

Minutes for February 10, 1961

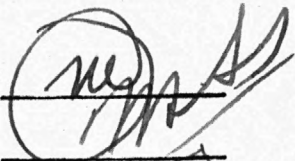


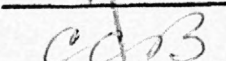
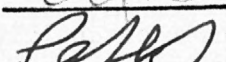
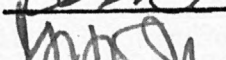
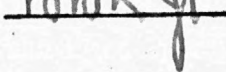
To: Members of the Board

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	<u></u>
Gov. Szymczak	<u></u>
Gov. Mills	<u></u>
Gov. Robertson	<u></u>
Gov. Balderston	<u></u>
Gov. Shepardson	<u></u>
Gov. King	<u></u>

Minutes of the Board of Governors of the Federal Reserve System on
Friday, February 10, 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. Young, Adviser to the Board
Mr. Molony, Assistant to the Board
Mr. Fauver, Assistant to the Board
Mr. Noyes, Director, Division of
Research and Statistics
Mr. Koch, Adviser, Division of
Research and Statistics
Mr. Furth, Adviser, Division of
International Finance
Mr. Knipe, Consultant to the Chairman
Mr. Yager, Economist, Division of
Research and Statistics

Money market review. Mr. Yager reviewed developments in the
Government securities market, following which Mr. Koch commented on
bank loans and investments, the money supply, bank reserves, the gold
outflow, and related matters.

Messrs. Young, Molony, Fauver, Koch, Knipe, and Yager then
withdrew from the meeting and Messrs. Hackley, General Counsel, Solomon,
Director, Division of Examinations, Hooff, Assistant General Counsel,
Rudy, Special Assistant, Legal Division, Goodman, Assistant Director,
Division of Examinations, and Leavitt, Supervisory Review Examiner,
Division of Examinations, entered the room. Miss Hart, Assistant

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Counsel, Legal Division, and Mr. Russell, Assistant Counsel, Federal Reserve Bank of St. Louis, also joined the meeting at this point.

Discount rates. The establishment without change by the Federal Reserve Banks of New York, Cleveland, Richmond, Atlanta, St. Louis, Kansas City, and Dallas on February 9, 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 or distributed to the Board. The following items, which had been circulated or distributed to the members of the Board and copies of which are attached to these minutes under the respective item numbers indicated, were approved unanimously:

	<u>Item No.</u>
Letter to California Bank, Los Angeles, California, approving the establishment of a branch in the vicinity of Hacienda Boulevard and Old Valley Boulevard, Los Angeles County.	1
Letter to Wells Fargo Bank American Trust Company, San Francisco, California, approving the establishment of a branch in Cupertino, Santa Clara County.	2
Letter to the Federal Reserve Bank of Chicago regarding the question whether it is an instrumentality wholly or partially owned by the United States within the meaning of section 1361 of Title 42 of the United States Code, relating to unemployment compensation for Federal employees.	3
Letter to Morgan Guaranty International Banking Corporation, New York City, granting consent to the purchase of shares of Trust Corporation of Bahamas Limited, Nassau, Bahama Islands.	4

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Item No.

Letter to the Federal Reserve Bank of Dallas regarding the status of Texas Bank & Trust Company, Dallas, Texas, under the Bank Holding Company Act.

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Letter to the Federal Reserve Bank of Chicago regarding questions raised by Brenton Companies, Inc., Des Moines, Iowa, as to whether certain transactions would be prohibited by the Bank Holding Company Act.

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Messrs. Furth and Goodman then withdrew from the meeting and Messrs. Farrell, Director, Division of Bank Operations, and Johnson, Director, Division of Personnel Administration, entered the room.

Application of Montgomery County Bank and Trust Company. There had been distributed to the Board copies of a memorandum from the Division of Examinations dated February 6, 1961, analyzing an application by Montgomery County Bank and Trust Company, Norristown, Pennsylvania, for consent to merge with The National Bank and Trust Company of Spring City, Spring City, Pennsylvania, under the charter and title of the applicant bank, and for permission to operate branches at the locations of the offices of the Spring City bank. The recommendations of the Federal Reserve Bank of Philadelphia and the Division of Examinations were favorable. The reports of the Comptroller of the Currency and the Federal Deposit Insurance Corporation were in terms that the proposed merger would not have an adverse effect upon competition, but the Department of Justice expressed the view that the merger would give the applicant an unfair

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competitive advantage over the remaining banks in the Spring City service area by increasing the substantial disparity in size between the Norristown bank and the remaining smaller banks. The Justice Department also stated that although the information furnished by the applicant did not permit an accurate evaluation of the extent of competition between the two banks proposing to merge, it appeared that a substantial amount of competition existed with respect to deposits, mortgages, and other loans. The Department felt that consummation of the merger might suggest to the remaining banks in the Spring City service area the need to merge with larger commercial banks in order to compete effectively with the Norristown bank.

Governor Mills said he had some question on the matter that focused on the smaller banks providing alternative sources of banking service in the area. He indicated that he had some sympathy with the comments of the Department of Justice, although the Department went further than he would have gone himself. In the face of those comments and the statistics presented in the memorandum from the Division of Examinations, he suggested that the basis for approval, as set forth in the memorandum, might be amended to indicate that the smaller banks serving the over-all trade area and representing alternative banking sources would be exposed to enhanced competition from a much larger institution. The statement of the basis of approval might then go on

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to indicate that, in spite of this fact, on balance it was felt that the application could be approved.

After discussion, Mr. Solomon agreed that language along the lines suggested by Governor Mills could be included in the statement of the basis for approval, perhaps with an additional clause bringing out that to a considerable extent the competition from larger banking institutions already appeared to exist in the area concerned.

After Mr. Rudy had commented to the effect that the small independent bank closest to Spring City reportedly had stated to a representative of the Federal Deposit Insurance Corporation that it did not feel that it would be placed at any particular disadvantage as a result of the proposed merger, Governor Mills said it appeared to him from the available information that the merger would extend the services of the Norristown bank into an area somewhat distant from its present offices. The effect of mergers of this kind, he noted, would be to bring the smaller banks located on the fringes of the area into direct competition with larger institutions.

There followed questions by Governor Robertson relating to the extent to which Philadelphia banks had established branches in Montgomery County, and in particular whether this had occurred in and beyond the Spring City area or whether it was limited principally to the Norristown area and points closer to Philadelphia. He also raised questions with respect to the extent of competition between the two

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banks involved in the proposed merger, and as to the advantages that might be cited to offset the elimination of such competition.

Following comments by Mr. Leavitt regarding the questions raised by Governor Robertson, the latter expressed the view that more careful study of the geographical area and the location of banking facilities therein was needed, particularly in order to determine whether the proposed merger appeared to be principally for the purpose of allowing the Norristown bank to compete effectively with the Philadelphia institutions that had established branches in the area. He went on to say that in passing on a matter of this kind the Board should act on the basis of facts rather than assumptions. Accordingly, he suggested that the Division of Examinations endeavor to provide additional information such as he had outlined, with recourse to the Federal Reserve Bank of Philadelphia to the extent necessary.

It was then agreed that the procedure suggested by Governor Robertson would be followed, after which the application would be considered again by the Board.

Investments by bank holding companies in small business investment companies. There had been distributed copies of a memorandum from the Legal Division dated January 30, 1961, regarding investments by bank holding companies in small business investment companies. As noted in the memorandum, at the Board meeting on August 17, 1960, the

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Legal Division was requested to prepare material that would be of assistance to the Board in deciding what position it should take as to the need for amendatory legislation in respect to the one per cent limit on investments in small business investment companies by bank holding company systems.

The question arose out of difficulty in reconciling provisions of the Small Business Investment Act and the Bank Holding Company Act of 1956. Section 302(b) of the Small Business Investment Act permits banks, including national banks, to invest in small business investment companies in an amount up to one per cent of their capital and surplus. The Bank Holding Company Act permits a bank holding company to own, directly or indirectly, shares of the kinds and amounts that are eligible for investment by national banks. Therefore, in 1958 the Board held that a bank holding company could invest in small business investment companies up to one per cent of its capital and surplus. Since any securities owned by a subsidiary bank are regarded as being indirectly owned by the parent holding company, this meant that the one per cent limit applied to all the holdings of the holding company and its subsidiary banks, collectively.

At the time of this ruling of the Board, the one per cent limitation had little practical relevance, since section 6(a)(1) of the Bank Holding Company Act precluded a subsidiary bank from investing in stock of any other subsidiary of its parent bank holding company.

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If a holding company system, as a whole, purchased 25 per cent or more of the stock of a small business investment company, the latter would become a subsidiary and investment in its shares by subsidiary banks would be prohibited. Normally, a bank holding company wishing to sponsor a small business investment company would own more than 25 per cent of the stock of that company.

The amendment to the Small Business Investment Act of June 11, 1960, permitted a banking subsidiary of a holding company to invest in stock of a small business investment company in spite of the prohibition of section 6(a)(1) of the Bank Holding Company Act. The amendment did not, however, explicitly change the one per cent limitation, although Congress was urged to do so by holding company representatives. Because of this history, and because of the plain language of the two statutes, the Board ruled in August 1960 that the one per cent limitation still applied to the collective holdings of a holding company and its subsidiary banks, rather than to each bank's capital and surplus.

The question of the need for amendatory legislation in this respect resulted from the Board's ruling. The staff had now come to the conclusion, however, that there was no practical necessity for an amendment to the Small Business Investment Act, either to raise the one per cent limit or to make it applicable to individual subsidiary banks. The question, it was noted, was raised originally by Citizens and Southern Holding Company of Atlanta, which unlike most other holding companies,

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carries its capital and surplus on its books at a relatively low figure, This meant that the amount that the Citizens and Southern system could invest in a small business investment company was relatively small. However, the Executive Vice President of Citizens and Southern later visited Washington and discussed the holding company's problem with the Board's staff. He stated that Citizens and Southern wished to have its subsidiary banks make a token investment in the small business investment company sponsored by the parent holding company, and it developed that his difficulty had arisen because of a misunderstanding of the statute and the Board's interpretations. He had supposed that the one per cent investment must be made by the holding company, and did not realize that part of this amount could be invested by the subsidiary banks. When it was pointed out that stock in the small business investment company could be distributed among the subsidiary banks, he felt this would meet the problem.

Also, the Executive Director of the Association of Registered Bank Holding Companies had told the Board's staff that he knew of no other holding company that wished to invest in a small business investment company, directly and indirectly, in an amount exceeding one per cent of the holding company's capital and surplus. In addition, it seemed doubtful from a policy standpoint whether the limitation should be raised, since the capital and surplus of many bank holding companies is simply written up to represent their investment in the stock of subsidiary banks.

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Accordingly, an amendment that permitted bank holding companies to invest one per cent of that amount, in addition to an investment by each subsidiary bank of one per cent of the subsidiary's capital and surplus, would in such circumstances have the effect of doubling the amount that the Congress had twice seen fit to impose as a ceiling on this kind of investment by banks.

For these reasons, the staff recommended that no further study be made of this matter unless the question should again be raised by a bank holding company at some future time.

Following a review of the matter by Miss Hart, it was agreed unanimously to accept the recommendation of the Legal Division.

Mr. Rudy and Miss Hart then withdrew from the meeting.

Reports on H. R. 960 and H. R. 1968. In letters dated January 10 and 17, 1961, Chairman Dawson of the House Committee on Government Operations requested the Board's views on H. R. 960 and H. R. 1968, bills providing for a distinction between productive capital expenditures and operating expenditures in Federal Government accounting. These bills were identical with bills introduced in the 86th Congress on which the Board reported to the Committee on June 8, 1960. A draft of reply to the current inquiries, which had been distributed prior to this meeting, would enclose a copy of the 1960 letter and indicate that the Board did not believe that adoption of the proposed budgetary system would serve a constructive purpose at this time.

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In discussion of the matter, question was raised regarding the advisability of submitting views on bills of this nature, it being pointed out that they related to an area to which the Board had not devoted particular study. This led to a question concerning the position of the Budget Bureau and the Treasury when similar bills were introduced previously, and in this connection inquiry was made as to the Board's practice in clearing its comments on proposed legislation with the Budget Bureau. The response to the latter question was to the effect that although for several years it had not been the practice of the Board to obtain clearance from the Budget Bureau of its replies to inquiries from Congressional committees concerning proposed legislation, on the other hand there was no reason why a check should not be made with the Budget Bureau whenever the Board might feel that such a procedure was desirable. It was further stated that there was understood to be no particular urgency about reporting on the two bills in question.

Accordingly, it was agreed that a check would be made with the Budget Bureau and that the reply to be made to the Committee on Government Operations would then be considered further by the Board.

All of the members of the staff except Messrs. Sherman, Kenyon, and Johnson then withdrew.

Approval of salaries at Kansas City Bank (Item No. 7). Pursuant to the recommendation of the Division of Personnel Administration, as set forth in a file that had been circulated to the Board, unanimous approval

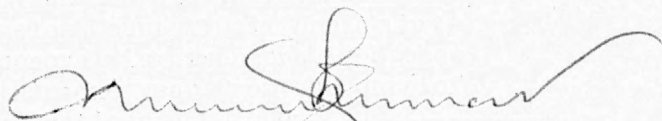
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was given to a letter to the Federal Reserve Bank of Kansas City approving the payment of salaries to certain officers at rates fixed by the Board of Directors. A copy of the letter is attached as Item No. 7.

The meeting then adjourned.

Secretary's Note: Governor Shepardson today approved on behalf of the Board a letter to the Federal Reserve Bank of Chicago (attached Item No. 8) approving the appointment of David W. Minster as assistant examiner.


Secretary.

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

Item No. 1
2/10/61

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

February 10, 1961



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

Gentlemen:

Pursuant to the request submitted through the Federal Reserve Bank of San Francisco, the Board of Governors of the Federal Reserve System approves the establishment of a branch in the vicinity of the intersection of Hacienda Boulevard and Old Valley Boulevard, City of Industry, Los Angeles County, California, by California Bank. This approval is given provided the branch is established within one year from the date of this letter, and branch operations now conducted at 15852 East Main Street, La Puente, are discontinued simultaneously with the establishment of the new branch.

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
2/10/61

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

February 10, 1961



Board of Directors,
Wells Fargo Bank American
Trust Company,
San Francisco, California.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of San Francisco, the Board of Governors of the Federal Reserve System approves the establishment of a branch in the vicinity of the intersection of Saratoga-Sunnyvale Road and Stevens Creek Road, Cupertino, Santa Clara County, California, by Wells Fargo Bank American Trust Company, provided the branch is established within one year from the date of this letter.

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
2/10/61

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

CABLE ADDRESS: "FEDRESERVE"

February 10, 1961

Mr. Paul C. Hodge, Vice President,
General Counsel and Secretary,
Federal Reserve Bank of Chicago,
Chicago 90, Illinois.

Dear Mr. Hodge:

This is in response to your letter of January 30, 1961, regarding the question whether the Federal Reserve Bank of Chicago is an instrumentality wholly or partially owned by the United States within the meaning of section 1361 of Title 42 of the United States Code, relating to unemployment compensation for Federal employees.

Although the Federal Reserve Banks are organized pursuant to Federal law and are operated for public purposes under the supervision of the Board of Governors, none of the stock of the Federal Reserve Banks is owned by the United States. The Government Corporation Control Act (31 U.S.C. 841-871), which enumerates by name "wholly owned" and "mixed-ownership" Government corporations, does not name the Federal Reserve Banks as falling within either category.

Prior to September 13, 1960, the definition of "Federal service" contained in section 1361 of Title 42 of the United States Code, for purposes of unemployment compensation for Federal employees, covered employees of the United States and wholly owned instrumentalities of the United States. This definition was extended by the Act of September 13, 1960, to cover employees of "partially owned" instrumentalities. It is clear, however, from the context and the legislative history of the same Act that the Federal Reserve Banks were not regarded as partially owned instrumentalities. Thus, the Report of the House Ways and Means Committee (H. Rept. No. 1799, p. 55), expressly mentioned the Federal Reserve Banks as being among those instrumentalities which are "neither wholly nor partially owned by the United States", as distinguished from certain other named instrumentalities that were brought under the Federal employees' compensation program because they are partially owned by the United States.



Mr. Paul C. Hodge

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For the reasons indicated, it is clear in the opinion of the Board that the Federal Reserve Bank of Chicago is not a wholly or partially owned instrumentality of the United States within the meaning of section 1361 of Title 42 of the United States Code.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

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

Item No. 4
2/10/61

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

February 10, 1961

Morgan Guaranty International
Banking Corporation,
23 Wall Street,
New York 8, New York.

Gentlemen:

In accordance with the request and on the basis of the information furnished with your letter of November 30, 1960, transmitted through the Federal Reserve Bank of New York, the Board of Governors grants its consent for Morgan Guaranty International Banking Corporation ("MGIBC") to purchase and hold 2,000 shares, par value Bahamian £20 each, of the capital stock of Trust Corporation of Bahamas Limited, organized under the laws of the Bahamas and located in Nassau, N. P., Bahamas, at a cost of approximately US\$169,200 provided such stock is acquired within one year from the date of this letter.

It has been noted that the Memorandum of Association of Trust Corporation of Bahamas Limited provides extremely broad powers covering many types of business activity, as is frequently the case in charters of business corporations. It is assumed, of course, that in actual operation the Trust Corporation will not exercise many of such powers even though authorized in the Memorandum of Association.

The Board's consent is granted upon condition that MGIBC shall dispose of its holdings of stock of the Trust Corporation, as promptly as practicable, in the event that the Trust Corporation should at any time (1) engage in issuing, underwriting, selling or distributing securities in the United States; (2) engage in the general business of buying or selling goods, wares, merchandise, or commodities in the United States or transact any business in the United States except such as is incidental to its international or foreign business; or (3) conduct its operations in a manner which, in the judgment of the Board of Governors of the Federal Reserve System, is inconsistent with Section 25(a) of the Federal Reserve Act or regulations thereunder.

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. 5
2/10/61

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

February 10, 1961

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

Dear Mr. Irons:

The Board has reviewed the Registration Statement of Texas Bank & Trust Company, Dallas, Texas, as a bank holding company, dated December 22, 1960. Based upon the circumstances surrounding the acquisition of the bank stock under consideration, the various stock transfers, loan arrangements, Texas Bank's letter option to purchase shares held and owned by Mr. Stigall at a nominal profit, the relationship of Messrs. Sayers, Stigall and McCarty to Texas Bank, and the admission of Texas Bank's control by Messrs. Sayers and Stigall (as set out in Counsel Boykin's memorandum to Mr. Pondrom dated December 23, 1960), it appears to the Board that Texas Bank & Trust Company is presently a bank holding company.

On the basis of the facts presented in the Registration Statement, the Board is of the opinion that the purchase of the 4,600 shares of First Bank and Trust Company of Richardson, Richardson, Texas, by Texas Fiduciary Corporation was an acquisition of indirect ownership or control of bank shares within the meaning of the Act requiring the Board's prior approval. At most, the comment in the Registration Statement that the shares were purchased under the belief and conviction that Texas Bank & Trust Company did not occupy the position of a bank holding company mitigates the conclusion that the purchase constituted a willful violation as contemplated by section 8 of the Act. On the basis of this conclusion, Texas Bank & Trust Company should be advised that within six months from the date of receipt of the Board's views, Texas Fiduciary Corporation must dispose of any of the presently held 4,600 shares unlawfully acquired by it in the Richardson Bank. Texas Bank should also be advised that

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Mr. Watrous H. Irons

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these divestments should be made in good faith and that none of the capital stock of said Bank is to be sold or transferred directly or indirectly to any agent or nominee of Texas Bank. Advice that the divestment has been effected should be transmitted to your Bank.

Texas Bank should also be advised that section 3(a)(A)(ii) of the Act requires it to dispose of its other bank shares within a period of two years from the date they were acquired unless Texas Bank should cease to be a bank holding company.

The 1960 Annual Report should be required even though the Registration Statement in this case was received December 29, 1960.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

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

Item No. 6
2/10/61

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

February 10, 1961

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

Dear Mr. Helmer:

This refers to your letter of January 25, 1961, with its enclosures, regarding questions raised by Brenton Companies, Inc., Des Moines, Iowa, a bank holding company, as to whether certain transactions would be prohibited by the Bank Holding Company Act of 1956.

In its letter of January 18, 1961, Brenton Companies suggests that the Board's previous interpretation (1958 Bulletin 1279) regarding transfers of Commodity Credit Corporation certificates in violation of section 6(a)(4) of the Act might not be applicable to transfers of CCC sight drafts between the holding company's subsidiary banks in view of recent changes in procedure under which the bank would not hold a note but only a punch card amounting to a sight draft on the Federal Reserve Bank. It is the Board's opinion, however, that the purchase of such a sight draft by a subsidiary bank would constitute a "discount" by such bank within the meaning of section 6(a)(4) of the Act and that the interpretation of the Board above cited would continue to be applicable.

Brenton Companies specifically asks (1) whether that company might purchase FHA Title II loans from its subsidiary banks and later sell them to subsidiary banks, and (2) whether the bank holding company might purchase from its subsidiary banks CCC sight drafts representing CCC loans.

Section 6(a)(4) of the Act prohibits discounts by a subsidiary bank for its bank holding company or for other subsidiaries. It does not prohibit a bank holding company from making loans to or discounting paper for its subsidiary banks. Consequently, the purchase by the holding company of either of the types of paper mentioned above from any of its subsidiary banks would not result in a violation of the statute. However, such a violation would occur upon the sale or resale of such paper by the holding company to a subsidiary bank.



Mr. Hugh J. Helmer

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Your letter inquires generally as to the types of investments that may be made by a bank holding company in the light of the restrictions of section 4(a)(2) of the Act. Investments by a bank holding company in paper or securities other than voting stock of nonbanking organizations are not prohibited by section 4(a) of the Act unless such investments are of such nature and volume as to cause the company to "engage in a business" other than that of banking or of managing or controlling banks, or furnishing services to subsidiary banks. Whether investments would constitute engaging in a prohibited business would, of course, need to be determined on the basis of a specific factual situation. However, if Brenton Companies wishes to invest newly raised capital in paper such as that heretofore mentioned until the capital is needed in its enterprises or those of its subsidiary banks, such investments would not contravene the statute.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

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

Item No. 7
2/10/61

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

February 10, 1961

CONFIDENTIAL (FR)

Mr. Raymond W. Hall,
Chairman of the Board,
Federal Reserve Bank of Kansas City,
Kansas City 6, Missouri.

Dear Mr. Hall:

The Board of Governors approves the payment of salaries to the following named officers of the Federal Reserve Bank of Kansas City for the period January 19 through December 31, 1961, at the rates indicated, which are the rates fixed by your Board of Directors as reported in your letter of January 19:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
J. R. Euans	Vice President	\$13,600
F. H. Larson	Vice President	13,500
J. T. White	Vice President	12,500
W. T. Billington	Senior Economist	14,200
D. R. Cawthorne	Senior Economist	16,200
Ray J. Doll	Senior Economist	16,000
Lyle E. Gramley	Financial Economist	12,500
Carl F. Griswold, Jr.	Assistant Cashier	9,500
Wayne W. Martin	Assistant Cashier	9,500
Marvin L. Mothersead	Assistant Cashier	9,500

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.



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

Item No. 8
2/10/61

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

February 13, 1961

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

Dear Mr. Helmer:

In accordance with the request contained in your letter of February 6, 1961, the Board approves the appointment of David W. Minster as an assistant examiner for the Federal Reserve Bank of Chicago. Please advise the effective date of the appointment.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.

