

Minutes for September 6, 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 proposed to place in the record of policy actions required to be kept under the provisions of Section 10 of the Federal Reserve Act an entry covering the item in this set of minutes commencing on the page and dealing with the subject referred to below:

Page 11 Approval of a discount rate of 3 per cent for the Federal Reserve Bank of San Francisco.

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

A series of horizontal lines for initials, with handwritten signatures or initials written over them. From top to bottom: a large circle containing 'M' and 'S'; a signature that appears to be 'Mills'; a signature that appears to be 'R. Robertson'; the initials 'CCB'; a signature that appears to be 'Shepardson'; and a signature that appears to be 'King'.

Minutes of the Board of Governors of the Federal Reserve System
on Tuesday, September 6, 1960. The Board met in the Board Room at 10:00 a.m.

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

Mr. Sherman, Secretary
Mr. Kenyon, Assistant Secretary
Mr. Hackley, General Counsel
Mr. Solomon, Director, Division of Examinations
Mr. Nelson, Assistant Director, Division of
Examinations
Mr. Landry, Assistant to the Secretary
Mr. Hooff, Assistant Counsel
Mr. Young, Assistant Counsel
Miss Hart, Assistant Counsel

Discount rates. The establishment without change by the Federal Reserve Banks of New York, Philadelphia, Chicago, and St. Louis on September 1, 1960, 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:

	<u>Item No.</u>
Letter to The County Trust Company, White Plains, New York, approving the establishment of a branch in the Rye Ridge Shopping Center, Town of Rye.	1

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	<u>Item No.</u>
Letter to the Comptroller of the Currency recommending unfavorably with respect to an application to organize a national bank in Houston, Texas.	2
Letter to the Federal Reserve Bank of St. Louis expressing certain views with regard to a form of "purpose" statement proposed to be obtained by McCluney & Company, Inc., from the original borrower in connection with stock-secured loans made before June 15, 1959, when such loans are moved from one bank to another.	3

Membership application of Central Bank of Montana (Item No. 4).

There had been circulated a proposed letter to the Central Bank of Montana, Great Falls, Montana, approving its application for membership in the Federal Reserve System. When the file was in circulation, Governor Mills indicated that he had a question concerning the application.

Governor Mills said that his question related to the lending practices of other banks controlled by the Rubie family, which led him to believe that possibly this constituted a marginal application for membership in the System. Despite this question, however, he was willing to approve the application on the strength of the recommendation of the Federal Reserve Bank of Minneapolis and the analysis made by the Division of Examinations.

In reviewing the application, Mr. Nelson referred to certain changes that had been made in the original plans of the organizers of the new bank and said that the Division of Examinations could find no good reason for turning down the application, despite the fact that it might not be of the highest caliber.

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After further discussion, which included references to the operating practices of other banks controlled by the same interests, the ratings accorded such banks, and characteristics of the management of the new bank, the letter to Central Bank of Montana approving its application for membership in the Federal Reserve System was approved unanimously. A copy is attached as Item No. 4.

Report on competitive factors (Johnstown, Pennsylvania). There had been distributed under date of August 26, 1960, a proposed report to the Federal Deposit Insurance Corporation on the competitive factors involved in the proposed acquisition of assets and assumption of liabilities of New Florence National Bank, New Florence, Pennsylvania, by Johnstown Bank and Trust Company, Johnstown, Pennsylvania. The conclusion of the report was as follows:

The proposed transaction would eliminate no existing banking facilities. Competition between the two institutions now is limited and New Florence customers should benefit from more and better banking services which would be provided by the larger resulting bank. There would be no material change in the competitive situation in Johnstown, as keen competition would continue to be provided by other local banking institutions. It does not appear that the proposal would involve any tendency toward monopoly.

The report was approved unanimously.

Report on competitive factors (Titusville, Pennsylvania). There had been distributed under date of August 25, 1960, a proposed report to the Federal Deposit Insurance Corporation on the competitive factors involved

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in the proposed purchase of assets and assumption of liabilities of Citizens' Bank of Pleasantville, Pleasantville, Pennsylvania, by Titusville Trust Company, Titusville, Pennsylvania. The report concluded as follows:

The proposed acquisition would not eliminate any existing banking facilities. While the concentration of banking resources in the dominant bank in the Titusville and Pleasantville trade area would be increased, in view of the close association of the two banks which has existed for many years the competitive situation would not appear to be adversely affected.

The report was approved unanimously.

At this point Mr. Fauver, Assistant to the Board, joined the meeting.

Report on competitive factors (Warsaw, Indiana). Under date of September 1, 1960, copies had been distributed of a draft of report to the Comptroller of the Currency on the competitive factors involved in the proposed consolidation of First National Bank of Warsaw, Indiana, and Peoples Bank of Claypool, Claypool, Indiana. The report concluded with the statement that the proposed consolidation would lessen competition in the area and might tend toward monopoly.

Upon request from Governor Robertson, Mr. Nelson compared the competitive factors involved in the proposed transaction in Titusville, Pennsylvania, the report on which had just been approved by the Board, and the proposed consolidation in Warsaw. In his comments Mr. Nelson noted that

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two officials of the First National Bank of Warsaw were also directors and officers of two additional nearby Indiana banks, other than the one in Claypool, indicating that if the proposed consolidation were effected, there might be a further extension of the influence of the management of the Warsaw bank than at first would appear.

Governor Mills stated that he was troubled by the question whether the Board possessed the statutory right to extend its analysis of competitive factors to circumstances involving stock ownership and officer-director relationships among banks. Unless the Board had a clear statutory right to inject such considerations into its analysis, he was fearful lest it be accused of rendering an adverse conclusion in any particular case on the basis of suspicions rather than known facts. He noted that the Peoples Bank of Claypool was a small bank located eight miles south of Warsaw and that its consolidation with the First National Bank of Warsaw could benefit the trade area.

Mr. Hackley commented that the bank merger law (Public Law 86-463) imposes on the Board the duty and right to consider the effect on competition of a proposed merger or consolidation, including any tendency toward monopoly. If the banks involved in a proposed merger are controlled by the same interests, it would be proper, he said, to refer to the bearing of this fact on competition. Similarly, should officers or directors of a continuing bank be officers or directors of the bank proposed to be taken over, it would be relevant to

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indicate this fact since it might suggest that the banks were not in strong competition. On the other hand, the Board was not called upon to determine whether management would be strengthened by a proposed consolidation, for consideration of that factor would fall within the purview of the agency having jurisdiction in the particular case. He said that he was somewhat disturbed by the statement in the conclusion of the proposed report to the Comptroller of the Currency that "the proposed consolidation...might tend toward monopoly," since "monopoly" means control by a single institution. He suggested that the wording of the conclusion might be changed to read that "the proposed consolidation would lessen competition in the area and further strengthen the dominant position of two (Warsaw) banks."

In a further review of the matter, consideration was given to the views expressed in a memorandum submitted by the Federal Reserve Bank of Chicago, the indicated extent of competition between the two banks involved in the proposed consolidation, the competitive situation in the county as a whole, and the extent to which the area banking picture was influenced by the First National Bank of Warsaw and its principal competitor.

After discussion relating to the form that the conclusion of the report should take in the light of the foregoing factors, it was agreed that the report should be transmitted to the Comptroller of the Currency after changes in the wording of the conclusion had been made to reflect the views expressed at this meeting.

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Accordingly, the report subsequently transmitted contained the following conclusion:

The proposed consolidation would appear to lessen present and potential competition in the area. It would further strengthen the dominant position of the two Warsaw banks in the area and tend to increase the competitive advantage of the applicant in the county by reason of the number of its offices and interbank officer-director relationships.

At this point Mr. Hoff withdrew and Mr. Shay, Legislative Counsel, entered the room.

Qualification for service as Reserve Bank director. Copies of a memorandum dated September 1, 1960, from Mr. Walter Young had been distributed relating to certain questions that had been raised with regard to the holding of political or public office by persons nominated for election as Federal Reserve Bank directors as well as the eligibility requirements for Class B directors. Attached to the memorandum was a copy of a letter dated August 19, 1960, from the President of the Dallas Reserve Bank presenting these questions. There was also attached a draft of reply to the letter from the Dallas Bank.

Governor Szymczak commented that, although technically accurate, the proposed reply to the first question raised by the Dallas Reserve Bank that "compliance with the spirit of the resolution would be accomplished if, prior to the announcement of the candidates, the individual would agree to comply with the terms of the resolution before taking the oath of office as

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a director" nevertheless could permit a situation to arise that would be undesirable from the standpoint of appearance. This might impair the independence of the Federal Reserve System, Governor Szymczak said, referring to the whole atmosphere surrounding a situation in which a person holding political or public office that would contravene the intent of the 1915 resolution would stand for election as a Reserve Bank director without relinquishing such office until after the results of the election were known. He also felt that since the law provides that a Class B director can not be an officer, director, or employee of a bank, the issuance of an interpretation by the Board that such persons could stand for election as Class B directors would tend to further the impression that already existed in some quarters of undue banker domination of the System.

During further discussion Mr. Hackley commented that the staff had not been able to find material in the files relating directly to questions such as those raised by the Dallas Bank. However, it was his impression that in the past the Board had always gone on the assumption that the intent of the 1915 resolution simply was to require a person holding political or public office to give up such office before entering on duty as a Reserve Bank director. Such an interpretation might leave room for an unfortunate impression to be created, as had been suggested; on the

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other hand, as pointed out in the Dallas Bank's letter, there would also be certain difficulties in taking a different position.

Mr. Hackley also pointed out that the 1915 resolution had been the subject of numerous Board interpretations over the years, which suggested the possibility that at some appropriate time the Board might want to consider whether the policy statement should be revised.

At the conclusion of the discussion it was agreed to refer the proposed reply to the Dallas Bank back to the Legal Division for preparation of a revised draft containing additional expressions that would endeavor to accommodate the comments made at this meeting.

Mr. Young then withdrew from the meeting.

Advisory services under Small Business Investment Act. Under date of August 26, 1960, there had been distributed to the Board copies of a memorandum from the Legal Division submitting a draft of reply to a letter from Mr. M. George Coleman, Trenton, New Jersey, who had inquired regarding the advisory services of the Federal Reserve System referred to in section 308(b) of the Small Business Investment Act of 1958. This section provides that "each small business investment company may make use, wherever practicable, of the advisory services of the Federal Reserve System and of the Department of Commerce which are available for and useful to industrial and commercial businesses....". Also submitted with the memorandum was a

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draft of letter which would transmit copies of the correspondence to the Reserve Bank Presidents for their information. An accompanying memorandum from the Secretary's Office referred to the consideration that had been given to this subject by the Presidents' Conference following the enactment of the Small Business Investment Act and to the indication that relatively few inquiries had been received.

Governor Balderston proposed that the inquiry from Mr. Coleman be referred to the Federal Reserve Bank of Philadelphia with a request that the Bank inform him of information available from the Federal Reserve System and offer assistance in such ways as might seem appropriate.

After discussion, it was agreed that this procedure should be followed.

With respect to the subject of advisory services to small business in more general terms, question was raised whether it would seem appropriate to take any steps with a view to encouraging the Reserve Banks to initiate programs designed to increase the availability of research or other material that might be of particular interest to small business. It was pointed out, however, that the language of the statute went no further than to indicate that small business investment companies could make use of such advisory services of the System as might be available to industrial and commercial businesses. Thus, the statute did not appear to impose a duty upon the Federal Reserve Banks to provide special services of an advisory or informational nature.

The meeting then adjourned.

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Secretary's Notes: On September 1, 1960, advice was received that the directors of the Federal Reserve Bank of San Francisco had that day established a rate of 3 per cent (rather than 3-1/2 per cent) on discounts for and advances to member banks under sections 13 and 13a of the Federal Reserve Act, had established a rate of 3-1/2 per cent on advances to member banks under section 10(b), and had established without change the remaining rate in the Bank's existing schedule, all subject to review and determination by the Board of Governors. Pursuant to the Board's outstanding authorization, the Reserve Bank was advised by the Secretary's Office of approval of such rates, effective September 2, 1960. A press statement in the usual form was issued at 4:00 p.m. EDT, all Federal Reserve Banks and branches were informed by wire of the action taken, and arrangements were made for publication of a notice in the Federal Register.

Governor Robertson, in the absence of Governor Shepardson, approved on behalf of the Board on September 1, 1960, the following items:

Memorandum dated August 31, 1960, from Mr. Solomon, Director, Division of Examinations, recommending the appointment of Virginia Elaine Crawford as Special Assistant Federal Reserve Examiner in that Division, with basic annual salary at the rate of \$4,145, effective the date of entrance upon duty. (It was anticipated that her assignment with the field staff would not exceed two years, after which time she would be assigned in the Board's offices.)

Memorandum dated August 26, 1960, from Mr. Noyes, Director, Division of Research and Statistics, recommending acceptance of the resignation of Peggy Richman, Research Assistant in that Division, effective September 8, 1960.

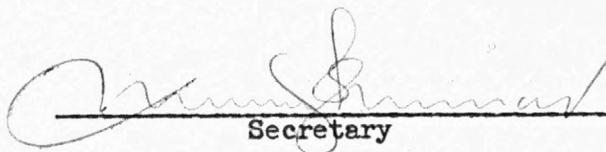
Memorandum dated September 1, 1960, from Mr. Fauver, Assistant to the Board, recommending arrangements for auxiliary translating facilities and a sightseeing tour in connection with the visit of students from the Center for Latin American Monetary Studies later this month. (The basic arrangements for the visit of this group were approved by Governor Shepardson on behalf of the Board on August 10, 1960.)

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Governor Robertson, in the absence of Governor Shepardson, approved on behalf of the Board on September 2, 1960, acceptance of the resignation of Lora S. Collins, Research Assistant, Division of Research and Statistics, effective September 2, 1960.

Governor Shepardson today approved on behalf of the Board a letter to the Federal Reserve Bank of Cleveland (attached Item No. 5) approving the designation of three persons as special assistant examiners.



Secretary

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

Item No. 1
9/6/60

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

September 6, 1960

Board of Directors,
The County Trust Company,
White Plains, 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 Rye Ridge Shopping Center to be located on the southwest corner of Bowman Avenue and Ridge Street, Town of Rye (unincorporated area), Westchester County, New York, by The County Trust Company, White Plains, New York, provided the branch is established within six months from the date of this letter.

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
9/6/60

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

September 6, 1960

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

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

Dear Mr. Comptroller:

Reference is made to a letter from your office dated March 14, 1960, enclosing copies of an application to organize a national bank in Houston, Texas, signed by Mr. James C. Day, 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 Dallas indicates that the proposed capital structure of the bank would be adequate. However, the prospects for future earnings are not very favorable, management does not appear to be entirely satisfactory in view of the extended financial position of the principal organizers and the qualifications of the proposed executive officers, and there does not appear to be sufficient need for the bank at this time. Accordingly, the Board of Governors does not feel justified in recommending approval of the application.

The Board's Division of Examinations will be glad to discuss any aspects of this case with representatives of your office if you so desire.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,
Assistant Secretary.



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

Item No. 3
9/6/60

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

September 7, 1960

Mr. George E. Kroner, Vice President,
Federal Reserve Bank of St. Louis,
St. Louis 66, Missouri.

Dear Mr. Kroner:

This refers to your letter of July 1, 1960, enclosing a photostatic copy of a letter dated June 22, together with its enclosure, from McCluney & Company, Inc., St. Louis, Missouri ("McCluney"). In its letter, McCluney describes itself as a broker in collateral loans, acting for borrowing customers and for banks. Standard works of reference available to the Board describe McCluney as a dealer in mutual fund securities.

The letter which you have forwarded to us seeks the Board's views on a form of "purpose" statement to be obtained, apparently, by McCluney from the original borrower in connection with stock-secured loans made before June 15, 1959, when such loans are moved from one bank to another. Since Regulation U went into force in 1936, McCluney has obtained the usual negative statement from the borrower to the effect that the loan was "not to purchase or carry stocks registered on a national securities exchange" for all stock-secured loans, whether newly made, renewals of old loans, or increases of old loans.

The proposed statement seems to be intended to meet the requirements set forth in section 221.3(a) of Regulation U, as amended, since it "affirmatively" describes the purpose of the loan as being to renew a loan which has been outstanding prior to June 15, 1959, and provides a place where an officer of the bank is to sign as accepting the statement in good faith.

Mr. George E. Kroner

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Section 221.3(d) of Regulation U provides that

"Except as provided in paragraph (r) of this section, the renewal or extension of maturity of a loan need not be treated as the making of a loan if the amount of the loan is not increased except by the addition of interest or service charges on the loan or of taxes on transactions in connection with the loan."

and section 221.3(e) provides that

"A bank may accept the transfer of a loan from another bank, or permit the transfer of a loan between borrowers, without following the requirements of this part as to the making of a loan, provided the loan is not increased and the collateral for the loan is not changed;"

In the light of these two sections, it is believed that renewals or transfers of loans made prior to June 15, 1959, should not be regarded as new loans, provided that the amount of the loan is not increased except as provided in section 221.3(d), and that the collateral for the loan is not changed. Accordingly, section 221.3(a) does not require a new purpose statement in connection with the renewal or transfer of such a loan. Where a loan is made after June 15, 1959, of course, any purpose statement obtained in connection with the loan must conform to the requirements of section 221.3(a). Since an increase in an existing loan must be considered a new loan, as the Board stated in the reply to question 14 of "Questions and Answers Illustrating Application of Regulation U", purpose statements obtained in connection with such increases granted after June 15, 1959, should also conform to the requirements of that section.

However, it should be pointed out that the language embodied in the June 15, 1959, amendment to section 221.3(a) to the effect that a statement must be accepted "in good faith", and explaining the meaning of that term, was intended to codify long outstanding interpretations by the Board under which a lending officer was expected "to be alert to the circumstances surrounding the loan and the borrower", and "to have no information which would put a prudent man upon inquiry and if investigated with reasonable diligence would lead to the discovery of the falsity of the statement". The requirement that the borrower's statement be signed by an officer of the

Mr. George E. Kroner

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bank as having been accepted in good faith, and that it be supported by a memorandum or notation of the lending officer, describing the purpose of the loan if the statement itself merely states what is not the purpose of the loan, serves, among other things, to help make the lending officer fully aware of his responsibility in this respect.

Thus, every bank accepting the transfer through an agent of a stock-secured loan, whether the loan was originally made before or since the date of the amendment, and regardless of the form of statement accompanying the loan, if any, is expected to be alert to the general circumstances surrounding this and other loans made by the agent. For example, if numerous loans handled by this agent were secured by stock certificates dated within a short time of the loan, or if brokers or dealers in securities had delivered registered stock to secure this or other loans, or had received the proceeds of such loans, the bank could not accept the transfer of a loan, whether the loan was originally made before or after the June 15, 1959 amendment, and regardless of the form of the "purpose" statement by which it was accompanied, without obtaining a reliable and satisfactory explanation. In the case of McCluney, a bank should be particularly alert to the circumstances surrounding the original loan, when accepting renewals or transfers, in view of the fact that the firm deals in mutual fund securities, since a loan for the purpose of purchasing or carrying securities of these funds may be deemed to be for the purpose of purchasing or carrying registered securities under section 221.3(b)(2) of Regulation U as amended effective August 1, 1953. While the requirements as to "good faith" in connection with the original purpose statement accompanying the loans may seem somewhat onerous, it should be pointed out that the facts are peculiarly available to McCluney, which has had the loans on its books, apparently, since their inception.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

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

Item No. 4
9/6/60

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

September 6, 1960



Board of Directors,
Central Bank of Montana,
Great Falls, Montana.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the application made on behalf of Central Bank of Montana, Great Falls, Montana, for stock in the Federal Reserve Bank of Minneapolis, effective if and when the bank opens for business under appropriate State authorization, subject to the numbered conditions hereinafter set forth.

1. Such bank shall at all times conduct its business and exercise its powers with due regard to the safety of its depositors, and, except with the permission of the Board of Governors of the Federal Reserve System, such bank shall not cause or permit any change to be made in the scope of the corporate powers exercised by it at the time of admission to membership.
2. The net capital and surplus funds of such bank shall be adequate in relation to the character and condition of its assets and to its deposit liabilities and other corporate responsibilities.
3. At the time of admission to membership, such bank shall have paid-in and unimpaired capital stock of \$200,000, and other capital funds of not less than \$200,000.

In connection with the foregoing conditions of membership, particular attention is called to the provisions of the Board's Regulation H, regarding membership of State banking institutions in the Federal Reserve System, with especial reference to Section 7 thereof. A copy of the Regulation is enclosed.

It appears that under the Articles of Agreement dated May 10, 1960, the bank would be authorized to exercise certain powers which are not required in the conduct of a banking and trust business, such as the power to guarantee the fidelity and diligent performance of the duty of persons holding public or private trust and to certify and guarantee title to real estate, and to become endorser and surety and to secure endorsers and sureties for a compensation, upon such terms and conditions as should be agreed upon. The Board understands that the Articles of Agreement are to be amended with these powers deleted.

Central Bank of Montana

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If at any time a change in or amendment to the bank's charter is made, the bank should advise the Federal Reserve Bank, furnishing copies of any documents involved, in order that it may be determined whether or not such change affects the bank's status as a member of the Federal Reserve System.

Acceptance of the conditions of membership contained in this letter should be evidenced by a resolution adopted by the board of directors after the bank's charter has been issued, and a certified copy of such resolution, together with advice of compliance with the conditions to be complied with prior to admission to membership should be filed with the Federal Reserve Bank. Arrangements will thereupon be made to accept the payment for an appropriate amount of Federal Reserve Bank stock, to accept the deposit of the required reserve balance, and to issue the appropriate amount of Federal Reserve Bank stock to the bank.

The time within which admission to membership in the Federal Reserve System in the manner described may be accomplished is limited to six months from the date of this letter, unless the bank applies to the Board and obtains an extension of time. When the Board is advised that all of the requirements have been complied with and that the appropriate amount of Federal Reserve Bank stock has been issued to the bank, the Board will forward to the bank a formal certificate of membership in the Federal Reserve System.

The Board of Governors sincerely hopes that you will find membership in the System beneficial and relations with the Reserve Bank pleasant. The officers of the Federal Reserve Bank will be glad to assist you in establishing your relationships with the Federal Reserve System and to discuss at any time with representatives of your bank means for making the services of the System more useful to you.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,
Assistant Secretary.

Enclosure

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

Item No. 5
9/6/60

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

September 6, 1960



Mr. G. T. Quast, Chief Examiner,
Federal Reserve Bank of Cleveland,
Cleveland 1, Ohio.

Dear Mr. Quast:

In accordance with the request contained in your letter of August 31, 1960, the Board approves the designation of the following employees as special assistant examiners for the Federal Reserve Bank of Cleveland for the purpose of participating in examinations of member banks except the bank listed immediately above their names.

Central National Bank of Cleveland
Cleveland, Ohio

R. H. Keller

Society National Bank of Cleveland
Cleveland, Ohio

Mrs. E. Y. Roberts

Pittsburgh National Bank
Pittsburgh, Pennsylvania

Emil E. Cedel

The authorizations heretofore given your Bank to designate these employees as special assistant examiners are hereby canceled.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,
Assistant Secretary.