

Minutes for May 2, 1961


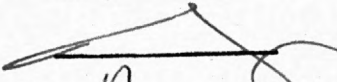
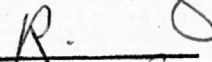
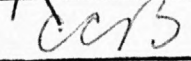
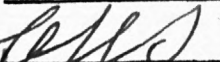
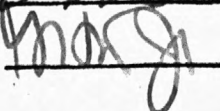
To: Members of the Board

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

Minutes of the Board of Governors of the Federal Reserve System
on Tuesday, May 2, 1961. The Board met in the Board Room at 10:30 a.m.

PRESENT: Mr. Balderston, Vice Chairman
Mr. Robertson
Mr. Shepardson
Mr. King 1/

Mr. Sherman, Secretary
Mr. Molony, Assistant to the Board
Mr. Hackley, General Counsel
Mr. Noyes, Director, Division of Research
and Statistics

Request for Mr. Furth to prepare article. Governor Balderston reported that the Financial Secretary of the Austrian Embassy had asked Mr. Furth, Adviser, Division of International Finance, to write an article on the United States dollar as an international reserve currency for a special issue of the bulletin of Credit Anstalt, a large commercial bank owned by the Austrian Government. This would be one of a series of articles, headed by an article by the President of the Austrian National Bank on the Austrian schilling.

After discussion, it was agreed that it would be desirable for Mr. Furth to prepare the article, subject to the understanding that he would not accept any honorarium and that a draft of the article would be submitted for general review to the Editorial Committee of the Federal Reserve Bulletin.

Governor King joined the meeting during the discussion of the aforementioned matter.

1/ Entered meeting at point indicated in minutes.

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Commission on Money and Credit. Governor Balderston summarized a conversation with Mr. Frazar Wilde, Chairman of the Commission on Money and Credit of the Committee for Economic Development, regarding progress being made on the forthcoming report of the Commission.

Mr. Noyes then withdrew from the meeting and the following members of the staff entered the room:

Mr. Kenyon, Assistant Secretary
 Miss Carmichael, Assistant Secretary
 Mr. Farrell, Director, Division of Bank
 Operations
 Mr. Solomon, Director, Division of Examinations
 Mr. O'Connell, Assistant General Counsel
 Mr. Benner, Assistant Director, Division of
 Examinations
 Mr. Leavitt, Assistant Director, Division of
 Examinations
 Mr. Young, Assistant Counsel

Discount rates. The establishment without change by the Federal Reserve Banks of Boston and Atlanta on May 1, 1961, of the rates on discounts and advances in their existing schedules was approved unani- mously, with the understanding that appropriate advice would be sent to those Banks.

Dividend of New Haven Savings Bank (Item No. 1). There had been circulated to the members of the Board a memorandum from the Division of Examinations and a draft of letter to the Federal Reserve Bank of Chicago regarding a request from New Haven Savings Bank, New Haven, Michigan, for approval, under section 9 of the Federal Reserve

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Act and section 5199(b) of the U. S. Revised Statutes, of a dividend in the amount of \$2,500 declared and paid in 1960. The proposed reply indicated that the Board would interpose no objection.

In discussion, Governor Shepardson raised a question regarding the apparent disparity between the low capital ratio of the bank, as revealed by the Form for Analyzing Bank Capital, and the following statement of the Federal Reserve Bank of Chicago that was quoted in the April 13 memorandum:

In view of the absence of any asset problems of significance and the fact that there has been no expansion of risk assets since the previous examination, we do not consider the capital position unsatisfactory at this time.

Commenting on this matter, Mr. Solomon indicated that admittedly the capital position of the bank was not particularly strong. As to the dividend, it had already been paid and there seemed no strong reason to raise an objection on that score. As to the capital position in general, there were several circumstances that would seem to suggest that it might not be appropriate to press the bank to add to its capital at this time.

Governor Shepardson stated that he was not suggesting that an objection be raised with respect to the dividend already paid. His concern was based on the statement that the Reserve Bank did not consider the capital position of the bank unsatisfactory. According to the Form for Analyzing Bank Capital, the bank's ratio of actual capital to

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requirement was 67.7 per cent, or a dollar deficiency of about \$50,000. He questioned whether such a ratio could reflect a satisfactory capital situation and indicated that he thought it might be appropriate to call the matter to the Reserve Bank's attention.

Governor Robertson expressed agreement with the proposal to call the bank's capital position to the attention of the Reserve Bank. He also commented that the Form for Analyzing Bank Capital was used flexibly in the reviewing process to seek out banks that were in need of capital. For various reasons, banks having less than 100 per cent of their capital requirement, as shown by the form, might not necessarily be in an unsatisfactory position.

Governor Shepardson replied that he recognized the so-called standard was only a guideline. He could understand that a 10 or 20 per cent capital deficiency might be explainable. However, when the indicated deficiency reached 33 per cent, as in this case, he questioned whether it could still be maintained that the bank was adequately capitalized, assuming the guideline was thought to provide a reasonable approximation.

Governor Robertson agreed generally with this observation.

After further discussion, the letter to the Federal Reserve Bank of Chicago interposing no objection to the action of New Haven Savings Bank in declaring and paying the reported dividend in 1960 was approved

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unanimously, with the understanding, however, that reference to the bank's capital situation would also be made. A copy of the letter, as sent, is attached as Item No. 1.

Mr. Benner withdrew from the meeting at this point.

Items circulated to the Board. The following items, which had been circulated to the Board and copies of which are attached to these minutes under the respective item numbers indicated, were approved unanimously:

	<u>Item No.</u>
Letter to United California Bank, Los Angeles, California, approving an extension of time to establish a branch in Buena Park.	2
Letter to United California Bank, Los Angeles, California, approving an extension of time to establish a branch in Montebello.	3
Letter to Percival Insurance Agency, Inc., Garden City, Kansas, regarding its status as a holding company affiliate.	4
Letter to Senator Lausche of Ohio regarding a constituent's request that an opinion be obtained from the Attorney General as to certain Board actions under section 16 of the Federal Reserve Act.	5

In connection with Item No. 4, Governor Robertson commented that this case appeared to fall within the scope of the Board's policy relating to so-called "one-bank" cases. In the circumstances, he would vote to grant the requested determination, although he did not agree with the Board's policy.

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Factors to be considered in branch applications. In connection with approval of the applications of United California Bank for additional time to establish two branches (Items 2 and 3), Governor Shepardson noted that the Board was frequently confronted with a situation where a large bank filed an application to establish a branch while the development in which the bank proposed to locate the branch was still in the planning stage. By such a procedure, a large bank might pre-empt a territory and thereby eliminate the possibility of locating independent banks in the area. In the light of this situation, he expressed the view that applications to establish branches should be reviewed carefully in order to determine whether there was a real need and whether plans were sufficiently well developed. With respect to the applications of United California Bank, he was agreeable to an extension of time within which they could be established since there were indications that plans for opening the branches were now fairly definite. His question related, rather, to the general approach that should be followed with reference to large banks pre-empting territory by filing premature applications.

Mr. Solomon stated that the Division of Examinations had this problem in mind when considering applications. There were, of course, certain circumstances, such as those involving construction, which resulted in delays in establishing branches. The requirement that a branch be established within a prescribed period of time was a device to afford assurance that the situation would be reviewed if the branch had not been opened for business by the date indicated.

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Governor Shepardson then pointed out that in the development of a shopping center a large bank might be involved in the financing arrangements for the project and would, accordingly, be in a position to know about the development before plans for establishing it would come to the attention of any independent group that might be interested.

In response, Mr. Leavitt said that in considering applications of this kind the Division of Examinations made a practice of determining whether the shopping center was actually under construction or whether firm financing had been arranged. Also, it was the practice to review estimated deposits and earnings of the proposed branch on the basis of figures provided by the Reserve Bank.

Mr. O'Connell pointed out that in some instances commercial enterprises would not wish to locate in a new shopping center unless they were assured that there would be banking facilities in the area.

Mr. Solomon then noted that a considerable period of time is often necessary to make plans for the establishment of a banking office. Accordingly, it was natural for banks to apply considerably in advance of the date they actually expected to open for business. However, an effort was made to screen out applications that appeared to be premature.

Governor Robertson commented that it was a wholesome point of view that Governor Shepardson had presented. The problem was complicated somewhat by the fact that it was frequently necessary to make provision

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for banking quarters as a part of the whole construction plan of a new development. Also, as had been pointed out, large banks sometimes learned of a new development because they were involved in financing the project, and it was to be expected that the sponsors of a development might want a particular bank in the area because of the fact that they had been dealing with that bank. However, he could not stress too much the need for reviewing applications carefully to guard against problems of the nature referred to by Governor Shepardson. The Board, he noted, had customarily imposed a time limit of not over one year in approving branch applications, even in cases where it was apparent that the branch would not get into operation for a longer period, so as to assure a second look at the situation. He was glad that Governor Shepardson had raised the question, and that the staff was reviewing applications carefully with this aspect of the matter in mind.

The discussion concluded with a comment by Mr. Solomon regarding the screening out of some prospective applications at the Reserve Bank level.

Messrs. O'Connell and Leavitt then withdrew from the meeting and Mr. Shay, Legislative Counsel, entered the room.

Report on H. R. 3330. There had been circulated to the members of the Board, with a covering memorandum from the Legal Division dated April 20, 1961, a draft of letter to Chairman Spence of the House Committee on Banking and Currency replying to a request for the Board's

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views on H. R. 3330, a bill "To provide that no member of the Board of Directors of the Federal Deposit Insurance Corporation shall hold any other public office or position and for other purposes." The proposed reply, which was substantially the same as the Board's letter of June 2, 1960, reporting on a similar bill, stated that the Board had no objection to the provision forbidding members of the Board of Governors and its staff from serving on the Board of Directors of the Federal Deposit Insurance Corporation. It would also indicate that the Board questioned the desirability of removing the Comptroller of the Currency from the Board of the Federal Deposit Insurance Corporation for the reason that the Corporation's Board, as constituted under present law, promotes coordination and cooperation on matters within the purview of the Corporation affecting both State-chartered banks and national banks.

Governor Robertson said he would disagree with the letter as drafted. As he had indicated at the Board meeting on June 2, 1960, and earlier at hearings before the Senate Committee on Banking and Currency with reference to the Financial Institutions Act, he believed that the Comptroller of the Currency did not have the time to serve also as a director of the Federal Deposit Insurance Corporation. He then suggested that in reporting on the bill the Board might consider expressing an opinion only on those provisions of the bill that affected the Board itself. It would, he suggested, be more appropriate for the Federal Deposit Insurance Corporation and the Comptroller of the Currency

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to report on those provisions relating to the service of the Comptroller on the Board of the Corporation. 1/

There ensued a general discussion as to the type of letter that might be appropriate in reporting on the bill, having in mind, among other considerations, the report made by the Board on a similar bill a year earlier. During the discussion Mr. Hackley referred to a recent meeting of staff representatives of the three Federal bank supervisory agencies, at which this bill and certain other proposed legislation were reviewed. It was understood from the meeting that the Federal Deposit Insurance Corporation had written a letter to the Budget Bureau to the general effect that the services of the Comptroller on the Board of the Corporation had been of great value to the Corporation and no fault was seen in the present arrangement which would warrant a change. It was suggested at the meeting that a justification for the present arrangement could be found in the fact that a substantial proportion of insured deposits was held in national banks.

On the point mentioned last by Mr. Hackley, it was noted that it could be argued according to the same general logic that the Comptroller should be a member of the Federal Reserve Board, or that the Federal Reserve Board should be represented on the Board of the Corporation.

In the light of the comments made in the course of further discussion, Mr. Hackley suggested that the letter to Chairman Spence

1/ Governor Robertson had dissented from the position taken in the Board's letter of June 2, 1960.

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might be redrafted along the lines that the Board would have no objection to the provisions of the bill that would in effect prohibit a member of the Board of Directors of the Federal Deposit Insurance Corporation from holding any office or position in the Federal Reserve System, but that the question relating to the service of the Comptroller of the Currency on the Board of the Federal Deposit Insurance Corporation was one with respect to which those two agencies had intimate knowledge and, since the Board did not have such knowledge, it would prefer not to express an opinion.

It was agreed that a revised draft of letter along these lines would be prepared for the Board's consideration.

Governor King stated that, in the event he was not present when the revised draft was considered, he would like to say at this time that he had no very strong thoughts on the matter because he did not know how much the Comptroller could contribute as a member of the Board of Directors of the Federal Deposit Insurance Corporation. In general, however, he felt it probably would be better if there was no tie-in and the Comptroller was not a member of the Board of the Corporation.

Mr. Young then withdrew from the meeting.

Release of policy action records. Governor Balderston reported that President Hayes of the New York Reserve Bank called on the telephone yesterday and discussed the possibility of publishing the Federal Open Market Committee policy record more frequently, perhaps on a quarterly

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basis, after an appropriate lapse of time. Governor Balderston noted that under the present practice Committee policy actions taken in December were published in the Board's Annual Report about three months later, whereas there was a fifteen-month delay in publishing the record of actions taken in January. He also said that President Hayes had suggested that the subject might be placed on the agenda of the May 9 Federal Open Market Committee meeting for the purpose of preliminary discussion.

Governor Robertson indicated that his present thinking would favor issuance of the policy record more frequently, with some lapse of time between the date of the action and the release of the record. The length of time that should elapse was a matter of judgment, but he thought it might be appropriate to consider issuing the policy record on a quarterly basis, with a lapse of two or three months before publication.

Mr. Hackley commented that the Board clearly could decide to publish its own policy actions prior to their publication in the Annual Report. As far as the law was concerned, the Board's responsibility, in respect to the policy record of the Federal Open Market Committee, was to publish in its Annual Report, a record of the policy actions taken by the Committee. However, some Presidents might raise a question as to whether any decision to publish such record more frequently should not rest with the Committee.

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General agreement was expressed that in any event it would be desirable to have the views of the Presidents serving on the Open Market Committee, and also the other Presidents. Accordingly, it was agreed to request the Secretary of the Open Market Committee to include the subject on the agenda of the May 9 Committee meeting for the purpose of preliminary consideration.

During the discussion that followed, it was suggested that consideration also might be given to the possibility of publishing the record of Board policy actions on such basis as might be decided upon in the case of the record of the Open Market Committee. In this connection it was noted that during a three-month period the Board might not take any policy actions. Under such circumstances, there might be a question whether a statement should be issued indicating that no policy actions had been taken by the Board during the particular quarter. It was also noted that a number of Board policy actions are the subject of immediate press releases.

The meeting then adjourned.

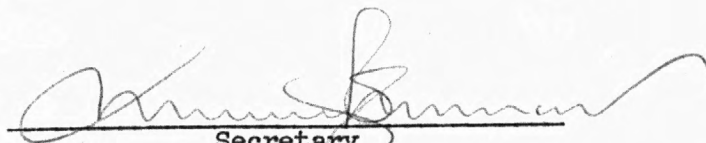
Secretary's Note: Governor Shepardson today approved on behalf of the Board the following items:

Letter to the Federal Reserve Bank of San Francisco (attached Item No. 6) approving the appointment of John F. Mattimoe, Jr., as assistant examiner.

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Memorandum from the Division of Personnel Administration recommending the appointment of Juliann Perkins (presently Substitute Maid) as Maid on a regular full-time basis, with salary at the rate of \$3,185 per annum, effective May 2, 1961.



Secretary

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

Item No. 1
5/2/61

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

May 3, 1961.



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

Dear Mr. Helmer:

This will acknowledge your letter of March 3, 1961, enclosing a letter dated February 20, 1961, from New Haven Savings Bank, New Haven, Michigan, asking approval for the declaration of a dividend in violation of Section 9, Federal Reserve Act, and Section 5199(b), United States Revised Statutes, in the amount of \$2,500 declared and paid in 1960.

Under the statute, the Board's approval is required prior to the declaration of the dividend. Prior approval cannot be given in this case as it appears that the dividend has already been paid. However, the Board will raise no objection to the member bank's action in declaring the dividend. It is suggested that you notify the member bank approval of the Board must be obtained for future declarations of dividends pursuant to the above laws.

The Board notes the comment in your letter of March 3 that New Haven Savings Bank's capital position is barely satisfactory, as well as the comment on Form F.R. 212 that your Bank does not consider the capital position unsatisfactory at this time. In view of the very real doubt as to the capital adequacy of the bank, the Board believes that efforts to effect improvement in the situation should be continued.

Very truly yours,

Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.

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

Item No. 2
5/2/61

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

May 2, 1961



Board of Directors,
United California 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 extends until August 17, 1961, the time within which United California Bank, Los Angeles, (formerly California Bank), may establish a branch in the vicinity of the intersection of Commonwealth and Grand Avenues, Buena Park, California.

It is understood that the branch is to be opened in temporary quarters at 7551 Commonwealth Avenue, and that a permanent site has been acquired at the northeast corner of Commonwealth and Western Avenues, approximately two blocks west of the location contained in the Board's original authorization dated November 17, 1960.

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
5/2/61

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

May 2, 1961

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

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of San Francisco, the Board of Governors extends until November 10, 1961, the time within which United California Bank, Los Angeles, (formerly California Bank), may establish a branch in the vicinity of the intersection of Beverly and Montebello Boulevards, Montebello, California, under the authorization contained in the Board's letter of May 10, 1960.

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
5/2/61

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

May 2, 1961



Mr. Loren Percival, President,
Percival Insurance Agency, Inc.,
Garden City, Kansas.

Dear Mr. Percival:

This refers to the request contained in your letter of March 6, 1961, submitted through the Federal Reserve Bank of Kansas City, for a determination by the Board of Governors of the Federal Reserve System, as to the status of Percival Insurance Agency, Inc. as a holding company affiliate.

The Board understands that Percival Insurance Agency, Inc. is engaged in the business of selling all kinds of insurance; that such company is a holding company affiliate by reason of fact that it owns 1,332 shares of stock of The Garden National Bank of Garden City, Kansas, which amount is more than 50 per cent of the number of shares voted at the last election of directors of that bank; and that such company does not, directly or indirectly, own or control any stock of, or manage or control, any other banking institution.

In view of these facts, the Board has determined that Percival Insurance Agency, Inc. is not engaged, directly or indirectly, as a business in holding the stock of or managing or controlling banks, banking associations, savings banks, or trust companies within the meaning of section 2(c) of the Banking Act of 1933, as amended; and, accordingly, such company is not deemed to be a holding company affiliate except for the purposes of section 23A of the Federal Reserve Act and does not need a voting permit from the Board of Governors in order to vote the bank stock which it owns.

If, however, the facts should at any time indicate that Percival Insurance Agency, Inc. might be deemed to be so engaged, this matter should again be submitted to the Board. Particularly, should future acquisitions by or activities of the company result

Mr. Loren Percival

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in its attaining a position whereby the Board may deem desirable a determination that the company is engaged as a business in the holding of bank stock, or the managing or controlling of banks, the determination herein granted may be rescinded. The Board reserves the right to rescind this determination and make further determination of this matter at any time on the basis of the then existing facts.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

Item No. 5
5/2/61

OFFICE OF THE VICE CHAIRMAN

May 2, 1961



The Honorable Frank J. Lausche,
United States Senate,
Washington 25, D. C.

Dear Senator Lausche:

Reference is made to your letter of April 6, 1961, addressed to Thomas J. O'Connell of the Board's legal staff, enclosing copies of letters received by you from Mr. Amos B. Thompson, concerning which you and Mr. O'Connell had a telephone conversation on April 5, 1961, and, it is understood, again on April 18, 1961. It is further understood that you have requested a written resume of the information orally transmitted by Mr. O'Connell concerning the exchange of correspondence between Mr. Thompson and the Board of Governors over the past several years, as well as a statement of the Board's position on the question raised by Mr. Thompson in his letters to you.

The Board's correspondence records contain letters of inquiry and comment from Mr. Thompson as early as May 1956. Although Mr. Thompson has written on more than one subject in this period of time, his more recent inquiries relate to the question of the Board's authority to establish a rate of interest to be paid by each Federal Reserve Bank into the Treasury of the United States on outstanding Federal Reserve notes, less the amount of gold certificates securing such notes. The question of the Board's legal authority in this regard appears also to be the principal question raised by Mr. Thompson in his letters to you.

This issue has been the subject of numerous statements by the Board and its members over the past several years. In 1947, at the time the Board proposed, pursuant to section 16 of the Federal Reserve Act, to levy an interest charge on outstanding Federal Reserve notes, the proposed levy was discussed at length by Chairman Eccles of the Board before both Banking and Currency Committees of Congress at open hearings. The Board's 1947 action in this respect was the subject of a published announcement in the Federal Reserve Bulletin for May of that year and was reported to Congress in the Board's

The Honorable Frank J. Lausche

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Annual Report for 1947. Thereafter in each Annual Report to date the Board has informed Congress as to the amounts paid by the Federal Reserve Banks to the Treasury as interest on Federal Reserve notes. The payments made by each of the Federal Reserve Banks for 1960 are shown at page 119 of the Board's Annual Report for 1960, a copy of which is enclosed.

A much more detailed statement on the subject of these payments, with particular emphasis on the legal aspects, was put into the record of the hearings before the Finance Committee of the Senate in August 1957 in connection with the testimony presented by Chairman Martin of the Board. A copy of this statement, as it appears at pages 1580-1585 of the hearings before the Committee on Finance, is enclosed for your information. The enclosed copy of Mr. Thompson's letter to the Chairman, dated July 29, 1960, indicates that Mr. Thompson had access to the statement of the Chairman made before the Committee. A copy of the Board's reply to Mr. Thompson, dated August 11, 1960, is also enclosed.

In reference to Mr. Thompson's request of you to obtain an opinion from the Department of Justice as to the Board's actions under section 16 of the Federal Reserve Act, and your inquiry of Mr. O'Connell as to any similar request by Mr. Thompson that may have been made of the Board, the Board's records reflect that in an undated letter received at the Board's offices on December 30, 1958, and, subsequently, by letter dated August 15, 1960, Mr. Thompson urged that an opinion of the Department of Justice be obtained. On the assumption that Mr. Thompson is urging that there be requested an opinion of the Attorney General on this subject, I am sure you are aware of the limited circumstances under which such an opinion may be required (see 5 U.S.C.A., sections 303, 304 and 307). A study of the court decisions and opinions of the Attorney General on the question of who may require or request the Attorney General's opinion on questions of law raises a question as to whether such an opinion could be required by, or would be given to, the Board.

Even assuming that under the statutory provision cited the Board may require the Attorney General's opinion on a question of law arising in the administration of the Board's functions, a request for such an opinion, or for more informal advice from the Attorney General's staff, would and should be made only where the Board entertains a well-founded doubt as to the legality or propriety of action either taken or proposed. The Board's conviction as to the legality of its action is evidenced in the testimony and statement presented to the Committees of the Congress hereinbefore cited. Under these circumstances it is

The Honorable Frank J. Lausche

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the Board's judgment that a request for an opinion of the Attorney General or for advice from his Department would be inappropriate and would be so considered by that Department. Inasmuch as Mr. Thompson has directed a similar request to the Attorney General, presumably he has been fully advised by the Department of Justice in this respect.

We hope that this information will be of assistance in connection with the matters raised by Mr. Thompson, whose letters to you are herewith returned.

Sincerely yours,

(Signed) C. Canby Balderston

C. Canby Balderston,
Vice Chairman.

Enclosures

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

Item No. 6
5/2/61

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

May 2, 1961

Mr. H. E. Hemmings,
First Vice President,
Federal Reserve Bank of San Francisco,
San Francisco 20, California.

Dear Mr. Hemmings:

In accordance with the request contained in your letter of April 18, 1961, the Board approves the appointment of John F. Mattimoe, Jr. as an assistant examiner for the Federal Reserve Bank of San Francisco. Please advise us of the effective date of the appointment.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.

