

Minutes for April 26, 1961

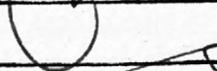
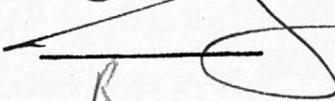
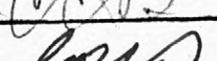
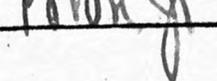
To: Members of the Board

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 Wednesday, April 26, 1961. The Board met in the Board Room at 10:00 a.m.

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

Mr. Sherman, Secretary
Mr. Kenyon, Assistant Secretary
Mr. Thomas, Adviser to the Board
Mr. Shay, Legislative Counsel
Mr. Molony, Assistant to the Board
Mr. Fauver, Assistant to the Board
Mr. Noyes, Director, Division of Research
and Statistics
Mr. Solomon, Director, Division of Examinations
Mr. Johnson, Director, Division of Personnel
Administration
Mr. Hexter, Assistant General Counsel
Mr. Hooff, Assistant General Counsel
Mr. Holland, Adviser, Division of Research
and Statistics
Mr. Conkling, Assistant Director, Division
of Bank Operations
Mr. Daniels, Assistant Director, Division
of Bank Operations
Mr. Goodman, Assistant Director, Division
of Examinations
Mr. Leavitt, Assistant Director, Division
of Examinations
Mr. Sprecher, Assistant Director, Division
of Personnel Administration
Mr. Collier, Chief, Current Series Section,
Division of Bank Operations

Proposed meeting to discuss pending legislation. Governor
Robertson reported receipt of a telephone call from Chairman Cocke of
the Federal Deposit Insurance Corporation, who referred to certain
legislative proposals on which the views of each of the Federal bank
supervisory agencies had been requested and suggested the possibility

4/26/61

-2-

of a visit by the Comptroller of the Currency and himself to the Board's offices in order to discuss these proposals with the Board and ascertain whether there could be a uniform approach thereto on the part of the three supervisory agencies. One of the proposals would have the effect of removing the Comptroller of the Currency from the Board of Directors of the Federal Deposit Insurance Corporation, a second would place in the Corporation the authority to act upon branch applications of all insured banks, and it was understood that Mr. Cocke also had certain other legislative proposals in mind. Governor Robertson said he had told Chairman Cocke that he would bring the matter to the attention of the Board.

In the ensuing discussion, Governor Mills expressed the view that a joint meeting for the purpose indicated would not be advisable. It was his opinion that if a Congressional committee or the Bureau of the Budget asked each of the supervisory agencies for its views on a legislative proposal, the agencies would be subject to criticism if they met together to discuss the proposal, on the ground that the respective agencies had not maintained open minds and rather had practiced collusion in order to arrive at a uniform position.

After Governors Shepardson and King had indicated that they would have much the same feeling as Governor Mills, Governor Robertson expressed his concurrence. It might be said, he pointed out, that after discussion each agency would arrive at its own conclusions.

4/26/61

-3-

However, he doubted whether such a fine line could be drawn, because each agency was likely to be influenced by the views of the others. Consequently, he suggested that it would seem appropriate to advise Chairman Cocke that whereas the Board was generally favorable to the idea of interagency discussion of mutual problems, when the Board and the other agencies were each asked for reports on proposed legislation, the Board felt that each agency should present its own views based on its own independent judgment.

Following an indication by Governor Balderston that he felt such a response would be appropriate, Messrs. Noyes and Hexter brought out that it had frequently been the practice of the staff, sometimes at the Board's specific direction, to check with the staffs of other interested agencies concerning legislative proposals on which reports had been requested in order to obtain full information, learn of attitudes existing in the other agencies, and determine whether lines of reasoning existed that might not have occurred to the Board's staff.

In reply, Governor Robertson said that he had no doubt about the desirability of exchange of information on the staff level at any time for the purpose of obtaining views and facts that might be helpful to the Board in reaching a conclusion. He saw a clear distinction between such a practice and a practice whereby the principals of the three bank supervisory agencies would meet for discussion of proposed

4/26/61

-4-

legislation in the banking field before the respective agencies submitted their reports. Governor Robertson indicated that he would propose to make reference to the exchange of information and views at the staff level in replying to Mr. Cocke.

Other members of the Board agreed with the distinction drawn by Governor Robertson between exchange of information at the staff level and interagency meetings of the principals for discussion of proposed legislation in advance of the submission of reports.

Accordingly, it was understood that Governor Robertson would advise Chairman Cocke that the Board's views regarding the suggested meeting were along the lines stated during this discussion.

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 The North Fork Bank and Trust Company, Mattituck, New York, approving the establishment of a seasonal branch in the village of Jamesport, Town of Riverhead, New York.	1
Letter to The First National City Bank of New York, New York, New York, approving the establishment of an additional branch in Mexico, D. F., Mexico.	2
Letter to Bank of America, New York, New York, approving the establishment of an additional branch in the City of Singapore, Colony of Singapore.	3

4/26/61

-5-

	<u>Item No.</u>
Letter to Provident Tradesmens Bank and Trust Company, Philadelphia, Pennsylvania, approving the establishment of a branch at 78th and Ogontz Avenues.	4
Letter to Union Bank, Los Angeles, California, approving the establishment of a branch in San Diego.	5
Letters to the Federal Reserve Banks of Cleveland and Minneapolis regarding changes in the classification of member banks in the Fourth and Ninth Federal Reserve Districts, respectively, for the purpose of electing Class A and Class B directors.	6, 7

With reference to Item No. 3, Governor Mills commented that although he would not oppose the application of Bank of America for an additional branch in Singapore, the report of the 1959 survey of overseas branches of Bank of America contained references by the Federal Reserve examiner, as quoted in the memorandum from the Division of Examinations, relating to the aggressive tendencies of the management of the existing branch in Singapore. These comments suggested that rather speculative activities might be entering into the operations of the Singapore Branch, as they had entered earlier into the operations of the branch in Beirut, Lebanon, and Governor Mills felt that such tendencies should be watched carefully. More specifically, he noted that the report of condition of the existing Singapore branch at the end of 1960 reflected contingent liabilities relating to the sale and purchase of exchange and bullion futures. In view of the apparent purchase and sale of

4/26/61

-6-

bullion futures, he suggested that investigation might be in order to ascertain whether the branch was engaging in operations that would be inappropriate for a branch of an American bank operating in a foreign territory.

Mr. Goodman expressed the opinion that the account caption, one used for many years, was misleading, and it was understood that he would make inquiry into the matter.

With reference to Item No. 5, Governor Mills noted that the proposed branch of Union Bank in San Diego would mark the entry of still another out-of-town banking organization into the city in competition with the three local institutions.

Mr. Goodman withdrew from the meeting at this point.

Proposed amendment to Regulation Q. A memorandum from the Legal Division dated April 21, 1961, copies of which had been distributed to the Board, pointed out that in 1955 the Board amended Regulation Q, Payment of Interest on Deposits, so as to permit, under certain conditions, a savings deposit not evidenced by a pass book. As to withdrawals, the amendment stated that they would be permitted through payment to the depositor himself, but not to any other person whether or not acting for the depositor. In a letter to the Federal Reserve Banks dated February 24, 1961, the Board transmitted a statement, also published in the Federal Reserve Bulletin and the Federal Register, in which it answered certain inquiries with respect to a savings deposit not evidenced by a

4/26/61

-7-

pass book. In that statement the Board explained why the restriction on withdrawals was included in authorizing use of non-pass book savings deposits, and the statement concluded with a paragraph pointing out that such a deposit could not be used effectively as security for a loan since only the depositor himself could receive payment.

The current memorandum indicated that this interpretation had been the subject of informal discussions between the Board's staff and representatives of Federal Reserve Banks, and that the Dallas Bank had, by letter dated April 6, 1961, suggested consideration of an amendment to Regulation Q to permit an individual to borrow from his bank on the security of a savings deposit not evidenced by a pass book. The memorandum pointed out that although Regulation Q did not presently prohibit use of a non-pass book account as security, the requirement for payment only to the depositor would render ineffective the use of such an account as security. The Legal Division had concluded that the possibility of abuse in using a savings deposit as security for a loan by the bank holding the deposit did not appear to be any greater in the case of a non-pass book savings deposit than in the case of a pass book savings deposit. Accordingly, the Division recommended amendment of Regulation Q, and also of Regulation D, Reserves of Member Banks, to provide that payment of a savings deposit not evidenced by a pass book could be made to the bank holding the deposit where the deposit constituted security

4/26/61

-8-

for a loan by the bank to the depositor. It was suggested, however, that if the Board concurred in the recommendation, the proposed amendment be submitted to the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Federal Reserve Banks for their consideration and comment prior to final action by the Board.

The proposed amendment was discussed at some length, particularly in the light of the apparently growing tendency on the part of some banks to break down the distinctions traditionally maintained between the use and privileges of savings and checking accounts. In this connection, reference was made to certain bank advertisements of a rather misleading nature that had recently come to the Board's attention. In these circumstances, some doubt was expressed as to whether the proposed amendment would be advisable if, as seemed possible, an effect of its adoption would be further to permit a blurring of the lines of distinction between the two types of accounts. Consequently, it was suggested that the matter not be presented to the other Federal bank supervisory agencies and the Federal Reserve Banks in a manner indicating that the Board had tentatively decided that the proposed amendment would be desirable. This suggestion contemplated, instead, that the problem simply be set forth, and views and comments requested.

At the conclusion of the discussion, it was understood that there would be presented for the Board's consideration drafts of letters to the other bank supervisory agencies and the Federal Reserve Banks phrased in a manner reflecting the foregoing suggestion.

4/26/61

-9-

Messrs. Hooff and Leavitt then withdrew from the meeting.

Request for data for dissertation. Pursuant to the understanding at the meeting on April 20, 1961, there had been distributed to the Board copies of a memorandum from Mr. Conkling dated April 24 with reference to the request of Frederick W. Deming, a graduate student at Yale University, for certain information for use in preparing a doctoral dissertation relating in general to the Federal Reserve Bank discount function. While portions of the requested data were being made available, question had arisen with respect to the furnishing of two of the Board's confidential releases (L.5.3 and L.5.4) relating to member bank borrowings from Reserve Banks, by district. The request was in terms of the use of such releases for the period through the end of the calendar year 1960. For reasons set forth in the memorandum, it was recommended that the statements in question not be made available to an outside inquirer.

In discussion, Governor Mills indicated that he had no strong feeling on the matter. He noted that he had customarily leaned on the side of not disclosing unpublished information. However, in the case of the two releases under consideration, his view was that access thereto for the purpose indicated by Mr. Deming, or by others similarly interested in the subject, should be permitted. He would not be apprehensive about making this particular information available if there was interest in the subject matter.

4/26/61

-10-

Governor Robertson said he would be agreeable to making the information available to Mr. Deming, on condition that it would also be made available to any other interested parties, whether or not for research purposes. In saying this, he recognized that the statements contained information collected originally for the System's own purposes and that there were some protests at the time within the System. As he had said, if the material was to be made available pursuant to the current request, he felt it should be the general policy to make the same information available in response to any other inquiry.

At the request of Governor Shepardson, Mr. Noyes made certain comments on the matter in which he brought out that there might be some question as to the extent to which the objectives of the study could be accomplished even if the desired information were made available. However, the same general question was inherent in almost all research projects. Aside from that, it could be said that the data requested were clearly relevant to the study; the request was not an idle or irrelevant one. Second, a decision to comply with the request would not appear to result in imposing any undue burden on the time of the Board's staff. Third, as to the question of making such data generally available upon request, it was his personal view that there would be no great risk in doing so. In fact, there was probably something to be said in favor of such a procedure. The more that people studied this subject, the greater was the chance of producing some material that would be useful to the System.

4/26/61

-11-

Mr. Holland said that, speaking in a research sense, he agreed with the views stated by Mr. Noyes. He assumed that some of those at Federal Reserve Banks who were engaged in the discount function might feel somewhat differently insofar as district data were concerned. However, the requested information would not reveal any data on borrowing by individual member banks.

Governor Shepardson then said that he felt certain distinctions could be drawn between making information available for the purpose of a research study under responsible supervision and making it available to an individual who was just searching for headline news. In the light of the discussion at the Board meeting on April 20, he had raised with Messrs. Thomas and Noyes the question whether the statistics in the two Board releases could be used in a distorted way to compare the administration of the discount window in the respective Federal Reserve districts. They had both replied to the effect that in any responsible research study there would be something of an obligation to present an explanation of background reasoning before making any statement of differences between districts that might appear from the statistics.

Governor Shepardson referred in this connection to a situation that had come to his attention recently in one of the Reserve districts where a member bank had been borrowing with some regularity due to unusual circumstances. The explanation, if given, appeared quite adequate and valid, whereas the figures alone might indicate that something was

4/26/61

-12-

out of line. However, Messrs. Thomas and Noyes felt that no substantial risk was involved when research was conducted under responsible auspices.

Governor Robertson inquired whether a person conducting research would be free to go to a Federal Reserve Bank for an explanation of its discount practices, and Mr. Noyes replied that this was done frequently. He noted that several projects in this field had come to the attention of the Board's staff recently.

Mr. Thomas commented that the discount function is an important public function of the Federal Reserve System, as to which there is a lot of misunderstanding and in which there is a lot of interest. In the circumstances, it would appear to be a duty of the System to make information available on the conduct of this important operation. However, this should be done in a responsible way. It should also be borne in mind that there was a great deal of information at hand that could usefully be subjected to analysis within the System. As to the question of making information similar to that requested in this instance available to everyone who might seek to obtain it, he did not feel that this aspect of the matter was too important. It seemed doubtful that many people would want to go through the mass of information, for the results that could be obtained were relatively meager unless a thorough job was done. If a person did go through the material and found certain differences as between Federal Reserve districts, there seemed to be no reason why he could not go to the Federal Reserve Banks and seek an explanation. The

4/26/61

-13-

explanation, Mr. Thomas felt, would probably suffice to answer such questions effectively.

Following further discussion, Governor King stated that he would favor making the information available in this instance, as well as to others who might inquire. He doubted whether headlines could be made out of the material in question or whether the material would be likely to be distorted or used improperly. He found himself in accord with the position of Governor Robertson that the data, if made available in response to the current request, should also be made available to others upon request.

Accordingly, it was agreed that the information contained in the Board releases L.5.3 and L.5.4 should be made available to Mr. Deming for the period prior to the beginning of the calendar year 1961 for the purpose of his research study.

Secretary's Note: Pursuant to this action and the views stated in the foregoing discussion, a letter was sent to the Presidents of all Federal Reserve Banks advising of the nature of the decision reached by the Board and indicating that if the Reserve Banks should be asked for the information contained in the two releases, they would be at liberty to comply with such a request insofar as the data related to the period prior to the calendar year 1961.

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

4/26/61

-14-

Revision of salary structures at Cleveland Bank (Item No. 8).

There had been circulated to the Board a file relating to a request by the Federal Reserve Bank of Cleveland for approval of proposed upward adjustments in the salary structures applicable to employees at the head office, the Cincinnati Branch, and the Pittsburgh Branch. It was also proposed to add several grades to the structure applicable to employees assigned to the Records Center at Athens, Ohio, in anticipation of a possible change in work assignments at that location. In connection with its request, the Cleveland Bank asked, for reasons indicated, that the usual 90-day time limit for bringing salaries of employees up to the minimums of the respective revised grades be extended.

The recommendation of the Division of Personnel Administration was favorable, and there was included in the file a proposed reply to the Cleveland Bank that would advise of approval of the proposed adjustments. The letter would express the understanding that all employees whose salaries were below the minimums of their grades as a result of the structure increase would be brought within the appropriate ranges as soon as practicable and not later than July 1, 1962.

At the request of the Board, Mr. Johnson summarized the circumstances that had given rise to the request of the Cleveland Bank, including the proposal that a longer period of time be allowed within which to adjust the salaries of some employees to the minimums of the new grades.

4/26/61

-15-

Governor Mills said that he would accept the proposal as being consistent with general System practice. He called attention, however, to the fact that on the basis of available survey data the structures at the three offices would be above the competitive markets. As he had pointed out on previous occasions, a process whereby a Federal Reserve Bank set its structure above the midpoint of the competitive market and organizations with lower structures then moved their structures upward toward that of the Bank meant that the Federal Reserve was providing a laboratory example of cost-push inflation. Governor Mills also inquired whether the Cleveland proposal would bring the top employee salary grades above the lower groups applicable to officers.

Mr. Johnson commented, in reply, that when the employee salary structures of the Reserve Banks were first instituted in 1947, it was agreed that it would be desirable for those structures to be rather well up in the third-quarter bracket of community wage rates. Recently, however, the Banks were becoming more conservative, and most of them were trying to stay on the market line or close to it. One reason cited for going somewhat above the market was that the survey data on which the structures were based were already several months old when the new structures were placed in effect. Thus, in a rising community market, the Reserve Bank would already have lost some relative advantage by the time the new structure went into effect.

4/26/61

-16-

With regard to the relationship between officer and employee salaries, Mr. Johnson noted that when the officer salary structures were first instituted, it was decided to tie the low point of such structures to some point in the employee salary structure in order to give recognition to community wage levels. The tie-in point mentioned was roughly the midpoint of grade 15 in the employee salary structure, and that had been the practice of most of the Banks. The Banks that had revised their officer salary structures recently had restored the relationship to the midpoint of grade 15.

Governor Robertson indicated that he would approve the Cleveland proposal. He added, however, that he had sympathy with the point brought out by Governor Mills, for he felt that the Federal Reserve was tending to set an example contrary to the general philosophy that it espoused. Governor Robertson also stated that he thought the salary administration program at the Reserve Banks was faulty insofar as it related to salaries paid to senior examining personnel. It was his impression, for example, that the salaries paid to such personnel at the Federal Reserve Banks lagged behind the salaries for comparable positions within the organization of the Comptroller of the Currency. After referring to the extent to which the Reserve Banks were judged according to the competence of their examiners going into the member banks, he said there appeared to be a tendency to hold down the salaries of examiners because of a feeling that it was necessary to match them with salaries

4/26/61

-17-

paid to desk personnel within the Reserve Banks and also because of problems involved in the interdepartmental transfer of personnel. However, he did not think those problems were insuperable. Governor Robertson concluded his comments on this subject by suggesting that the Board might discuss the matter with the Presidents' Conference.

Governor Shepardson indicated that he would favor approval of the Cleveland proposal. He went on to say that the point made by Governor Robertson seemed to him valid. The examiner going into a member bank and dealing with top officers of the bank must be a man of competence and should be recognized salarywise in proportion to that competence.

Governor King referred to the comment made by Mr. Johnson to the effect that in a rising community wage market a Reserve Bank might be tempted to fix its salary structure somewhat above the market, as disclosed by survey data, on the theory that the lapse of time between the taking of the survey and the effective date of the new salary structure would have caused the relative position of the Reserve Bank to deteriorate. He felt it was necessary to stop the cost-push type of inflation, and therefore he had sympathy with the views expressed by Governor Mills. He would be agreeable, if the other members so decided, to advising the Reserve Banks that their salary structures should be limited to the midpoint of the community market. Although he would not care to be a lone dissenter on the Cleveland proposal,

4/26/61

-18-

on the other hand he would be glad to join other members of the Board in a move toward limiting the Reserve Bank structures to the midpoint of the community market in the future.

After further discussion, the proposed revised salary structures applicable to employees of the respective offices of the Federal Reserve Bank of Cleveland were approved unanimously, with the understanding that the Bank would be given until not later than July 1, 1962, to bring the salaries of employees to the minimums of the respective grades. A copy of the letter sent to the Cleveland Bank in accordance with this action is attached as Item No. 8.

Salary administration program at Reserve Banks. In the light of the comments made during the foregoing discussion, further consideration was given to the appropriate relationship of salary structures of the Federal Reserve Banks to the wage markets in their respective communities, and to the salaries paid to examining personnel at the Reserve Banks. It was pointed out that when the current program of salary administration was instituted in 1947, the attitude of the Board was one of encouraging the Reserve Banks to assume positions of leadership in their communities. However, it was suggested that in view of the passage of time and other circumstances it might now be desirable to make a general review of the policies that should be followed in the field of salary administration. In this connection, Mr. Johnson reported that recently most of the Reserve Banks had voluntarily placed their structures at about the

4/26/61

-19-

midpoint of the community market. A number of the Banks had inquired concerning the Board's feeling on this point, and he believed that the Banks would welcome guidance. Mr. Johnson also referred to material that was being prepared for the System Conference of Personnel Officers, to be held in the first part of May, and indicated that the discussions on that occasion might produce information and views that it would be helpful to relate to the Board.

Governor Balderston then suggested that the Board might request a memorandum from the Division of Personnel Administration dealing with the two principal points that had been mentioned at today's meeting, with the thought that the Board, after consideration of such a memorandum, might want to have a discussion with the Presidents' Conference.

Governor Robertson suggested that a sufficient period of time had elapsed since the present program of salary administration at the Reserve Banks was introduced to warrant broadening the request to the Personnel Division so as to call for a full-dress presentation to the Board concerning the program of salary administration at the present time.

Accordingly, it was understood that such a presentation would be scheduled at some appropriate time after the forthcoming Personnel Conference.

The meeting then adjourned.

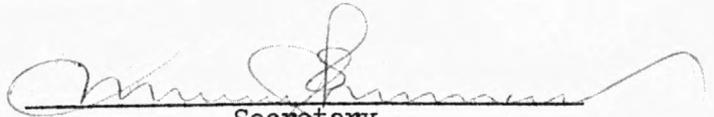
Secretary's Note: Governor Shepardson today approved on behalf of the Board the following items:

4/26/61

-20-

Memorandum from the Secretary of the Board recommending the appointment of Alberta W. Currier as Records Clerk in the Office of the Secretary, with basic annual salary at the rate of \$4,355, effective the date of entrance upon duty.

Memorandum from C. C. Hostrup, Assistant Director, Division of Examinations, requesting permission to act as Judge of Elections in a non-partisan community election of members to the Conduit Road Fire Board, Inc.



Secretary

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

Item No. 1
4/26/61

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

April 26, 1961

Board of Directors,
The North Fork Bank and Trust Company,
Mattituck, New York.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of New York, the Board of Governors of the Federal Reserve System approves the establishment of a seasonal branch by The North Fork Bank and Trust Company, Mattituck, New York, to be operated during the approximate period of April 15 to October 15 of each year, on the south side of Route No. 25, approximately 350 feet east of the intersection of Washington Avenue and Route No. 25, in the unincorporated area of Jamesport, Town of Riverhead, New York. This approval is given provided the branch is established within four months 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. 2
4/26/61

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

April 26, 1961

The First National City Bank of New York,
55 Wall Street,
New York, New York.

Gentlemen:

The Board of Governors of the Federal Reserve System authorizes The First National City Bank of New York, New York, New York, pursuant to the provisions of Section 25 of the Federal Reserve Act, to establish a branch in the Edificio Reforma, Paseo de la Reforma, Mexico, D. F., Mexico; and to operate and maintain such branch subject to the provisions of such Section. The location of the branch may not be changed, after establishment, without the prior approval of the Board of Governors.

Unless the branch is actually established and opened for business on or before May 1, 1962, all rights granted hereby shall be deemed to have been abandoned and the authority hereby granted will automatically terminate on that date.

Please advise the Board of Governors, in writing, through the Federal Reserve Bank of New York, when the branch is opened for business.

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
4/26/61

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

April 26, 1961

Bank of America,
41 Broad Street,
New York 15, New York.

Gentlemen:

The Board of Governors of the Federal Reserve System authorizes Bank of America, New York, pursuant to the provisions of Section 25(a) of the Federal Reserve Act and the Board's Regulation K, to establish a branch in the City of Singapore, Colony of Singapore, in the vicinity of Carpenter Street, Singapore, and to operate and maintain such branch subject to the provisions of such Section and regulation. The location of the branch may not be changed, after establishment, without the prior approval of the Board of Governors.

Unless the branch is actually established and opened for business on or before May 1, 1962, all rights granted hereby shall be deemed to have been abandoned and the authority hereby granted shall automatically terminate on that date.

Please advise the Board of Governors in writing, through the Federal Reserve Bank of New York, when the branch is established and opened for business, furnishing information as to the exact location of the 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. 4
4/26/61

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

April 26, 1961

Board of Directors,
Provident Tradesmens Bank and Trust Company,
Philadelphia, Pennsylvania.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of Philadelphia, the Board of Governors approves the establishment of a branch at the southwest corner of 78th and Ogontz Avenues, Philadelphia, Pennsylvania, by Provident Tradesmens Bank and Trust Company. This approval is given 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. 5
4/26/61

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

April 26, 1961

Board of Directors,
Union Bank,
Los Angeles, 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 First Avenue and "A" Street, San Diego, California, by Union Bank, 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: 6
4/26/61

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

April 26, 1961



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

Dear Mr. Fulton:

As recommended in your letter of April 14, 1961, the Board has changed the classification of member banks in the Fourth Federal Reserve District, for the purpose of electing Class A and Class B directors, to the following:

<u>Group</u>	<u>Banks with Capital and Surplus of:</u>
1	\$3,000,000 and more
2	More than \$600,000 but less than \$3,000,000
3	Less than \$600,000

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

Note: In a telegram to Mr. Fulton dated April 28, 1961, it was stated that the description of Group 2 banks should read: \$600,000 or more, but less than \$3,000,000.

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

Item No. 7
4/26/61

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

April 26, 1961

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

Dear Mr. Deming:

As recommended in your letter of March 17, 1961, the Board has changed the classification of member banks in the Ninth Federal Reserve District, for the purpose of electing Class A and Class B directors, to the following:

<u>Group</u>	<u>Banks with Capital and Surplus of:</u>
1	\$800,000 and over
2	\$300,000 and over but less than \$800,000
3	Less than \$300,000

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

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

Item No. 8
4/26/61

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

April 26, 1961

CONFIDENTIAL (FR)

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

Dear Mr. Fulton:

Reference is made to your letter of March 10, 1961, in which your Bank requests the approval of upward adjustments in the salary structures covering each of your offices.

The Board approves the following minimum and maximum salaries for the respective grades at the various offices in your District effective July 1, 1961:

Grade	Cleveland		Cincinnati Branch		Pittsburgh Branch	
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
1	\$ 2,600	\$ 3,432	\$ 2,418	\$ 3,250	\$ 2,444	\$ 3,276
2	2,808	3,714	2,626	3,458	2,678	3,510
3	3,058	4,108	2,834	3,770	2,912	3,948
4	3,406	4,446	3,042	4,082	3,172	4,212
5	3,666	4,914	3,328	4,268	3,484	4,628
6	4,082	5,330	3,588	4,836	3,848	5,096
7	4,294	5,850	3,978	5,226	4,186	5,642
8	4,836	6,292	4,316	5,772	4,680	6,136
9	5,226	6,890	4,758	6,422	5,122	6,786
10	5,668	7,540	5,382	7,046	5,642	7,514
11	6,214	8,294	5,980	7,852	6,214	8,294
12	6,864	9,152	6,578	8,866	6,864	9,152
13	7,592	10,088	7,358	9,854	7,592	10,088
14	8,372	11,076	8,242	10,946	8,372	11,076
15	9,204	12,324	9,152	12,272	9,204	12,324
16	10,192	13,728	10,192	13,728	10,192	13,728

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Mr. W. D. Fulton

-2-

The following minimum and maximum salaries are approved for employees of the Bank assigned to the Record Center at Athens, Ohio.

<u>Grade</u>	<u>Minimum</u>	<u>Maximum</u>
4	\$2,496	\$3,328
5	2,756	3,588
6	2,938	3,978
7	3,250	4,290
8	3,588	4,628
9	3,848	5,096
10	4,160	5,616

Salaries should be paid to employees, other than officers, within the limits specified for the grades in which the positions of the respective employees are classified. It is understood that all employees whose salaries are below the minimums of their grades as a result of the structure increase will be brought within the appropriate ranges as soon as practicable and not later than July 1, 1962.

It is understood that sufficient allowance has been made in the 1961 budget to cover increased salary costs resulting from these adjustments in salary structures.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.