

609
9/62

Minutes for March 14, 1962

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.

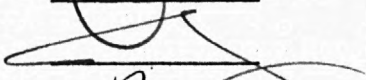
It is not proposed to include a statement with respect to any of the entries in this set of minutes in the record of policy actions required to be maintained pursuant to section 10 of the Federal Reserve Act.

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.

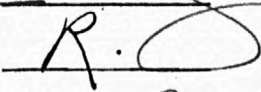
Chm. Martin



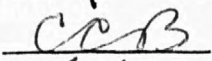
Gov. Mills



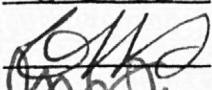
Gov. Robertson



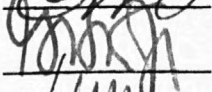
Gov. Balderston



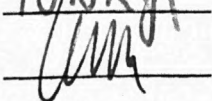
Gov. Shepardson



Gov. King



Gov. Mitchell



Minutes of the Board of Governors of the Federal Reserve System on Wednesday, March 14, 1962. The Board met in the Board Room at 10:00 a.m.

PRESENT: Mr. Martin, Chairman
 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. Young, Adviser to the Board and Director,
 Division of International Finance
 Mr. Molony, Assistant to the Board
 Mr. Fauver, Assistant to the Board
 Mr. Hackley, General Counsel
 Mr. Noyes, Director, Division of Research
 and Statistics
 Mr. Farrell, Director, Division of Bank
 Operations
 Mr. Shay, Assistant General Counsel
 Mr. Conkling, Assistant Director, Division
 of Bank Operations
 Mr. Leavitt, Assistant Director, Division
 of Examinations
 Mrs. Semia, Technical Assistant, Office
 of the Secretary
 Mr. Fuerth, Attorney, Legal Division
 Mr. Stephenson, Special Assistant, Division
 of Examinations
 Mr. McClintock, Supervisory Review Examiner,
 Division of Examinations
 Mr. White, Review Examiner, Division
 of Examinations

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

3/14/62

-2-

Item No.

Letter to Commonwealth Bank and Trust Company, Pittsburgh, Pennsylvania, approving an extension of time to dispose of shares of stock of other banks acquired in the merger with Butler Savings and Trust Company.

1

Letter to Farmers and Merchants State Bank of Springfield, Springfield, Minnesota, waiving the requirement of six months' notice of withdrawal from membership in the Federal Reserve System.

2

Letter to Wachovia Bank and Trust Company, Winston-Salem, North Carolina, approving the establishment of a branch at Third and Main Streets, Bayboro, subject to discontinuance of operations at the present branch on Main Street simultaneously with the establishment of the new branch.

3

Letter to First State Bank of Lynwood, Lynwood, California, approving the establishment of a branch in the vicinity of Alondra and Paramount Boulevards, Paramount.

4

Report on competitive factors (Burlington-Vergennes-Montpelier, Vermont). There had been distributed a draft of report to the Federal Deposit Insurance Corporation on the competitive factors involved in the proposed purchase of assets and assumption of liabilities of Capital Savings Bank and Trust Company, Montpelier, Vermont, by Chittenden Trust Company, Burlington, Vermont, and the proposed merger of The National Bank of Vergennes, Vergennes, Vermont, with Chittenden Trust Company.

3/14/62

-3-

After a brief discussion, during which a minor change in the wording of the conclusion was agreed upon, the report was approved unanimously for transmission to the Federal Deposit Insurance Corporation. The conclusion of the report so approved read as follows:

The bank resulting from the proposed purchase of assets and assumption of liabilities of Capital Savings Bank and Trust Company, Montpelier, Vermont, by Chittenden Trust Company, Burlington, Vermont, and the proposed merger of The National Bank of Vergennes, Vergennes, Vermont, with Chittenden Trust Company would be the State's largest commercial bank. If the subject proposals are approved, Chittenden's service area would be enlarged and competition in the Montpelier area would probably be intensified. The proposed transactions would not have an adverse effect on competition.

Credit union reports. A memorandum dated March 13, 1962, from Mr. Noyes had been distributed in connection with a proposal to add items to the monthly credit union report forms to obtain information on deposits and withdrawals of shares during the month and outstanding shares at the end of the month. The monthly reporting sample included about 700 Federal and 700 State credit unions, and, up to now, had been used primarily for consumer credit data. The proposed additional items were first requested by the Bureau of Federal Credit Unions, which wanted the data for administrative purposes. The new information also would add an important component of saving statistics of considerable interest to the Federal Reserve System and other Government agencies. The

3/14/62

-4-

proposal had been endorsed by the Bureau of the Budget and approved by the System Research Advisory Committee. It had been determined that the data were readily available, and the additional items would not constitute a significant reporting burden on the credit union sample.

The memorandum concluded by stating that the matter had been discussed with Mr. Irons, Chairman of the Presidents' Conference Committee on Research and Statistics, who felt that it was not of sufficient importance to be referred to the Reserve Bank Presidents for their views prior to consideration by the Board.

After discussion, the addition of the proposed items to the credit union report forms was approved unanimously.

Application of First Trust Company of Albany. There had been distributed a memorandum from the Division of Examinations dated March 2, 1962, recommending favorably on an application of First Trust Company of Albany, Albany, New York, for permission to merge with The Broadalbin Bank, Broadalbin, New York, and to operate a branch at the present location of The Broadalbin Bank.

At Chairman Martin's request, Mr. Leavitt reviewed the circumstances of the case, his comments being based on the information set forth in the March 2 memorandum.

After discussion, during which Mr. Leavitt responded to certain questions regarding the facts of the case, the

3/14/62

application was approved unanimously, with the understanding that the Legal Division would draft an order and supporting statement for the Board's consideration.

Application of City Trust Company. There had been distributed a memorandum dated March 2, 1962, from the Division of Examinations recommending favorably on an application of City Trust Company, Bridgeport, Connecticut, for consent to merge with The West Side Bank, Bridgeport, Connecticut, and to operate a branch at the present office of The West Side Bank.

In commenting on the application, Mr. Leavitt observed that the premium was small; in fact, if the value of bank premises of West Side Bank were considered, there was virtually no premium. The history, capital, earnings, and management of both banks were satisfactory. The West Side Bank had a somewhat unusual management apparatus, but the arrangement appeared to have worked satisfactorily. The bank claimed to have had difficulty in obtaining additional executive talent to provide management succession, but examination reports indicated that the bank's cashier might make a satisfactory chief executive officer. Bridgeport, an important industrial city, was now served by offices of four commercial banks, among which West Side was much smaller than the other three. If West Side was merged into City Trust Company, the three commercial banks then serving Bridgeport would all be roughly the same size. The service

3/14/62

-6-

area of West Side was encircled by the service area of City Trust Company, and a considerable number of depositors in West Side also had accounts in the larger bank. Another factor in the competitive situation in the area was the presence of three mutual savings banks, which held approximately 63 per cent of the total deposits in the greater Bridgeport area. In Connecticut, as in Massachusetts, savings banks have broad powers, and they are aggressive competitors for deposits.

Continuing, Mr. Leavitt pointed out that the area in which West Side Bank was located was changing from predominantly residential to industrial. There might be some question whether West Side could serve an industrial area as effectively as the kind of area it had served in the past. Moreover, the Comptroller of the Currency only recently had approved the application of Connecticut National Bank, the largest bank in Bridgeport, to establish a branch about three blocks from West Side Bank. The proposed merger would, of course, eliminate a significant amount of existing and potential competition, but it would provide the service area of West Side with the increased banking facilities that presumably would be needed by an industrial community.

In recommending approval, Mr. Leavitt said, the Division of Examinations had taken into consideration the Board's decisions in the mergers of Dauphin Deposit Trust Company and Camp Curtin

3/14/62

-7-

Trust Company, both of Harrisburg, Pennsylvania, and Fifth Third Union Trust Company of Cincinnati with Norwood-Hyde Park Bank and Trust Company of Norwood, Ohio. The Division felt that approval of the City Trust-West Side merger would be consistent with those decisions.

Governor Mills stated that he would vote for approval for the reasons that Mr. Leavitt had outlined. In Governor Mills' view, a manufacturing and industrial community like Bridgeport would be served best by a relatively few large banks that were geared to provide the required banking facilities. From that point of view, he had no concern about the increase in the size of City Trust Company that would result from the merger. It was difficult for him to see that a small bank, operating in a restricted area and surrounded by facilities of larger banks, could render an alternative banking service of any great consequence. In his view, the fact that there were common depositors was a natural consequence of the geographical situation. Such a customer might require the day-to-day routine services of the smaller bank located in its immediate area, but for other purposes might need the services of the larger bank. Governor Mills observed that even if the factors in this case were more evenly balanced than he thought them to be, he would feel that the public interest compelled recognition of property rights and that a bank seeking to merge should not, where the factors were relatively neutral, be compelled to continue in operation contrary to the wishes of its owners.

3/14/62

-8-

Governor Robertson stated that he would vote for disapproval. The merger would eliminate the competition provided by a good, small bank that was serving a public need and, in his view, proof of benefit to the public interest was not present in this case. The only factor suggesting favorable consideration was that the applicant was the smallest of the three large banks serving Bridgeport, and he did not consider that factor sufficiently strong to warrant approval of the merger. One of the other large banks was going to open a branch in West Side's service area, which should provide any wide-range services that the territory needed. He believed that there was a need for small banks in an area like Bridgeport; a substantial number of people evidently liked to deal with a bank the size of West Side.

Governor Shepardson said that he concurred in the recommendation for approval, for the reasons set forth by the staff and by Governor Mills.

Governor King stated that he would vote to approve the merger, although he had had some difficulty in coming to that conclusion. He also had difficulty in concluding that the two previous cases cited by Mr. Leavitt were closely comparable to this case.

Governor Balderston stated that he did not concur in the recommendation of the Division of Examinations and that he would vote to disapprove the application.

3/14/62

-9-

Chairman Martin stated that he concurred in the recommendation for approval, a principal reason being that West Side Bank evidently wanted to merge. He did not think that people should be compelled to stay in business if they did not want to stay. It was his understanding that this merger had not been sought aggressively by City Trust Company; rather, that West Side had concluded that its future was not bright and had wanted the merger. According to his information, the bank stood to lose some of its younger staff, who had decided that their prospects were not too good. He would agree with Governor Robertson's thesis if there was an aggressive and vigorous group in West Side who wanted to put their shoulders to the wheel and make the bank succeed, but that did not seem to be the case.

The application was then approved, Governors Balderston and Robertson dissenting. It was understood that the Legal Division would draft an order and majority statement for the Board's consideration and that a dissenting statement or statements might also be presented.

Messrs. Stephenson and McClintock then withdrew from the meeting.

Application of Union Trust Company of Maryland. There had been distributed a memorandum from the Division of Examinations dated February 23, 1962, recommending disapproval of an application

3/14/62

-10-

by Union Trust Company of Maryland, Baltimore, Maryland, for consent to merge with The Kingsville Bank, Kingsville, Maryland, and to operate branches at the locations of the offices of The Kingsville Bank. The Federal Reserve Bank of Richmond had recommended approval of the application. A memorandum from the Legal Division dated February 27 expressed the view that there was evidence in the record that would reasonably support a decision either to approve or to disapprove. Neither the two banking agencies nor the Department of Justice had concluded that the proposed merger would have an adverse competitive effect.

Mr. Leavitt, after summarizing the facts developed in the memorandum, indicated that the Division of Examinations viewed the case as similar to the proposed merger of United California Bank, Los Angeles, California, with The First National Bank of La Verne, La Verne, California, which the Board had denied by order dated November 16, 1961. In the present case, there was little indication that the services of a larger bank were needed in Kingsville, a small town a few miles from Baltimore, or in Perry Hall, another small town near Kingsville. Union Trust had apparently made application for the merger because it was apparent that The Kingsville Bank would soon seek to merge with one or another of the large Baltimore banks. If the Board was inclined to agree with the Division's recommendation of disapproval, it was suggested that an opportunity for oral presentation be extended.

3/14/62

-11-

Mr. Hackley commented on similarities that could be drawn between the present case and the Bridgeport case, which the Board had just approved. He added that although it was always desirable to have in mind the Board's decisions in previous cases that seemed similar, he had become rather skeptical about giving too much weight to such precedents because the facts of each case obviously differed from those of other cases in many respects.

Governor Mills remarked that in his view the territory to be considered in Union Trust's application was the metropolitan area of Baltimore. An important Baltimore bank proposed to extend its operations into a section of that area that it did not now serve through an existing office. He would consider that extension consistent with the law, in that it would substitute the services of the applicant for the services of the Kingsville Bank without eliminating any banking facilities. The effect of the merger would be to supplant a small bank that was apparently self-sufficient with a larger institution. However, denial of the application would superimpose the Board's opinion over the wishes of the two banks involved. In his view, it would be contrary to the public interest to preclude the exercise of property rights without sufficient cause. Also, he shared the reservations Mr. Hackley had expressed about comparison with other cases. He thought there was danger in placing too much emphasis on previous Board decisions. While he would not discount the

3/14/62

-12-

importance and usefulness of precedents, there was the risk of placing too much reliance on them rather than examining fully all the circumstances involved in each merger application.

Governor Robertson stated that he would vote for approval. In his view, there was no adverse competitive factor involved; merely the substitution of one office for another office. Also, there was nothing to indicate that Union Trust was seeking to expand excessively through mergers.

After further discussion, during which the other members of the Board indicated that they likewise were favorably disposed, the application was approved unanimously, with the understanding that the Legal Division would draft an order and supporting statement for the Board's consideration.

Messrs. Shay, Fuerth, and White then withdrew from the meeting.

Absorption of exchange charges. In a memorandum dated March 13, 1962, which had been distributed, Governor Robertson recommended that the Board adopt an amendment to Regulation Q, Payment of Interest on Deposits, which in effect would accept the position taken by the Federal Deposit Insurance Corporation that absorption of exchange charges does not represent a payment of interest on deposits. Such action would be in accord with views expressed by representatives of the Comptroller of the Currency and the Federal Deposit Insurance Corporation at a meeting on March 5, 1962, with representatives of the Board. A summary of that meeting was attached to the memorandum.

3/14/62

-13-

Governor Robertson listed the following reasons favoring his recommendation:

(1) The Federal Deposit Insurance Corporation continued to be of the opinion that, under the Federal Deposit Insurance Act, it could not take the position that absorption of exchange by nonmember insured banks as consideration for maintaining a deposit account constituted a payment of interest on demand deposits.

(2) The Comptroller of the Currency was of the opinion that absorption of exchange should not be interpreted as representing payment of interest on demand deposits, and firmly believed that the Board should adopt the position of the Federal Deposit Insurance Corporation. Consequently, the Comptroller's examiners could hardly be expected to police absorption of exchange rules promulgated by the Federal Reserve System, as a result of which State member banks abiding by such rules would be placed in an unfair competitive position.

(3) Any request to Congress to make the laws applicable to the Federal Deposit Insurance Corporation and the Board consistent with each other would be a lengthy affair, with the possibility of passage of legislation unlikely.

(4) Continuation of the present Board position would result in continued unfair competition between banks, would aggravate

3/14/62

-14-

the problems of examiners in trying to ascertain whether banks were only absorbing exchange within permissible limits, and would result in continued evasion of the rules on the part of some banks.

Governor Robertson stated in his memorandum that he realized that the action he recommended would be unpopular with many member banks. However, it seemed impossible to achieve the adoption of any rule that would be fair to both member and nonmember banks. A rule that would permit member banks to absorb exchange on all items with a face amount of less than \$25 would be acceptable to many commercial banks because it would permit them to reduce their costs by making no record of 62 per cent of the items handled. However, that would permit them to absorb 22 per cent of the applicable exchange. The Board's previous position, permitting the absorption of exchange up to \$2 per account per month, had been on the basis that this represented nominal and trivial amounts, and a survey showed that such permissible absorption was less than 5 per cent of the total applicable exchange charges. However, 22 per cent could hardly be considered trivial.

If the Board concurred in his recommendation, Governor Robertson suggested in his memorandum (1) that the amendment to Regulation Q might take the form of the insertion of a footnote similar to that now contained in the comparable regulation of the Federal Deposit Insurance Corporation, stating in effect that the absorption of exchange in connection with the routine collection of checks does not constitute

3/14/62

-15-

a payment of interest; (2) that such a proposed amendment be discussed with the Presidents of the Federal Reserve Banks on March 27, 1962, the date of the next scheduled meeting of the Federal Open Market Committee; and (3) that the proposed amendment then be published in the Federal Register for comment. It would seem appropriate, in explaining the reasons for the proposed amendment at the time of its publication, to state expressly that it should not be construed as implying approval by the Board of the practice of nonpar banks of making exchange charges.

Attached to Governor Robertson's memorandum was a memorandum dated March 13, 1962, from Mr. Hackley setting forth the history of the problem and commenting on the legal aspects of a possible reversal of the Board's position.

In opening the discussion, Governor Robertson commented that his memorandum had been prepared and placed on the agenda for today's meeting in the expectation that the directors of the Federal Deposit Insurance Corporation would meet with the Board on Friday of this week to discuss the problem of absorption of exchange charges. However, that meeting had now been deferred until next Monday, March 19.

The ensuing discussion centered on the procedure that should most appropriately be followed at this point. The suggestion was made, by Governor Mills, that the matter be discussed with the Federal Advisory Council at a special meeting called for that purpose.

3/14/62

-16-

A further suggestion by Governor Mills was that the discussion with the Council might be broadened beyond the problem of exchange absorption to include several matters in the banking area on which views had been expressed by the Comptroller of the Currency at his meeting with the Board yesterday. He noted that for the most part the Comptroller's views on those matters were a matter of public knowledge.

The further suggestion was made that, in considering whether or not to reverse its position relating to absorption of exchange charges, the Board confer with representatives of the banking community prior to publishing any proposed amendment to Regulation Q in the Federal Register for comment. On this point, however, it was noted that an extensive survey had already been undertaken by the Federal Reserve System, in cooperation with the American Bankers Association, the Association of Reserve City Bankers, and NABAC. Question was raised as to the feasibility of conferring with the banking community in general.

At the conclusion of the discussion, there was a favorable reaction among the members of the Board to the suggestion that a special meeting of the Federal Advisory Council be called for discussion with the Board of the exchange absorption problem. It was agreed that an appropriate schedule would be (1) the meeting on Monday, March 19, with the directors of the Federal Deposit Insurance Corporation; then, depending on the outcome of that meeting,

3/14/62

-17-

(2) discussion with the Presidents of the Federal Reserve Banks on March 27; and (3) discussion with the Federal Advisory Council at a meeting to be called within a week or two following the discussion with the Reserve Bank Presidents. It was suggested that it would be advisable to furnish the members of the Federal Advisory Council, in advance of any such special meeting, with material reviewing the history and ramifications of the absorption of exchange problem. Appropriate material, it was felt, might include Mr. Conkling's memorandum on the March 5 interagency meeting, with attached information on the November 1960 nonpar banking survey, and probably Mr. Hackley's memorandum of March 13. A suggestion was made that the Council members might also be given information about the position taken by the Federal Deposit Insurance Corporation on absorption of exchange, and the reasoning upon which that position was based. In this connection, it was suggested that when the directors of the Corporation met with the Board on Monday they might be asked if they would care to provide such a statement.

On the question whether, at any meeting with the Federal Advisory Council such as envisaged, reference also should be made to matters that the Comptroller of the Currency had discussed at his meeting with the Board yesterday, there was some opinion within the Board that it might be of advantage to seek the Council's views and to report on any items as to which the Board was inclined to go

3/14/62

-18-

along with the position of the Comptroller. However, there was also an expression of opinion that care should be exercised at this point against entering into discussion of subjects that might be considered controversial. Chairman Martin commented to the effect that the question of discussing with the Council any of the items to which the Comptroller had referred yesterday should first be cleared with the Comptroller.

At the conclusion of the discussion, there was general agreement that, unless next Monday's meeting disclosed some change in the position of the Federal Deposit Insurance Corporation in respect to the absorption of exchange charges, it would be appropriate to proceed with consideration of that subject along the lines that had been suggested.

Directors' Day program. There was a general discussion of arrangements for the program for newly-appointed Federal Reserve Bank and branch directors, beginning with dinner this evening and continuing tomorrow, and it was understood that several points of procedure covered during the discussion would be borne in mind.

The meeting then adjourned.

Secretary's Notes: On March 13, 1962,
Governor Shepardson approved on behalf
of the Board the following items:

Letter to the Federal Reserve Bank of Cleveland (attached Item No. 5) approving the designation of Richard Joseph Ginnane as special examiner and the designation of various officers and employees as special assistant examiners.

3/14/62

-19-

Telegram to the Federal Reserve Bank of Minneapolis (attached Item No. 6) approving the appointment of William V. Fischer as assistant examiner.

Memoranda from appropriate individuals concerned recommending increases in the basic annual salaries of the following persons on the Board's staff, effective March 18, 1962:

Katherine Ellis Olson, Records Clerk, Office of the Secretary, from \$4,460 to \$4,565.

Eleanor Stockwell Frase, Economist, Division of Research and Statistics, from \$12,990 to \$13,250.

Anne T. Roberson, Secretary, Division of Research and Statistics, from \$5,655 to \$5,820.

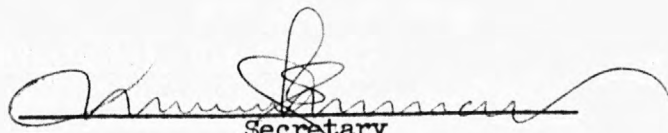
John B. P. Baird, Analyst, Division of Bank Operations, from \$6,180 to \$6,345.

Joseph B. Dunn, Assistant Federal Reserve Examiner, Division of Examinations, from \$7,095 to \$7,260.

Louise L. Hiller, Data Control Clerk, Division of Administrative Services, from \$5,005 to \$5,170.

Paul L. Tedrow, Operating Engineer, Division of Administrative Services, from \$4,930 to \$5,179.

Governor Shepardson today approved on behalf of the Board a letter to the Federal Reserve Bank of San Francisco (attached Item No. 7) approving the appointment of Gilbert Alan Lord as assistant examiner.


Secretary

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

Item No. 1
3/14/62

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

March 14, 1962



Board of Directors,
Commonwealth Bank and Trust Company,
Pittsburgh 30, Pennsylvania.

Gentlemen:

The Board of Governors of the Federal Reserve System has approved an extension until July 1, 1963, of the time within which Commonwealth Bank and Trust Company is to dispose of the shares of stock of other banks acquired in the merger with Butler Savings and Trust Company.

It is noted that the shares of stock of other banks held by your bank all have a wide distribution and your holdings are relatively small in relation to the total shares outstanding of each of the banks. The Board is granting an extension of the time with the understanding that every effort will be made to effect disposition of the shares as favorable market opportunities occur.

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
3/14/62

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

March 14, 1962



Board of Directors,
Farmers and Merchants State Bank
of Springfield,
Springfield, Minnesota.

Gentlemen:

The Federal Reserve Bank of Minneapolis has forwarded to the Board of Governors your letter dated February 20, 1962, together with the accompanying resolution dated December 28, 1961, signifying your intention to withdraw from membership in the Federal Reserve System and requesting waiver of the six months' notice of such withdrawal.

The Board of Governors waives the requirement of six months' notice of withdrawal. Under the provisions of Section 10(c) or the Board's Regulation H, your institution may accomplish termination of its membership at any time within eight months from the date that notice of intention to withdraw from membership was given. Upon surrender to the Federal Reserve Bank of Minneapolis of the Federal Reserve Bank stock issued to your institution, such stock will be canceled and appropriate refund will be made thereon.

It is requested that the certificate of membership be returned to the Federal Reserve Bank of Minneapolis.

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
3/14/62

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

March 14, 1962

Board of Directors,
Wachovia Bank and Trust Company,
Winston-Salem, North Carolina.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment of a branch at the corner of Third and Main Streets, Bayboro, North Carolina, by Wachovia Bank and Trust Company, Winston-Salem, North Carolina, provided the branch is established within six months from the date of this letter, and, provided further, that branch operations conducted at the present branch office on Main Street in Bayboro, North Carolina, are discontinued simultaneously with the establishment of the above 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
3/14/62

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

March 14, 1962

Board of Directors,
First State Bank of Lynwood,
Lynwood, California.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment of a branch by First State Bank of Lynwood in the vicinity of the intersection of Alondra and Paramount Boulevards, Paramount, California, provided the branch is established within six months from the date of this letter.

It is understood that capital funds of the bank will be increased by at least \$200,000 from the sale of additional common stock as required by the California State Banking Department.

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
3/14/62

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

March 14, 1962



CONFIDENTIAL (FR)

Mr. Paul C. Stetzelberger, Vice President,
Federal Reserve Bank of Cleveland,
Cleveland 1, Ohio.

Dear Mr. Stetzelberger:

In accordance with the request contained in your letter of March 2, 1962, the Board approves the designation of Richard Joseph Ginnane as a special examiner, and the other officers and employees indicated on the list enclosed with your letter, who are not indebted to State member banks, as special assistant examiners for the Federal Reserve Bank of Cleveland for the purpose of participating in examinations of State member banks only.

The Board also approves the designation of each of the employees shown on your list as having indebtedness to one or more State member banks as a special assistant examiner for your Bank for the purpose of participating in examinations of State member banks except the bank or banks to which he is indebted.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.

T E L E G R A M
LEASED WIRE SERVICEItem No. 6
3/14/62BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON

March 14, 1962

DEMING - MINNEAPOLIS

Reurlet March 7, 1962, Board approves appointment of William V. Fischer as assistant examiner for Federal Reserve Bank of Minneapolis. Please advise effective date of appointment.

(Signed) Elizabeth L. Carmichael

CARMICHAEL

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

Item No. 7
3/14/62

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

MAR 14 1962



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 March 6, 1962, the Board approves the appointment of Gilbert Alan Lord as an assistant examiner for the Federal Reserve Bank of San Francisco. Please advise the effective date of the appointment.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.