
assistant examiner, as an examiner for the Federal  
Reserve Bank of Minneapolis, effective May 29, 1960.  
Please advise as to salary rate.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,  
Assistant Secretary.