

Minutes of the Board of Governors of the Federal Reserve System on
 Wednesday, January 25, 1961. 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. Kenyon, Assistant Secretary
 Mr. Molony, Assistant to the Board
 Mr. Fauver, Assistant to the Board
 Mr. Hackley, General Counsel
 Mr. Farrell, Director, Division of Bank Operations
 Mr. Johnson, Director, Division of Personnel
 Administration
 Mr. Masters, Associate Director, Division of
 Examinations
 Mr. Hexter, Assistant General Counsel
 Mr. Daniels, Assistant Director, Division of
 Bank Operations
 Mr. Hostrup, Assistant Director, Division of
 Examinations
 Mr. Nelson, Assistant Director, Division of
 Examinations
 Miss Hart, Assistant Counsel
 Mr. Potter, Legal Assistant
 Mr. Leavitt, Supervisory Review Examiner, Division
 of Examinations
 Mr. McClelland, Supervisory Review Examiner,
 Division of Examinations

Discount rates. The establishment without change by the Federal Reserve Banks of Boston and Atlanta on January 23, 1961, 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 members of the Board and copies of which are attached

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to these minutes under the respective item numbers indicated, were approved unanimously:

	<u>Item No.</u>
Letter to the Federal Reserve Bank of Chicago regarding the application of State Bank and Trust Company, Ann Arbor, Michigan, for permission to establish an in-town branch.	1
Letter to Lake City Bank, Warsaw, Indiana, amending the Board's previous approval of an investment in bank premises.	2
Letter to the Presidents of all Federal Reserve Banks requesting comments on the redemption, verification, and destruction of unfit United States paper currency under the revised regulations of the Treasury Department that became effective July 1, 1960.	3

Bank Stock Corporation of Milwaukee (Items 4-7). Pursuant to the view that had been expressed by a majority of the members, the Board on December 29, 1960, issued a notice of tentative decision to approve the application of Bank Stock Corporation of Milwaukee, Milwaukee, Wisconsin, to acquire stock of The Bank of Commerce, Milwaukee. The notice was published in the Federal Register on January 5, 1961, and the only comment received in the ensuing 15-day period was a statement of objections to the tentative decision filed by the Department of Justice. The document, which restated some of the major arguments advanced by the Department at earlier stages of the consideration of the application, had been distributed to the members of the Board with a memorandum from the Legal Division dated January 19, 1961.

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Following comments by Miss Hart, the staff responded to questions by members of the Board concerning various aspects of the case, and consideration was given to whether the potential management situation at The Bank of Commerce, if the present application should be denied, represented a factor deserving more emphasis than had been given to it in the Board's tentative statement.

The members of the Board then expressed their views on the case, beginning with Governor Mills, who said he felt that the opinions of the Department of Justice were entitled to be treated with great respect by the Board. He noted, however, that the Department had, of course, confined itself to the factor of competition, while the Board, on the other hand, was required to consider all factors that entered into the proposal. His own position, Governor Mills said, was that each of the cases coming before the Board under the Bank Holding Company Act must be considered independently, and in a manner devoid of any particular philosophy as to what was appropriate or inappropriate in the way of expansion by a bank holding company. In this case, one of the three bank holding companies in the area was seeking to acquire a smaller bank located within a short distance of the holding company's present banking operations. The bank sought to be acquired would become essentially a service facility within the general area already served by the banks in the holding company system, although its services would supplement the range of facilities offered by the holding company's existing units. As he recalled, when the application

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was considered by the Board originally, stress was laid on the fact that alternative facilities were available, in the same area as that served by The Bank of Commerce, from a number of other banks of fully competitive size. In all the circumstances, he would adhere to his original position that the application should be approved. If the Board should reach such a decision, it was his feeling that the final statement should not differ in any substantial way from the tentative statement, which reflected mature consideration of the application by the Board.

Governor Robertson stated that he would vote to disapprove, for the reasons he had stated when the application was originally considered by the Board. He agreed substantially with the approach of the Department of Justice.

Governor Shepardson said he could not agree fully with the view that applications of this kind should be treated as isolated cases. It was his view that when bank holding companies approached the degree of dominance that now prevailed in the Milwaukee area, the Board at some point would have to prevent further acquisitions by the holding companies, even where the application might involve the acquisition of a small bank. However, this case had been looked into thoroughly by the Federal Reserve Bank of Chicago, and then reviewed again by the Bank at the Board's request. In the opinion of the Reserve Bank, there was potentially a serious management problem at The Bank of Commerce if the present ownership should withdraw. If it were not for that factor, he might be inclined to reverse

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his earlier position that the application should be approved. However, since this factor was present, he felt that the tentative decision was justified, and he would continue in the view that the application should be granted.

Governor King indicated that he would reaffirm his original position favoring approval. He might have sentiments similar to those expressed by the Department of Justice except for the fact that the three bank holding companies were already operating in the Milwaukee area and one of them was substantially larger than the applicant. In his view, there was merit from the standpoint of the public interest in an approach that would allow holding companies to compete vigorously with each other. He would consider this preferable to a situation where one holding company was dominant and a smaller holding company was prevented from growing. In the circumstances of this particular case, he did not feel that he would want to withhold approval of the application.

Governor Szymczak, who had indicated originally that he thought the application should be denied, stated that he would vote for denial. Governor Balderston and Chairman Martin, who originally favored approval, then stated that their votes would be to approve the application.

Accordingly, it was agreed to issue an order granting the application, Governors Szymczak and Robertson voting "no". It was understood that the accompanying statement would be in substantially the same form as the tentative statement, although the receipt of comments from the

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Department of Justice would be recognized. It was also understood that dissenting statements of Governor Szymczak and Governor Robertson would accompany the order and statement of the Board.

Copies of the order, the Board's statement, and the dissenting statements of Governors Szymczak and Robertson, in the form in which they were subsequently issued, are attached as Items 4 through 7, inclusive.

Content of bank holding company orders. At the meeting on September 28, 1960, question was raised as to whether orders issued by the Board under section 3(a) of the Bank Holding Company Act approving stock acquisitions by bank holding companies should include a provision making the approval subject to a condition that, for a specified period of time, the location of the acquired bank should not be changed without the Board's prior consent. At that time the Board decided to defer a decision on the matter.

Arguments in favor of the inclusion of such a condition were set forth in a memorandum from the Legal Division dated September 26, 1960. These arguments were summarized in a memorandum from Mr. Hackley dated January 24, 1961, which had been distributed to the Board, but the memorandum also set forth reasons that had led Mr. Hackley to conclude, after further study, that a condition of the kind described should not be included in the orders. In brief, Mr. Hackley was of the opinion that the authority of the Board to impose such a condition was open to serious question. Moreover, apart from the question of legal authority, he

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considered it doubtful whether such a condition would be warranted. Accordingly, it was his recommendation that no condition of this kind be included in orders approving bank holding company applications, with the understanding, however, that if evidences of abuse should later appear, the matter could be reconsidered. In the meantime, in order to deter possible evasions in this respect, he suggested amendment of the form of application to include an appropriately worded question as to whether the holding company had any intent or plan to change the location of the acquired bank or any of its offices.

After comments by Mr. Hackley based on the reasoning set forth in his memorandum, Miss Hart commented that when the problem was under discussion previously, one of the points that had troubled the Legal Division was the weakness of the Board's position in the event a holding company should move the location of a subsidiary bank immediately after approval of its acquisition by the Board, since the Board would not have obtained any statement affirming the holding company's intention to operate the bank at the location where it was operating when the application was approved. This problem, she felt, could be substantially limited by a change in the application form of the kind suggested.

Governor Balderston suggested that it would be embarrassing to the Board to have a holding company move a subsidiary bank into a location where it would endanger a newly-formed independent bank. Typically, he pointed out, the Board in considering an application had studied the impact

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of the proposal on one or more independent banks. After referring to a case that illustrated this point, Governor Balderston indicated that he did not feel that an amendment of the application form of the kind suggested would offer a completely satisfactory solution.

Mr. Hackley brought out at this point that thus far the only clear case of a change of location that seemed to pose a substantial problem arose on an occasion when the Board had not approved the bank holding company's application, but a subsidiary bank, with the approval of the appropriate Federal supervisory agency, subsequently moved its location to the site involved in the holding company's application.

Mr. Hexter said the Legal Division recognized that the Board's decisions were made on the basis of a particular location and that the whole basis of the decision might be affected if there was a change of location. That, however, involved a gap in the structure of the statute, and he found himself persuaded by the reasoning in Mr. Hackley's memorandum.

After Chairman Martin had referred to the part of the memorandum which cited the lack of evidence of serious abuse, Governor Robertson expressed the view that it would be much better to keep the problem from arising than to have to deal with the problem after it arose. He noted that in passing upon applications the Board had to consider, among other factors, the location of the bank sought to be acquired, the nature of the area concerned, and the kinds of banking facilities available in that area. He felt that it would not be adequate to obtain a statement of

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intent in advance, because at the time the applicant might not have any intention to move the location of a subsidiary bank. Further, he believed that the Board would not be exceeding its authority if it based its approval of an application on an understanding that the applicant holding company would not move the location of the bank sought to be acquired without the approval of the Board. Admittedly, the inclusion of such a condition would not have prevented the change of location in the case previously cited by Mr. Hackley, but he felt that the Board should go as far as it could.

Governor King said he did not think it was contemplated by the Bank Holding Company Act that decisions by the Board were to be based on intentions, which were likely to be altered with the passage of time. He raised the question whether the purpose of the Act was not to control the expansion of holding companies more than to prevent them from changing the location of subsidiary units, where such changes were approved by the bank supervisory agency having jurisdiction. In his view, it was not contemplated that the Board would go so far as to attempt to determine whether a bank holding company might at some future time move one of its banks.

Governor Mills commented that he felt the Board should be more than cautious about taking any action that would preempt the authority of other bank supervisory agencies. In this connection, he mentioned that in the matter of Continental Bank and Trust Company, Salt Lake City, the

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Board was having its authority tested in an area where such authority was much more clearly defined by statute. He thought the Board would risk much criticism on the part of banking institutions falling under its jurisdiction if it injected itself into a field where it might be acting without authority. The Association of Registered Bank Holding Companies, he observed, had come out in opposition to the Board's recommendation to the Congress that the Bank Holding Company Act be amended to give the Board authority to determine whether a holding company subsidiary bank should be allowed to expand through merger even though it was not a State member bank. In summary, he felt that the Board would be on thin ice if it attempted to extend its authority to an area where that authority was not clearly defined.

Governor Shepardson, Governor Szymczak, and Chairman Martin expressed agreement with the conclusion reached in Mr. Hackley's memorandum, while Governor Balderston indicated that he held the opposite view.

Accordingly, the recommendation of Mr. Hackley was accepted, Governors Balderston and Robertson dissenting. This decision contemplated amendment of the bank holding company application form along the lines that had been suggested.

Miss Hart and Mr. Hostrup then withdrew and Messrs. Young, Adviser to the Board, and Young, Assistant Counsel, entered the room.

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Report on bank mergers. At the meeting on January 17, 1961, the Board requested the Division of Examinations to submit for consideration a draft of the material to be included in the Board's Annual Report for 1960 concerning bank merger approvals in order that the Board might determine whether to submit such material to the Senate and House Banking and Currency Committees in advance of submission of its Annual Report to the Congress if the other Federal bank supervisory agencies followed a similar procedure. The draft material was distributed to the Board under date of January 19, 1961.

Chairman Martin began the discussion by stating reasons why, upon further reflection, there was some question in his mind as to the desirability of submitting portions of the Annual Report to various parties in advance of submission of the report proper. It appeared to him that the preferable procedure would be to eliminate such questions, to the extent possible, by submitting the Annual Report each year as promptly as possible, perhaps through some revision of the customary procedures for compilation of the report. He added, however, that if there was a commitment to submit the bank merger material this year in company with similar material of the other bank supervisory agencies, the Board should not refrain from meeting that commitment.

Comments by Governor Robertson indicated that no commitment had been made to the other supervisory agencies. On the other hand, it appeared that they might have proceeded to a point where there would be

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some question if the Board now decided not to submit its material on bank mergers at the same time that similar material was forwarded by the other agencies.

The comments of Chairman Martin and Governor Robertson led to a general discussion of the status of the Annual Report for 1960 and of alternative procedures that might be considered with a view to expediting the preparation and submission of Annual Reports of the Board in the future.

The discussion then reverted to the content of the material on bank mergers that had been submitted for the Board's consideration, and question was raised whether it might be desirable to include some reference to cases under the Bank Merger Act that had been disapproved by the Board, even though no such reference was required by statute. It was suggested that any listing of specific cases disapproved might give rise to speculation and erroneous assumptions regarding the reasons for denial, but on the other hand it was noted that information on cases denied, as well as those approved, had been made available in a weekly Board release for several months. At the conclusion of the discussion, it was the consensus that the information in the Annual Report would be more complete and that questions might be eliminated if the Annual Report contained at least a statement as to the number of applications that had been disapproved.

With respect to the material on cases approved, Mr. Masters noted that there were certain minor errors of a technical nature in the draft material that should be corrected, and no question was raised in that

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connection. Mr. Masters also brought out that the basis for approval, as stated for the various cases, differed in some instances from the basis for approval contained in the memoranda from the Division of Examinations on the respective applications, this being due to the inclusion of additional factual material that seemed appropriate. No objection was indicated by the Board in this respect.

Governor Robertson then raised the question whether the statement on each application approved by the Board should not show the votes of the members of the Board or, at the least, whether a general statement should not be included in the record to indicate that in some cases the action was not by unanimous vote. A statement of this kind would make it clear that the recording of an action taken by the Board did not necessarily mean that all members concurred in the decision or in the validity of the reasons stated as a basis for approval.

This led to a discussion during which it was brought out that no record of votes was required to be included in the material specified for incorporation in the Annual Report by the provisions of the Bank Merger Act. It was also pointed out, however, that the Board had been following the practice of showing votes in its orders on applications under the Bank Holding Company Act and that no legal requirement existed. Mr. Hackley commented in this connection that there might be said to be some justification for disclosing votes on bank holding company actions because of the fact that the statute provides for judicial review of such actions,

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if requested, within a specified number of days from the date of the Board's order. If the procedure of publishing votes in bank merger cases were followed, he felt that more pressure might develop for reconsideration of denials. Further, the institution of that practice might lead to questions regarding the procedure to be followed on other matters in the bank supervisory area where there were dissenting votes.

Governor Szymczak expressed the view that from the standpoint of the public interest the important consideration was the recording of the actions on bank merger applications that had been taken by the Board as such. Deviations from that procedure might only lead to further questions that would involve recording of additional details and would create potential problems.

The nature of several possible problems that might arise was developed in further discussion, including the possibility of questions being raised concerning the reasons for dissenting votes. One member of the Board (Governor King) indicated that although he would not vote against a practice of full disclosure, if that should be the Board's decision, he felt personally that such a decision would be unwise. Also, he would not favor a practice of partial disclosure because of the questions that might arise from following such a procedure.

It was the consensus that the recording of dissents in the material on bank merger approvals required to be submitted in the Board's Annual Report raised enough questions to suggest that such a procedure should at

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least be the subject of further study before a decision was made to proceed in such manner. On the other hand, no comparable problem was seen in the inclusion of a general statement to the effect that the Board's approval was not given by unanimous vote in all cases.

With regard to the question of submitting the material on bank merger actions to the Banking and Currency Committees, the understanding was stated that compilation of similar material by the Comptroller of the Currency and the Federal Deposit Insurance Corporation had not yet been completed. In view of the progress that had been made in the preparation of the Board's Annual Report, it appeared, therefore, that the question of an advance submission by the Board might not have to be resolved. It was understood, however, that if necessary the question of advance submission would be considered further by the Board.

Messrs. Young (Adviser to the Board), Nelson, Leavitt, and McClelland then withdrew.

Reserve Bank branch building programs (Item No. 8). In response to the Board's letter of December 20, 1960, the Federal Reserve Banks had submitted rough estimates of "building proper" costs of branch building construction needed in the next 10 to 15 years. The total estimate was \$12.6 million, or about \$10.8 million in excess of the amount available under the existing \$30 million authorization for "building proper" costs.

In a memorandum dated January 18, 1961, which had been distributed to the Board, the Division of Bank Operations recommended that an effort

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be made to obtain repeal of the present \$30 million limitation by striking paragraph 9 of section 10 of the Federal Reserve Act and adding at the end of section 3, pertaining to Reserve Bank branches, a paragraph reading as follows:

"No Federal Reserve Bank shall have authority hereafter to enter into any contract or contracts for the erection of any branch bank building of any kind or character or to authorize the erection of any such building, except with the approval of the Board of Governors of the Federal Reserve System."

Submitted with the memorandum were drafts of letters to the Chairmen of the Senate and House Banking and Currency Committees that would transmit the proposed bill and a statement of the reasons for the proposed legislation.

No objection being indicated to the approach suggested in the memorandum, discussion centered on the question of including in the statement of reasons for the legislation a sentence which would state that enactment of the proposed legislation would result in the Board's consideration of branch building projects in the same manner as that used, under exercise of the Board's power of general supervision, for proposed additions to head office buildings.

After certain reasons were advanced for and against inclusion of that sentence, Chairman Martin stated reasons why he would like authorization from the Board to exercise his discretion with respect to the timing of submission of the proposed legislation to the Banking and Currency Committees.

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The Chairman was given such authorization and also was authorized to make such changes as he might consider appropriate in the wording of the letters to the Chairmen of the Banking and Currency Committees or in the statement of reasons for the legislation.

Secretary's Note: Attached as Item No. 8 is a copy of the letter sent by Chairman Martin to the Chairman of the House Banking and Currency Committee on January 30, 1961, pursuant to the foregoing action. A similar letter was sent to the Chairman of the Senate Banking and Currency Committee.

Messrs. Molony, Farrell, Hexter, Daniels, and Potter then withdrew from the meeting.

Outside activity of Reserve Bank employee (Item No. 9). In a letter dated January 13, 1961, the President of the Federal Reserve Bank of Dallas presented the question whether any objection would be seen if Mr. W. H. Buntin, Supervisor of the Bank's Transit Department, stood for re-election for a two-year term as Secretary of the City of Fruitdale, Texas, and, if elected, held the office for such term. In 1959, question was raised whether Mr. Buntin, who had been elected to a two-year term, could continue to serve in the capacity mentioned. In a letter dated September 29, 1959, the Board advised that it would not object if Mr. Buntin served out his then current term of office. However, the Board's letter also stated that in any future case where an officer or employee might be interested in an office that could be considered to be a public or possibly a political office of the kind referred to in the Board's

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1915 resolution, the matter should be brought to the attention of appropriate officers of the Reserve Bank and, if necessary, to the attention of the Board of Governors. According to the current letter from Mr. Irons, the directors of the Dallas Bank had, subject to the approval of the Board of Governors, authorized Mr. Buntin to stand for re-election and, if elected, to hold the office of Secretary of the City of Fruitdale for the new two-year term.

In a memorandum dated January 23, 1961, which had been distributed to the Board, the Legal Division pointed out that there was no provision of law relating to the subject, and that the question therefore was one of policy in the light of the Board's 1915 resolution. After reviewing the facts of this case and certain somewhat similar cases, the Legal Division recommended that the Board interpose no objection. A draft of letter to such effect was submitted for the Board's consideration.

Governor Mills indicated that he had some question about the matter, which involved a situation where the individual concerned would be a candidate for election and would receive compensation if elected. In the light of Governor Mills' comment, there followed a discussion during which reference was made to the location and size of the Fruitdale community, the nature of the secretarial duties apparently performed by Mr. Buntin, and Mr. Buntin's status within the Reserve Bank. Upon consideration of these circumstances, it was the consensus that no objection should be interposed by the Board, on the assumption, however, that the

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Board of Directors of the Dallas Bank had concluded that no undue political involvement would result from the situation that might embarrass the Reserve Bank or the Board of Governors. A change in the proposed letter to make clear that this assumption was involved was suggested.

Accordingly, approval was given to a letter to the Federal Reserve Bank of Dallas in the form attached as Item No. 9.

Messrs. Masters and Young then withdrew from the meeting.

Appointments of Presidents and First Vice Presidents (Items 10 through 14). Letters had been received from five Federal Reserve Banks advising of the appointment of the following persons as Presidents and First Vice Presidents of the respective Banks, each for a five-year term beginning March 1, 1961, subject to the approval of the Board of Governors, and the fixing of salaries for the appointees at the annual rates indicated for the period March 1 through December 31, 1961, also subject to the Board's approval:

<u>Reserve Bank</u>	<u>President</u>	<u>First Vice President</u>
Philadelphia	Karl R. Bopp (\$35,000)	Robert N. Hilkert (\$25,000)
Cleveland	Wilbur D. Fulton (\$35,000)	Donald S. Thompson (\$25,000)
Chicago	Carl E. Allen (\$50,000)	Charles J. Scanlon (\$25,000)
St. Louis	Delos C. Johns (\$35,000)	Darryl R. Francis (\$22,000)
Dallas	Watrous H. Irons (\$35,000)	Harry A. Shuford (\$25,000)

There had been circulated to the Board drafts of replies to the respective Banks indicating the Board's approval.

In discussion, the suggestion was made that there should be appropriate notations in the records of the Board and the Federal Reserve Bank of Cleveland concerning the understanding that Mr. Fulton planned to

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retire upon reaching age 65, which would be within the five-year period of his appointment. It was recognized that such an understanding would not be legally binding, and the view was expressed that no reference need be made to it in the letter to the Cleveland Bank. Accordingly, it was understood that Governor Balderston would mention the matter by telephone to Chairman Van Buskirk of the Cleveland Reserve Bank.

Secretary's Note: Governor Balderston reported on his subsequent conversation with Chairman Van Buskirk at the meeting on January 26, 1961.

Thereupon, unanimous approval was given to letters to the Philadelphia, Cleveland, Chicago, St. Louis, and Dallas Banks approving the appointments made and salaries fixed by the directors of the respective Banks. Copies of the letters are attached as Items 10 through 14, inclusive.

Service of Chairman of Pittsburgh Branch. Governor Balderston reported that he had received a telephone call this morning from Mr. Van Buskirk, Chairman of the Federal Reserve Bank of Cleveland, who advised that Mr. John T. Ryan, Jr., Chairman of the Pittsburgh Branch, had been invited to become a director of the Mellon National Bank and Trust Company, Pittsburgh. Mr. Ryan had begun his service as Chairman of the Pittsburgh Branch only at the beginning of the current calendar year. Mr. Van Buskirk had expressed to Mr. Ryan the personal judgment that the latter should not accept the Mellon invitation at this time and that he should continue to serve as Chairman of the Pittsburgh Branch through the remainder of this year, at which time he might resign, if he so

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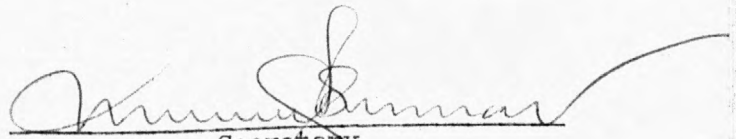
desired, and become a director of Mellon. Mr. Ryan was reportedly agreeable to whatever course of action was considered most appropriate.

After discussion of the circumstances involved, it was the Board's view that Mr. Ryan should not continue to serve as Chairman and a director of the Pittsburgh Branch if he should elect to become a director of the Mellon Bank. As to the choice to be made, it was thought appropriate to advise Chairman Van Buskirk that the decision should be made by Mr. Ryan in his own best judgment, although the Board would hope that Mr. Ryan's decision might be to continue as Chairman of the Pittsburgh Branch through the remainder of the year. It was understood that Governor Balderston would inform Chairman Van Buskirk of the Board's views on the matter.

Secretary's Note: Governor Balderston reported on his subsequent conversation with Chairman Van Buskirk at the meeting on January 26, 1961.

The meeting then adjourned.

Secretary's Note: Governor Shepardson today approved on behalf of the Board a letter to the Federal Reserve Bank of Kansas City (attached Item No. 15) approving the appointment of John E. Wiggins as assistant examiner.


Secretary

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

Item No. 1
1/25/61

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

January 25, 1961

Mr. Hugh J. Helmer, Vice President,
Federal Reserve Bank of Chicago,
Chicago 90, Illinois.

Dear Mr. Helmer:

Reference is made to your letter of December 30, 1960, submitting the request of State Bank and Trust Company, Ann Arbor, Michigan, for permission to establish a branch in the vicinity of Broadway, Plymouth Road and Maiden Lane.

It appears that preliminary approval has been obtained from the office of the Comptroller of the Currency to convert the bank into a national banking association and that such conversion will be effected within the near future. It will be necessary for the bank as a national association to obtain approval of the Comptroller of the Currency to operate the branch and, therefore, the matter should be taken up with his office. In the circumstances, the Board feels that no useful purpose would be served in acting upon the application and it is suggested that you advise the bank accordingly.

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. 2
1/25/61

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

January 25, 1961

Board of Directors,
Lake City Bank,
Warsaw, Indiana.

Gentlemen:

On November 7, 1958, the Board of Governors of the Federal Reserve System approved, under the provisions of Section 24A of the Federal Reserve Act, an investment by Lake City Bank of not to exceed \$400,000 in a new bank building to be constructed by a wholly-owned affiliate. The plan provided that the bank would furnish \$200,000 capital for the affiliate and that the balance of the cost of the building, not exceeding \$200,000, would be obtained through a mortgage to outside sources. The Board now amends its previous approval so that \$250,000 may be invested in capital of the affiliate, and \$150,000 will be obtained through a mortgage to outside sources.

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. 3
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ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

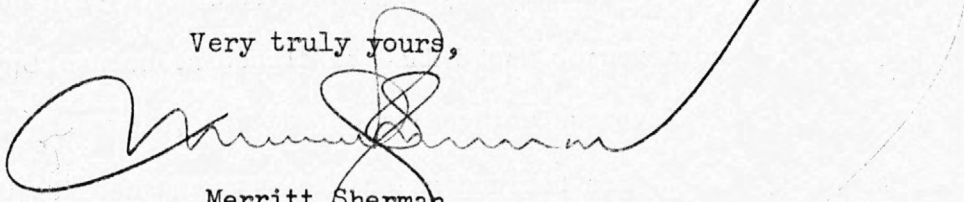
January 25, 1961.

Dear Sir:

This refers to the redemption, verification, and destruction of unfit United States paper currency by the Federal Reserve Banks under revised regulations of the Treasury Department, effective July 1, 1960, and particularly to the Board's letter of June 28, 1960 stating that comments would be requested on the experience under the revised procedures after they had been in effect for about six months.

The Board will appreciate receiving any comments that your Bank may now care to make in this regard, particularly as to the effect, if any, of the discontinuance of procedures previously followed, the effectiveness of the observation of the canceling operation, and the frequency of the need to employ special measures not provided for in the regulations.

Very truly yours,



Merritt Sherman,
Secretary.

TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS

Item No. 4
1/25/61

UNITED STATES OF AMERICA

BEFORE THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

WASHINGTON, D. C.

In the Matter of the Application of
 BANK STOCK CORPORATION OF MILWAUKEE
 for prior approval of acquisition of
 voting shares of The Bank of Commerce,
 Milwaukee, 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 1842) and section 4(a)(2) of the Board's Regulation Y (12 CFR 222.4(a)(2)), application on behalf of Bank Stock Corporation of Milwaukee, Milwaukee, Wisconsin, for the Board's prior approval of the acquisition of 80 per cent or more of the authorized and outstanding common stock of The Bank of Commerce, Milwaukee, Wisconsin; a Notice of Tentative Decision referring to a Tentative Statement on said application having been published in the Federal Register on January 5, 1961 (26 Federal Register 56); the said Notice having

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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 one such Objection having been filed by the United States Department of Justice and considered by the Board;

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 Bank Stock Corporation of Milwaukee of 80 per cent or more of the authorized and outstanding common stock of The Bank of Commerce, Milwaukee, Wisconsin, is hereby approved, provided that such acquisition is completed within three months from the date hereof.

Dated at Washington, D. C., this 25th day of January, 1961.

By order of the Board of Governors.

Voting for this action: Chairman Martin, and Governors Balderston, Mills, Shepardson, and King.

Voting against this action: Governors Szymczak and Robertson.

(Signed) Merritt Sherman
Merritt Sherman,
Secretary.

(SEAL)

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

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Item No. 5
1/25/61

APPLICATION BY BANK STOCK CORPORATION OF MILWAUKEE,
MILWAUKEE, WISCONSIN, FOR PRIOR APPROVAL OF ACQUISITION OF
SHARES OF THE BANK OF COMMERCE, MILWAUKEE, WISCONSIN

STATEMENT

Bank Stock Corporation of Milwaukee, Milwaukee, Wisconsin ("Applicant"), a registered 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 authorized and outstanding common stock of The Bank of Commerce, Milwaukee, Wisconsin ("Bank").

Views and recommendations of the Deputy and Acting Commissioner of Banks for the State of Wisconsin. - As required by section 3(b) of the Act, the Board forwarded notice of the application to the Deputy and Acting Commissioner of Banks for the State of Wisconsin, who recommended that the application be granted.

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;

* This application was filed prior to July 1, 1960, the effective date of the amendment to section 4(e) of the Board's Regulation Y providing for the publication of notice of receipt of applications pursuant to section 3 of the Act in lieu of the issuance of tentative decisions and tentative statements by the Board.

(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. - Applicant became a bank holding company on December 2, 1959, pursuant to approval given by the Board, through the acquisition of stock of Marshall and Ilsley Bank ("M&I Bank") and of Northern Bank, both located in the city of Milwaukee.

M&I Bank has its main office and The Bank of Commerce has its only office in the downtown area of the city. The principal subsidiary banks of two other bank holding companies, together with ten additional independent banks, are also located in Milwaukee's downtown area. Northern Bank is located somewhat to the northwest of that area.

The financial history and condition, the prospects, and the management of Applicant are satisfactory. For some years previous to 1959, Bank's rate of deposit growth lagged behind that of other banks in the area. It appears that Bank was not adequately providing certain necessary banking services; for example, the installment loan department was closed. In April 1959, Mr. A. S. Puelicher, President of Applicant, and Chairman of the Board of Applicant's two present subsidiary banks, acquired 78.18 per cent of the authorized and outstanding common stock of

Bank and instituted a program designed to remedy the numerous deficiencies in operation. The installment loan department was re-opened, other changes and reforms were made, and as a result, the rate of deposit growth in 1959 surpassed that of other banks in the same general area. Accordingly, the management and prospects of Bank are not such, at this time, as to indicate a need for the management services which Applicant is prepared to furnish. On the other hand, Applicant states that if the application is denied, Mr. Puelicher will dispose of his stock in Bank. There is no assurance that the improvement in Bank's management, prospects and service to the community will continue under new ownership, and this uncertainty, in the light of the past history of Bank, is a circumstance which tends to some extent to support approval of the application.

The Board is also required to consider whether the effects of the proposed acquisition would be to expand the size or extent of Applicant's bank holding company system beyond limits consistent with adequate and sound banking, the public interest, and the preservation of banking competition.

As of December 31, 1959, the two offices of M&I Bank represented 8.7 per cent of the banking offices and held about 18 per cent of the total deposits of individuals, partnerships, and corporations ("IPC deposits") of all commercial banks in the area from which 75 per cent in amount of the total IPC deposits of Bank were derived (the "primary service area" of Bank). In the city of

Milwaukee, the percentages attributable to Applicant's two subsidiary banks were 9.4 per cent of the offices and 21 per cent of the IPC deposits of all commercial banks. Acquisition of Bank would increase these percentages respectively to 13 and about 20 per cent in the primary service area of Bank, and to 12.5 and 22.6 per cent in the city of Milwaukee. If all banks are taken into consideration, Applicant would have 11.4 per cent of the offices and 22.5 of the IPC deposits in the city of Milwaukee after the acquisition of Bank.

Since the primary service area of Bank completely overlaps that of M&I Bank, and slightly overlaps that of Northern Bank, competition would clearly be reduced to some extent by the proposed acquisition.

However, it appears from the facts before the Board that the absolute reduction in competition which might result from the proposed acquisition would be slight. Even if it were assumed that either M&I or Northern is now actively competing for every deposit account of Bank, less than two per cent of the total IPC deposits in the primary service area of Bank would be transferred to the control of Applicant. Such a result, while small, might assume considerable significance under certain circumstances; but in the present case, an adequate number of actively competing commercial banking organizations would remain in the primary service area of Bank and in the city, after the acquisition was consummated. Further, First Wisconsin National Bank, the largest bank in the city, has about \$530.7 million in IPC deposits, as against \$270.3 million for all three of Applicant's banks taken together, if the application is approved.

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Moreover, any appraisal of the degree of present competition between Bank and Applicant's existing subsidiaries should take into account differences of emphasis in the nature of the facilities provided by the three banks, which tend to complement rather than duplicate each other within the boundaries of the geographical areas that are served in common. To illustrate, Bank specializes in local neighborhood services, whereas Northern's activities within the primary service area of Bank tend to focus on the construction and real estate finance fields. In turn, the very much larger size and lending facilities of M&I and the investment, trust, and foreign services which it provides, and which Bank does not, suggest that after allowance for the differences in emphasis placed on these functions there would be relatively little reduction in competition as a result of the proposed acquisition.

The Board has particularly considered the fact that approximately 80 per cent of commercial bank deposits in the city of Milwaukee are controlled by three bank holding companies, of which the Applicant is the second in size. There are circumstances in which this fact would weigh heavily against approval of the acquisition of an additional bank within the city by any of these holding companies. In the present case, however, the adverse nature of this consideration is diminished to a substantial degree by the relatively small size of Bank, and the relatively small size of Applicant as compared with the largest of the three holding companies; by the fact that the proposed acquisition would not significantly lessen present competition;

and by the continued existence of adequate alternative sources of banking service in the area immediately involved.

There is no evidence that the acquisition would be inconsistent with adequate or sound banking; and, in the circumstances, it does not appear to the Board that the acquisition would be inconsistent with the preservation of competition in the field of banking.

Conclusion. - As noted in the Board's Tentative Statement in this matter, issued in connection with the Notice of Tentative Decision published in the Federal Register on January 5, 1961 (26 Federal Register 56), careful consideration was given to statements filed by the Department of Justice urging denial of this application on the ground that a reasonable probability exists that the proposed acquisition may substantially lessen competition in violation of section 7 of the Clayton Act. Subsequent to the publication of the Board's Notice of Tentative Decision, the Department of Justice filed a further statement urging the Board to reconsider its tentative decision, and to deny the application for the reasons set forth in the previous statements submitted by that Department. The Board, having carefully reconsidered its decision in the light of the objections submitted by the Department of Justice, as well as all relevant facts of record, continues in its judgment that, in the light of the general purposes of the Act and the factors enumerated in section 3(c) thereof, the proposed acquisition would be consistent with the statutory objectives and the public interest and that the application should be approved.

Item No. 6
1/25/61

Dissenting Statement of Governor M. S. Szymczak

After carefully considering all the evidence in the record before the Board, and after weighing the arguments which have been advanced, I cannot concur in the Board's decision approving the application of Bank Stock Corporation of Milwaukee. Three powerful bank holding companies already dominate the banking scene in Milwaukee, with about 80 per cent of the total deposits of individuals, partnerships, and corporations of all commercial banks in the city. Any increase, however small it may be, in the size of any of these three will make it more difficult for the remaining independent banks to continue to compete. Nor do I believe that any doubt which may exist as to the future of The Bank of Commerce, in the event that Mr. Puelicher found himself obliged to sell his shares, is sufficient to outweigh the public interest in opposing the trend toward concentration of banking facilities in the city. For this reason, I dissent from the Board's decision.

Dissenting Statement of Governor J. L. Robertson

I have explained elsewhere^{1/} my views on the Board's responsibilities under the Bank Holding Company Act. It is not necessary to repeat that analysis here.

I agree with the majority that the management and prospects of the Bank Stock Corporation appear to be satisfactory, and the management and prospects of The Bank of Commerce "are not such, at this time, as to indicate a need for the management services which the Applicant is prepared to furnish".

As to the management factor, we must take matters as we find them today. There is no question that the President of Applicant, Mr. Puelicher, has provided excellent and progressive management during the twenty months or so since he acquired control of Bank. I cannot agree, however, that uncertainties as to the future condition, prospects, and management of Bank of Commerce are sufficient to outweigh the very real unfavorable considerations under the fifth factor. It seems likely that an efficient institution of this kind would be easily salable in the event that the application is denied. It is not probable that the convenience, needs, and welfare of the communities and the area concerned would be adversely affected by such a sale. There is no foundation for the argument implicit in the majority statement that, if Bank of Commerce were sold by Mr. Puelicher, its previous shortcomings would reappear.

The fifth factor relates, in large measure, to the preservation of banking competition. Applicant's system already embraces about one-eighth of commercial banking in the Milwaukee area. This is not negligible. Set in the framework of a situation where four-fifths of all banking in the area is already controlled by three holding companies, any increase, however slight, in the strength of any of the three becomes far more significant.

As I said in my dissenting statement in the Firstamerica case, when most of the bank deposits and offices within an area are already concentrated in the hands of a small number of very large banks, any proposal that would further increase the degree of concentration will not make the lot of the smaller banks any easier, but may reduce their ability to grow within their community and provide the kind of banking service expected of them. Therefore,

^{1/} Application of Firstamerica Corporation, 45 Federal Reserve Bulletin 134, 141 (1959).

the proposal should not be approved in the absence of a showing that the public interest and welfare will be served. Moreover, it is clear that competition will not be preserved by approval of the present application, since a \$19 million bank now competing with other banks, including those controlled by the Applicant, will cease to be an independent competitor.

Since I conclude that the application of Bank Stock Corporation should be denied under the standards set forth in the Bank Holding Company Act, it is unnecessary for me to inquire whether the proposal will involve a violation of section 7 of the Clayton Act, which forbids any corporation to acquire the stock of another "where in any line of commerce in any section of the country, the effect of such acquisition . . . may be substantially to lessen competition" However, I agree with the view which the Department of Justice has expressed in this case, that "if the existence of a much larger holding company, Wisconsin Bankshares, is to serve as a ladder for the climb to greater strength of the two new holding companies", the result may well be triopoly of the sort foreseen by the Court in striking down a merger of Bethlehem Steel Corporation and Youngstown Sheet and Tube Company in U.S. v. Bethlehem Steel Corporation, 168 F. Supp. 576 at 618 (S.D. N.Y. 1958).

Accordingly, after carefully weighing all the evidence, I conclude that the proposed acquisition will substantially reduce banking competition, both present and potential, without any counterbalancing benefit to the public need, convenience, or welfare, and therefore I must dissent from the Board's decision.



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

Item No. 8
1/25/61

OFFICE OF THE CHAIRMAN

January 30, 1961.

The Honorable Brent Spence,
Chairman,
Committee on Banking and Currency,
House of Representatives,
Washington 25, D. C.

My dear Mr. Chairman:

I am enclosing herewith legislation which would make possible some additional branch buildings which are needed in the Federal Reserve System. I hope you will be able to introduce it for consideration at this session of the Congress. This, as I indicated to you, is the only legislative proposal we have this year and it is our hope that we can get authorization to go ahead before the end of the year.

A memorandum which describes the need for this legislation, together with a draft of a Bill for the purpose, are enclosed.

With all good wishes,

Sincerely yours,

(Signed) Wm. McC. Martin, Jr.

Wm. McC. Martin, Jr.

Enclosures 2.

P.S. I am forwarding a similar request to Chairman Robertson of the Senate Committee on Banking and Currency.

STATUTORY LIMITATION ON COSTS OF
FEDERAL RESERVE BANK BRANCH BUILDINGS

The Federal Reserve Banks use their own funds in the construction or improvement of their physical facilities, including their branch buildings and equipment. No appropriation of Government funds is involved. Federal Reserve Bank buildings and branch buildings are capitalized -- that is, carried as assets of the bank. Since a limitation on the expenditures for Federal Reserve Bank branch buildings was first placed in the law in 1922, provision for further branch construction and improvement essential to increased activity of the branches necessitated amendment of the statutory limitation in 1947 and 1953.

The current need for an amendment to the limitation on costs of branch buildings arises from the fact that the increase in authorization for such costs obtained in 1953 is insufficient to take care of construction urgently needed and other expansion contemplated in the near future. The recommended amendment, while repealing the limitation, would require approval of the Board of Governors for any branch building expansion, as in the past. The Board would continue to consider the proposed construction or improvement in the light of the needs of the branch, the type of proposed construction, the reasonableness of the costs, and whether the construction was generally in keeping with the prevailing economic situation.

A B I L L

To amend section 10 and section 3 of the Federal Reserve Act, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States in Congress assembled, That section 10 of the Federal Reserve Act, as amended, is hereby further amended by striking paragraph nine thereof (U.S.C., title 12, sec. 522).

SEC. 2. Section 3 of the Federal Reserve Act, as amended, (U.S.C., title 12, sec. 521) is hereby further amended by adding at the end thereof the following paragraph:

"No Federal Reserve bank shall have authority hereafter to enter into any contract or contracts for the erection of any branch bank building of any kind or character or to authorize the erection of any such building, except with the approval of the Board of Governors of the Federal Reserve System."

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

Item No. 9
1/25/61

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD



January 25, 1961

Mr. Watrous H. Irons, President,
Federal Reserve Bank of Dallas,
Dallas 2, Texas.

Dear Mr. Irons:

This is in response to your letter of January 13, 1961, in which you state that Mr. W. H. Buntin, Supervisor of your Bank's Transit Department, wishes to stand for re-election to a new two-year term as Secretary of the City of Fruitdale, Texas, and that your Board of Directors, subject to the approval of the Board of Governors, has authorized Mr. Buntin to do so.

The Board has noted your statement that Mr. Buntin's activities as Secretary are in the nature of public service not involving party politics in the usual meaning of the term, and that they would not interfere with performance of his responsibilities at the Reserve Bank. On the assumption that, in considering Mr. Buntin's request, your Directors found that no undue political involvement would result which might embarrass either the Reserve Bank or the Board, the Board interposes no objection to your granting the request.

Very truly yours,

Merritt Sherman,
Secretary.



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

Item No. 10
1/25/61

OFFICE OF THE CHAIRMAN

January 25, 1961

CONFIDENTIAL (FR)

Mr. Henderson Supplee, Jr.,
Chairman of the Board,
Federal Reserve Bank of Philadelphia,
Philadelphia 1, Pennsylvania.

Dear Mr. Supplee:

The Board of Governors has approved the appointment of Mr. Karl R. Bopp as President and Mr. Robert N. Hilkert as First Vice President of the Federal Reserve Bank of Philadelphia, each for a term of five years beginning March 1, 1961, in accordance with the action taken by the Board of Directors as reported in your letter of October 12, 1960.

The Board of Governors also approves the payment of salaries to Messrs. Bopp and Hilkert at the rates of \$35,000 and \$25,000 per annum, respectively, for the period March 1, 1961, through December 31, 1961, if so fixed by your Board of Directors.

Sincerely yours,

(Signed) Wm. McC. Martin, Jr.

Wm. McC. Martin, Jr.



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

Item No. 11
1/25/61

OFFICE OF THE CHAIRMAN

January 25, 1961

CONFIDENTIAL (FR)

Mr. Arthur B. Van Buskirk,
Chairman of the Board,
Federal Reserve Bank of Cleveland,
Cleveland 1, Ohio.

Dear Mr. Van Buskirk:

The Board of Governors has approved the appointment of Mr. Wilbur D. Fulton as President and Mr. Donald S. Thompson as First Vice President of the Federal Reserve Bank of Cleveland, each for a term of five years beginning March 1, 1961, in accordance with the action taken by the Board of Directors as reported in your letter of January 16, 1961.

The Board of Governors has also approved the payment of salaries to Messrs. Fulton and Thompson at the rates of \$35,000 and \$25,000 per annum, respectively, for the period March 1, 1961, through December 31, 1961.

Sincerely yours,

(Signed) Wm. McC. Martin, Jr.

Wm. McC. Martin, Jr.



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

Item No. 12
1/25/61

OFFICE OF THE CHAIRMAN

January 25, 1961

CONFIDENTIAL (FR)

Mr. Robert P. Briggs,
Chairman of the Board,
Federal Reserve Bank of Chicago,
Chicago 90, Illinois.

Dear Mr. Briggs:

The Board of Governors has approved the appointment of Mr. Carl E. Allen as President and Mr. Charles J. Scanlon as First Vice President of the Federal Reserve Bank of Chicago, each for a term of five years beginning March 1, 1961, in accordance with the action taken by the Board of Directors as reported in your letter of January 5, 1961.

The Board of Governors has also approved the payment of salaries to Messrs. Allen and Scanlon at the rates of \$50,000 and \$25,000 per annum, respectively, for the period March 1, 1961, through December 31, 1961.

Sincerely yours,

(Signed) Wm. McC. Martin, Jr.

Wm. McC. Martin, Jr.



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

Item No. 13
1/25/61

OFFICE OF THE CHAIRMAN

January 25, 1961

CONFIDENTIAL (FR)

Mr. Pierre B. McBride,
Chairman of the Board,
Federal Reserve Bank of St. Louis,
St. Louis 66, Missouri.

Dear Mr. McBride:

The Board of Governors has approved the appointment of Mr. Delos C. Johns as President and Mr. Darryl R. Francis as First Vice President of the Federal Reserve Bank of St. Louis, each for a term of five years beginning March 1, 1961, in accordance with the action taken by the Board of Directors as reported in your letter of January 12, 1961.

The Board of Governors has also approved the payment of salaries to Messrs. Johns and Francis at the rates of \$35,000 and \$22,000 per annum, respectively, for the period March 1, 1961, through December 31, 1961.

Sincerely yours,

(Signed) Wm. McC. Martin, Jr.

Wm. McC. Martin, Jr.



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

Item No. 14
1/25/61

OFFICE OF THE CHAIRMAN

January 25, 1961

CONFIDENTIAL (FR)

Mr. Robert O. Anderson,
Chairman of the Board,
Federal Reserve Bank of Dallas,
Dallas 2, Texas.

Dear Mr. Anderson:

The Board of Governors has approved the appointment of Mr. Watrous H. Irons as President and Mr. Harry A. Shuford as First Vice President of the Federal Reserve Bank of Dallas, each for a term of five years beginning March 1, 1961, in accordance with the action taken by the Board of Directors as reported in Mr. Murff's letter of December 9, 1960.

The Board of Governors has also approved the payment of salaries to Messrs. Irons and Shuford at the rates of \$35,000 and \$25,000 per annum, respectively, for the period March 1, 1961, through December 31, 1961.

Sincerely yours,

(Signed) Wm. McC. Martin, Jr.

Wm. McC. Martin, Jr.

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

Item No. 15
1/25/61

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

January 25, 1961

AIR MAIL

Mr. L. F. Mills, Vice President,
Federal Reserve Bank of Kansas City,
Kansas City 6, Missouri.

Dear Mr. Mills:

In accordance with the request contained in your letter of January 18, 1961, the Board approves the appointment of John E. Wiggins as an assistant examiner for the Federal Reserve Bank of Kansas City. Please advise us of the salary rate and the effective date of the appointment.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.