

Minutes for November 23, 1960

To: Members of the Board

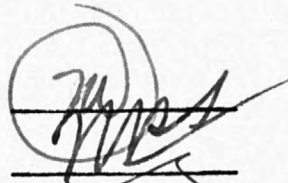
From: Office of the Secretary

Attached is a copy of the minutes of the Board of Governors of the Federal Reserve System on the above date.

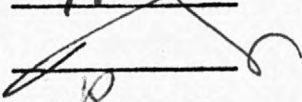
It is not proposed to include a statement with respect to any of the entries in this set of minutes in the record of policy actions required to be maintained pursuant to section 10 of the Federal Reserve Act.

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.

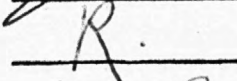
Chm. Martin



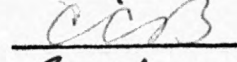
Gov. Szymczak



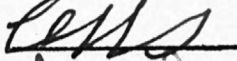
Gov. Mills



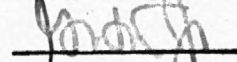
Gov. Robertson



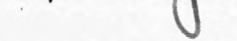
Gov. Balderston



Gov. Shepardson



Gov. King



Minutes of the Board of Governors of the Federal Reserve System on
Wednesday, November 23, 1960. The Board met in the Board Room at 10:00 a.m.

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

Mr. Sherman, Secretary
Mr. Thomas, Adviser to the Board
Mr. Shay, Legislative Counsel
Mr. Fauver, Assistant to the Board
Mr. Hackley, General Counsel
Mr. Farrell, Director, Division of Bank Operations
Mr. Solomon, Director, Division of Examinations
Mr. Hexter, Assistant General Counsel
Mr. Hooff, Assistant General Counsel
Mr. Conkling, Assistant Director, Division of
Bank Operations
Mr. Hostrup, Assistant Director, Division of
Examinations
Mr. Nelson, Assistant Director, Division of
Examinations
Mr. Sprecher, Assistant Director, Division of
Personnel Administration
Mr. Landry, Assistant to the Secretary
Mr. Collier, Chief, Current Series Section,
Division of Bank Operations
Mr. Leavitt, Supervisory Review Examiner,
Division of Examinations

Discount rates. The establishment without change by the Federal Reserve Bank of Atlanta on November 21, 1960, of the rates on discounts and advances in its existing schedule was approved unanimously, with the understanding that appropriate advice would be sent to that Bank.

Letter to Congressman Patman transmitting certain unpublished information (Item No. 1). There had been distributed a draft of letter to Congressman Patman in response to his letter of November 8, 1960,

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requesting certain confidential information pertaining to the condition of all insured commercial banks. A memorandum from the Division of Bank Operations dated November 18, 1960, pointed out that no restriction was included in the proposed letter regarding publication or utilization of the data furnished, which had been taken from the reverse of the report of condition and showed in some instances data for less than three banks separately. Reference also was made in the memorandum to the fact that normally in furnishing another Government agency detailed information showing items from the reverse of the report of condition the staff placed a restrictive clause in the transmittal to the effect that such information should not be published or utilized in a manner that would reveal holdings of a group of less than three banks.

After discussion, the letter to Congressman Patman was approved unanimously in the form of attached Item No. 1.

Report on competitive factors (Allentown and Bethlehem, Pennsylvania). Distribution had been made under date of November 16, 1960, of a proposed report to the Federal Deposit Insurance Corporation on the competitive factors involved in a planned merger of Liberty Bank and Trust Company, Allentown, Pennsylvania, into and with Union Bank and Trust Company of Bethlehem, Bethlehem, Pennsylvania. The report concluded:

This proposal will eliminate one independent bank and the very limited amount of competition now existing between the two institutions. In Allentown this merger should stimulate competition as it would inject into Allentown a larger institution capable of competing effectively with the well

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established banks located there. While the immediate effect in Bethlehem would be negligible, the longer range result should be beneficial as it seems probable entrance of this Bethlehem bank into Allentown should stimulate competition between the banks of these two contiguous cities.

The report was approved unanimously.

Report on competitive factors (Seat Pleasant and Hyattsville, Maryland). There had been distributed under date of November 21, 1960, a proposed report to the Federal Deposit Insurance Corporation on the competitive factors involved in a planned merger of Bank of Maryland, Seat Pleasant, Maryland, into Suburban Trust Company, Hyattsville, Maryland. The report concluded as follows:

Suburban Trust and Bank of Maryland serve primarily the densely populated area close to the District of Columbia. Deposit and loan accounts of each reflect similar economic characteristics suggesting that the banks involved solicit the same general class of customers. While the banks involved do not have offices domiciled in the same community in any instance, there is some overlapping of service areas of several of the offices.

Conversion of ownership and management of the third largest bank in Prince Georges County with 9 offices representing 23.1 per cent of the offices in the county, and 13.1 per cent of the deposits of the county, via the proposed merger, to ownership and management of the largest bank in the county also with 9 offices and 37.6 per cent of county deposits, with the principal volume of deposits of each originating in a common trade area from customers of similar banking requirements, constitutes furtherance of area dominance to an important degree. The competition eliminated as a result of the proposed merger would be substantial. The competitive effects on other banks in the area, particularly one other bank, are potentially harmful to the extent that resulting area coverage diminishes substantially the other bank's relative area competitive position.

Following discussion, the report was approved unanimously.

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Mr. Leavitt then withdrew from the meeting.

Prior tax certification for Union Bond & Mortgage Company (Item No. 2). On July 19, 1960, Union Bond & Mortgage Company, Port Angeles, Washington, had made application for a prior tax certification pursuant to sections 1101(a) and 1103(b) of the Internal Revenue Code of 1954 for distribution to its shareholders of its holdings of stock of Peninsula Investment Company, Inc., Port Angeles, Washington, and Forks Building Corporation, Forks, Washington. In support of said application, Union provided under date of September 30, 1960, certain supplemental information as requested by letter dated September 20, 1960, from the Federal Reserve Bank of San Francisco, with respect to transactions in the investment account of the Company affecting voting shares of First National Bank in Port Angeles, Washington, and First American National Bank, Port Townsend, Washington. It was the recommendation of Messrs. Hexter and Thompson in a memorandum dated November 8, 1960, contained in a file on this matter that had completed circulation, that the requested certification be issued in the form accompanying the memorandum. Reference was made in the memorandum to Board approval on September 16, 1960, of preparation by the staff of a prior tax certification and to the fact that in its Order dated February 10, 1960, the Board determined that retention by Union of voting shares of First American Insurance Agency, Port Townsend, Washington, is permissible under section 4(c)(6) of the Bank Holding Company Act and that in consequence such shares need not be included in the proposed distribution of shares of nonbanking organizations. Note was taken that prior to transmitting the supplemental information sent

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by Union, a representative of the Federal Reserve Bank of San Francisco made an investigation and verified pertinent data relating to the application, detailed findings of which were included in the Reserve Bank's memorandum of October 26, 1960. On the basis of the information made available and otherwise to be found in the Board's files, the Division of Examinations and the Legal Division were satisfied that the Board could properly issue to Union a certification as to its shares of Peninsula and Forks that are in excess of 5 per cent of the outstanding shares of each company.

In commenting on the memorandum, Mr. Hexter noted that since this case was the first of its kind involving divorcement of banking and nonbanking interests, the proposed certification was in a form different from that ordinarily issued.

Following discussion, unanimous approval was given to issuance to Union Bond & Mortgage Company, Port Angeles, Washington, of the requested prior tax certification, with the understanding that duplicate originals would be sent to that Company and to the Commissioner of Internal Revenue. A copy of the certification is attached as Item No. 2.

General voting permit for Marine Midland Corporation (Item No. 3).

In an Order dated November 4, 1960, the Board approved the acquisition of the outstanding shares of The First National Bank of Poughkeepsie, Poughkeepsie, New York, by Marine Midland Corporation, Buffalo, New York, which acquisition was consummated on November 9, 1960. Marine was now

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applying for a general voting permit under authority of section 5144 of the Revised Statutes entitling it to vote the shares it owns or controls of the national bank. The Division of Examinations in a memorandum dated November 18, 1960, that had been distributed to the Board, recommended issuance of the permit subject to the condition that prior to its issuance the applicant execute the standard general voting permit agreement. Reference was made in the memorandum to the fact that the Federal Reserve Bank of New York recommended favorably and that the Office of the Comptroller of the Currency had advised that it had no objection to issuance of the permit.

Unanimous approval was given to the issuance to Marine Midland Corporation of the requested general voting permit. A copy of the telegram authorizing the Federal Reserve Agent at the New York Reserve Bank to issue the permit is attached as Item No. 3.

Messrs. Hexter, Hooff, Hostrup, and Nelson then withdrew from the meeting.

Application to maintain reduced reserves--City National Bank of Beverly Hills (Item No. 4). Distribution had been made under date of November 21, 1960, of a memorandum from the Division of Bank Operations recommending favorably on an application of City National Bank of Beverly Hills, Beverly Hills, California, for continuation of permission to maintain the same reserves against deposits as are required to be maintained by banks located outside central reserve and reserve cities, instead of the

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reserves that otherwise it would be required to maintain as a reserve city bank, incident to the opening of an additional branch within the corporate limits of the city of Los Angeles. Note was taken in the memorandum of the fact that this was the fourth such request from City National within two years, the three previous requests also having related to establishment of branches within the city limits of Los Angeles. A letter from the Federal Reserve Bank of San Francisco dated November 10, 1960, stated that the proposed new branch would be approximately 11 miles from the downtown business district of Los Angeles, that the total deposits of City National Bank as of June 30, 1960, amounted to \$88 million with demand deposits of \$63 million, and that the bank had a total of nine branches, four within the city limits of Los Angeles and five outside. As noted in the memorandum of November 21, the only alternative to granting City National permission to continue to maintain reduced reserves would be to revoke the permission heretofore granted. Although the letter granting permission to maintain reduced reserves would include the standard sentence regarding revocation of the permission to carry reduced reserves if circumstances changed, the memorandum drew attention to the fact that the present application raised the question of size limits to which banks with reduced reserves might expand before their permissions were revoked.

In commenting on the application, Mr. Farrell noted that, although it was questionable how far the Board wished to go in granting individual

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banks permission to carry reduced reserves before uniform standards were established pursuant to Public Law 86-114, approved July 28, 1959, City National Bank was well within the limits of criteria that had been suggested for determining a reserve city classification.

Governor Mills expressed the view that this was a borderline case. He leaned toward denial of the application by City National Bank for continuance of permission to maintain reduced reserves. In expressing this thinking, he had in mind that a bank of similar size and character in Chicago had also requested permission to carry reduced reserves but that such permission had not been granted. He was under the impression that if this bank were located in the downtown area of a reserve city, it would not be authorized to carry reserves required of a nonreserve city bank.

Governor Robertson observed that since the Board had granted three previous requests of this kind to City National Bank, it would seem appropriate to accept the recommendation of the staff in this case and to continue the permission for the bank to carry reserves at the country bank level. However, being mindful of Governor Mills' point, he would suggest that the letter to City National be revised by the addition of a sentence to the effect that the Board would be reluctant to approve future applications of this type from that bank until new criteria for the classification of cities for reserve purposes had been adopted.

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Note having been taken of the comments made by Governor Mills, and agreement having been expressed with Governor Robertson's suggestion for a change in the wording of the letter, approval was given to a letter to City National Bank of Beverly Hills, California, in the form of attached Item No. 4, approving its application for continuation of permission to maintain reduced reserves.

During the foregoing discussion Messrs. Johnson, Director, Division of Personnel Administration, and Chase, Assistant General Counsel, joined the meeting. At its conclusion all of the members of the staff except Messrs. Sherman, Johnson, and Sprecher withdrew.

Increase in officer salary structure--Federal Reserve Bank of Richmond (Item No. 5). Before this meeting there had been distributed a memorandum from the Division of Personnel Administration dated November 17, 1960, recommending approval of a proposed revision in the salary structure for positions of officers (other than the President and First Vice President) at the Federal Reserve Bank of Richmond, effective January 1, 1961. The proposed structure had been submitted by the Richmond Bank in a letter from Chairman Decker dated November 10, 1960.

At Chairman Martin's request, Mr. Johnson commented on the proposed changes and, following a brief discussion, unanimous approval was given to a letter to Chairman Decker in the form of attached Item No. 5, approving a revised salary structure for officers at the Richmond Bank.

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Officer salary structure--Federal Reserve Bank of New York.

Governor Balderston referred to a proposal submitted by the Federal Reserve Bank of New York under date of November 10, 1960, for an upward revision in the salary structure for the officer staff of that Bank. He said that he felt a review of the proposed increase in salary structure would be helpful to the Board at this time in anticipation of a scheduled discussion of the subject of salaries for officers of that Bank with Chairman Reed and other directors at a meeting to be held with the Board at 2:00 p.m. on Friday, December 2. Governor Balderston emphasized that he did not have in mind any action at this time or a discussion of individual salaries, but simply a presentation of general features of the proposed revision in salary structure that the New York Bank had submitted, as well as a review of the general nature of the salary changes the Bank proposed to make for its officers effective January 1, 1961.

At Chairman Martin's request, Mr. Johnson summarized the proposed revision of the salary structure for the New York Bank, concerning which a memorandum from the Division of Personnel Administration had been distributed under date of November 21, 1960. The present proposal, Mr. Johnson noted, would set the maximum for Group A at \$40,000, \$5,000 above the present salary level of the First Vice President and \$5,000 above the existing maximum of the range for officers in salary Group A at that Bank. Mr. Johnson's comments included reference not only to the changes proposed in relation to the existing salary structure at New York but

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also in relation to the salary structures that prevailed at other Federal Reserve Banks.

After commenting on the proposed salary structure change, Mr. Johnson referred to the proposal of the New York Bank for individual salary adjustments as of January 1, 1961. He noted that increases were requested for 49 of 61 officers, or 80 per cent of the officer staff of the Bank, and that the total increase would be about 5.6 per cent of the combined current rates. Mr. Johnson also pointed out that a higher percentage of the officer staff was listed for increases as of January 1, 1961, than in any year since 1957, the 80 per cent comparing with increases of 71 per cent at the beginning of 1960, of 63 per cent at the beginning of 1959, 77 per cent at the beginning of 1958, 91 per cent at the beginning of 1957, and 96 per cent at the beginning of 1956.

Discussion of this subject concluded with a comment by Chairman Martin that the purpose of this discussion was not to take any action or to consider salary changes that might be made for individual officers, but rather to inform the Board members of the nature of the New York Bank's proposals prior to the meeting with Chairman Reed and other directors on December 2.

Mr. Chase reentered the meeting at this point.

Request of Civil Service Commission for data regarding staff positions at the Board (Item No. 6). Governor Shepardson stated that Mr. Johnson had received an oral request from a representative of the

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United States Civil Service Commission for a listing of the positions at the Board having an entrance salary of \$10,000 per annum or more. This information, it was understood, was desired for the use of the incoming Administration. The request was for data giving the names, positions, salaries, Veteran preference status, and Civil Service status of employees included in the Civil Service Commission's Schedule A. This schedule covers positions that the Commission has excepted from the competitive service on the grounds that they are of a character for which it is not practicable to examine, either noncompetitively or competitively. Governor Shepardson went on to say that if the information was to be furnished, there was a question as to how the Board's employees should be described. The suggestion had been made that they might be reported under Schedule A since there was no other category among the Civil Service classifications that would seem to be appropriate.

There followed a discussion of the classifications used by the Civil Service Commission, during which it was pointed out that the Federal Reserve Act contained in section 11(1) a provision that had been in the original Act and which had not been changed stating that employees of the Board shall be appointed without regard to the provisions of the Civil Service Act of January 16, 1883, and amendments thereto, or any rule or regulation made in pursuance thereof. It was further noted that the Federal Reserve Act also stated that nothing shall prevent the President from placing Board employees in the classified service. However,

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when such a question arose under the Ramspeck Civil Service Act of November 26, 1940, the President of the United States wrote to the Civil Service Commission under date of December 27, 1940, stating that

"...it is not my intention to place the employees of the Board of Governors of the Federal Reserve System under the classified civil service or the Classification Act, as amended, in view of the desirability of avoiding a condition under which the employees of the Board of Governors would be placed in a different status in this regard from those of the Federal Reserve Banks and their branches, and in view also of the fact that the salaries of the Board's employees are paid from funds derived from assessments on the Federal Reserve Banks and not from appropriations by Congress."

Reference was also made during the discussion to consideration of a similar question in 1953, subsequent to receipt of Departmental Circular No. 722 from the Civil Service Commission dated August 29, 1953, requesting a review of positions classified under the Commission's Schedules A and B with a view to determining which of those positions should be in the competitive Civil Service. It was pointed out that, although a draft of reply was prepared that would state that the proposed review apparently was not intended to affect the Board of Governors or its employees, no reply was made by the Board to that circular request, although Chairman Martin discussed the subject with the then Chairman of the Civil Service Commission, Mr. Philip Young.

During the discussion, Mr. Johnson stated that there was a general recognition on the part of the Civil Service Commission that employees

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of the Board were excepted from the Civil Service Act and that so far as he was aware no pressure was being exerted to place the Board's employees under Civil Service or under the Classification Act. It was his understanding that the current request for information was being made by the Civil Service Commission for the purpose of assisting in the transfer of Government from the present Administration to its successor in January.

Governor Shepardson commented that his review of the current request convinced him that, if the Board were to furnish the information specified, it would be desirable to submit it in a routine way and to avoid raising a question as to the category in which the Civil Service Commission might, for its purposes, classify the Board's employees.

Governor Robertson said that he questioned the desirability of furnishing information in a way that could be construed as implying that the Board's employees were under the competitive Civil Service or that they belonged in a category of positions excepted by the Civil Service Commission from the competitive service. His general view was that the Board, an agent of the Congress, should look to the statutory provisions relating to the status of its employees and that it would be both unwise and inappropriate to have the record indicate that the Board appeared to accept even in a routine way a classification of its employees by the Civil Service Commission that was not clearly in accordance with those statutory provisions.

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Chairman Martin raised a question whether the information that had been requested might be furnished with an accompanying statement that the Board did not appear to fall in any of the categories listed by the Civil Service Commission. His feeling was that there was no objection to giving the information sought by the Civil Service Commission, and the only question was how such information should be transmitted.

Governor Robertson responded that he thought this might be a wise course to follow. He would not object to furnishing the information regarding the Board's employees so long as it did not appear in a schedule that could in any way be construed as indicating that the Board considered its employees to be under the competitive Civil Service or a category excepted from that service by the Civil Service Commission.

Governor Shepardson stated that he not only could see no objection to this procedure, but he felt it would be desirable to transmit the information in the manner suggested by Chairman Martin.

Governor Mills stated that he would be inclined to give the information as outlined on the reasoning that Board employees were exempted from the Civil Service Act but that, in the discretion of the Congress or of the President, they could be placed in that service. He would not be inclined to reject a request for information such as that under discussion.

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After some further discussion, it was understood that a letter along the lines outlined by Chairman Martin would be prepared and that the information to be submitted would include all positions at the Board having an entrance salary of \$10,000 per annum or more. In addition, there would be included certain positions for which the individuals now holding those positions entered at salaries below \$10,000 but for which the salary rate was now above that figure. A copy of the letter sent later in the day to the Civil Service Commission transmitting this information is attached as Item No. 6.

Members of the staff withdrew from the meeting at this point and the Board went into executive session.

Appointment of director at Detroit Branch. Following the meeting, Chairman Martin informed the Secretary that during the executive session the Board approved the appointment of Carl A. Gerstacker, Chairman of Dow Chemical Company, Midland, Michigan, as a director of the Detroit Branch of the Federal Reserve Bank of Chicago, for the three-year term ending December 31, 1963, provided it was ascertained in the usual manner that Mr. Gerstacker would accept such appointment if tendered.

Secretary's Note: It having been ascertained that Mr. Gerstacker would accept the appointment if tendered, an appointment telegram was sent to him on November 25, 1960.

The meeting then adjourned.

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Secretary's Notes: Governor Shepardson approved on behalf of the Board on November 22, 1960, the following items:

Memorandum dated November 16, 1960, from Mr. Noyes, Director, Division of Research and Statistics, recommending that Lucile R. MacLean, Librarian in that Division, be granted additional leave without pay from November 28, 1960 through February 10, 1961.

Memorandum dated November 17, 1960, from Mr. Solomon, Director, Division of Examinations, recommending acceptance of the resignation of Michael W. Flynn, Federal Reserve Examiner in that Division, effective November 30, 1960.

Memorandum dated November 16, 1960, from Thresia Elting, Cafeteria Helper, Division of Administrative Services, requesting permission to work part-time for the Christmas season at Kann's Department Store, Washington, D. C.

Letters to the Federal Reserve Banks of New York and Philadelphia (attached Items 7 and 8, respectively) approving the appointment of Walter M. Lowe and Henry J. Pease as assistant examiners at the respective Banks.

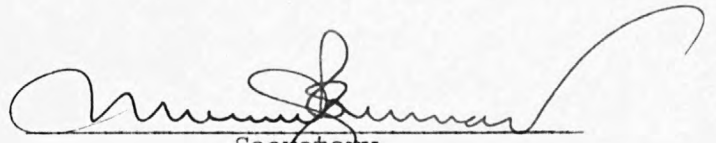
Letter to NABAC, The Association for Bank Audit, Control, and Operation, Chicago, Illinois, regarding plans for its officers to visit the Board on February 8, 1961, with an invitation for luncheon on that day.

Governor Shepardson today approved on behalf of the Board the following items:

Memorandum dated November 10, 1960, from Mr. Marget, Director, Division of International Finance, recommending that John E. Reynolds, Economist in that Division, be granted leave of absence with pay for a period of six months beginning November 17, 1960, under the Staff Development Program for the purpose of completing the requirements for the Ph.D. degree in Economics at Harvard University.

Memorandum dated November 18, 1960, from Mr. Farrell, Director, Division of Bank Operations, recommending acceptance of the resignation of Harold D. Harper, Analyst in that Division, effective November 25, 1960.

Letter to the Federal Reserve Bank of San Francisco (attached Item No. 9) approving the appointment of William H. Lewis as assistant examiner.


Secretary

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

Item No. 1
11/23/60

OFFICE OF THE CHAIRMAN

November 23, 1960



The Honorable Wright Patman,
House of Representatives,
Washington 25, D. C.

Dear Mr. Patman:

In response to your request of November 8, 1960, we are enclosing tables showing gross loans held by all insured commercial banks as of December 31, 1955 and December 31, 1959, and total time deposits of all insured commercial banks as of December 31, 1959, by States. Data for unit banks and for branch banks are shown separately. Comparable data for holding company banks are shown in memoranda columns. The four columns of ratios were not included in your request, but were added pursuant to discussions with members of your staff.

Pursuant to that portion of your letter requesting that tabulations be forwarded to you as completed, comparable information for all other items included in your November 8 letter were delivered by messenger on November 18 to Mr. William Johnson, Chief Economist, House Select Committee on Small Business.

Statistics for holding company banks on December 31, 1955, are for insured commercial banks that were subsidiaries of bank holding companies, or were themselves bank holding companies on May 9, 1956, the date of enactment of the Bank Holding Company Act of 1956. There were nine insured commercial banks that were themselves bank holding companies on May 9, 1956, and seven insured commercial banks that were bank holding companies on December 31, 1959.

Sincerely yours,

(Signed) Wm. McC. Martin, Jr.

Wm. McC. Martin, Jr.

Enclosures

4337

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

Item No. 2
11/23/60

C E R T I F I C A T I O N

1. The Board of Governors of the Federal Reserve System has been informed by Union Bond & Mortgage Company, Port Angeles, Washington, that it proposes to distribute to its shareholders shares of stock of Peninsula Investment Company, Inc., Port Angeles, Washington, and Forks Building Corporation, Forks, Washington.

2. Pursuant to the provisions of section 1101(a) and section 1103(b) of the Internal Revenue Code of 1954, the Board of Governors of the Federal Reserve System hereby certifies that:

- (a) Union Bond & Mortgage Company satisfies the requirements of subsection (b) of section 1103 of the Internal Revenue Code of 1954 and therefore is a "qualified bank holding corporation" as defined in that subsection.
- (b) Of the shares owned or controlled by Union Bond & Mortgage Company, 559 shares of Peninsula Investment Company, Inc., and 601 $\frac{1}{2}$ shares of Forks Building Corporation are "prohibited property" as defined in subsection (c) of section 1103 of the Internal Revenue Code of 1954.
- (c) The distribution of the prohibited property described in "(b)" is appropriate to effectuate section 4 of the Bank Holding Company Act of 1956.

Executed in Washington, D. C., pursuant to the direction of the Board of Governors of the Federal Reserve System.

(SEAL)

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

Date: November 23, 1960

T E L E G R A M
LEASED WIRE SERVICE

4338
Item No. 3
11/23/60

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON

November 23, 1960

REED - NEW YORK

KEBJE

- A. Marine Midland Corporation, Buffalo, New York.
- B. The First National Bank of Poughkeepsie, Poughkeepsie, New York.
- C. Prior to the issuance of permit authorized herein, applicant shall execute and deliver to you in duplicate an agreement in form accompanying Board's letter S-964 (F.R.L.S. #7190).

(Signed) Elizabeth L. Carmichael
CARMICHAEL

Definition of KEBJE

The Board authorizes the issuance of a general voting permit, under the provisions of section 5144 of the Revised Statutes of the United States, to the holding company affiliate named below after the letter "A", entitling such organization to vote the stock which it owns or controls of the bank(s) named below after the letter "B" at all meetings of shareholders of such bank(s), subject to the condition(s) stated below after the letter "C". The period within which a permit may be issued pursuant to this authorization is limited to thirty days from the date of this telegram unless an extension of time is granted by the Board. Please proceed in accordance with the instructions contained in the Board's letter of March 10, 1947, (S-964).

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

Item No. 4
11/23/60

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 23, 1960

Board of Directors,
City National Bank of Beverly Hills,
Beverly Hills, California.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of San Francisco, the Board of Governors, acting under the provisions of Section 19 of the Federal Reserve Act, grants permission to the City National Bank of Beverly Hills to continue to maintain the same reserves against deposits as are required to be maintained by banks located outside of central reserve and reserve cities, upon the opening of its additional branch in the city of Los Angeles.

Your attention is called to the fact that such permission is subject to revocation by the Board of Governors. As stated in the Board's letter of June 17, 1960, the Board has been studying the problem of classifying banks for reserve purposes under the legislation enacted July 28, 1959, and the study could result in changes in some of the outstanding authorizations given by the Board for carrying reduced reserves. Pending completion of this study, the Board would be reluctant to consider further requests for permission for your bank to continue to maintain reduced reserves if it were to establish additional branch offices within the city of Los Angeles.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.



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

Item No. 5
11/23/60

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 30, 1960

Confidential (FR)

Mr. Alonzo G. Decker, Jr., Chairman,
Federal Reserve Bank of Richmond,
Richmond 13, Virginia.

Dear Mr. Decker:

The Board of Governors has approved, effective January 1, 1961, the adjustments proposed in your letter of November 10, 1960, for the minimums and maximums of the salary structure of the Officers' Salary Administration Plan of the Federal Reserve Bank of Richmond, as follows:

	<u>Minimum</u>	<u>Maximum</u>
Group A	\$16,500	\$22,500
Group B	14,000	19,000
Group C	11,500	16,000
Group D	10,000	14,000

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

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

Item No. 6
11/23/60

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD



November 23, 1960

United States Civil Service Commission,
Washington 25, D. C.

Attention: Mr. John D. Glasheen, Chief,
Program Management Review Section No. 5

Gentlemen:

In accordance with the Commission's oral request, as transmitted by your Mr. Maher, there is enclosed a listing of the positions at the Board of Governors of the Federal Reserve System with entrance salaries of \$10,000 or more.

As you probably know, it is not clear that the positions on the Board's staff should be listed in Schedule A rather than in a separate list of positions excepted by statute, in view of U. S. Code, Title 12, Sec. 248(1). However, this question does not appear to be material to the present request, and is mentioned merely in the interest of completeness.

If any further information is desired in connection with this listing, the Board of Governors will be glad to furnish it.

Sincerely yours,

(Signed) Wm. McC. Martin, Jr.

Wm. McC. Martin, Jr.

Enclosure

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

Item No. 7
11/23/60

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 23, 1960

Mr. Howard D. Crosse, Vice President,
Federal Reserve Bank of New York,
New York 45, New York.

Dear Mr. Crosse:

In accordance with the request contained in your letter of November 17, 1960, the Board approves the appointment of Walter M. Lowe as an assistant examiner for the Federal Reserve Bank of New York. Please advise us of the effective date of the appointment.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.

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

Item No. 8
11/23/60

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 23, 1960



CONFIDENTIAL (FR)

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 November 17, 1960, the Board approves the appointment of Henry J. Pease as an assistant examiner for the Federal Reserve Bank of Philadelphia. Please advise us of the effective date of the appointment.

It has been noted that Mr. Pease is indebted to First and Merchants National Bank, Richmond, Virginia, Federal Reserve District No. 5, in the amount of \$350, for the purchase of an automobile, and that the loan matures in October 1961.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.

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

Item No. 9
11/23/60

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 23, 1960



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

Dear Mr. Mangels:

In accordance with the request contained in your letter of November 14, 1960, the Board approves the appointment of William H. Lewis as an assistant examiner for the Federal Reserve Bank of San Francisco. Please advise us of the effective date of the appointment.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.