

FR 609
Rev. 9/61

Minutes for December 11, 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

RM

Gov. Mills

[Signature]

Gov. Robertson

[Signature]

Gov. Balderston

CCB

Gov. Shepardson

[Signature]

Gov. King

[Signature]

Gov. Mitchell

[Signature]

Minutes of the Board of Governors of the Federal Reserve System

on Tuesday, December 11, 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. Sherman, Secretary
Mr. Kenyon, Assistant Secretary
Mr. Molony, Assistant to the Board
Mr. Cardon, Legislative Counsel
Mr. Fauver, Assistant to the Board
Mr. Hackley, General Counsel
Mr. Farrell, Director, Division of Bank
Operations
Mr. Solomon, Director, Division of
Examinations
Mr. Johnson, Director, Division of Personnel
Administration
Mr. Hexter, Assistant General Counsel
Mr. Shay, Assistant General Counsel
Mr. Holland, Adviser, Division of Research
and Statistics
Mr. Leavitt, Assistant Director, Division
of Examinations
Mr. Mattras, General Assistant, Office of
the Secretary
Miss Hart, Senior Attorney, Legal Division
Mr. Langham, Chief, Call Report Section,
Division of Bank Operations
Mr. Veenstra, Technical Assistant, Division
of Bank Operations

Discount rates. The establishment without change by the Federal Reserve Bank of Boston on December 10, 1962, of the rates on discounts and advances in its existing schedule was approved unanimously, with the understanding that appropriate advice would be sent to that Bank.

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Circulated items. The following items, copies of which are attached to these minutes under the respective item numbers indicated, were approved unanimously:

	<u>Item No.</u>
Letter to Citizens State Bank, Hempstead, Texas, waiving the requirement of six months' notice of withdrawal from membership in the Federal Reserve System.	1
Letter to First State Bank of Odem, Odem, Texas, waiving the requirement of six months' notice of withdrawal from membership in the Federal Reserve System.	2
Letter to Houston Bank & Trust Company, Houston, Texas, granting permission to maintain reduced reserves.	3
Letters to the Federal Reserve Banks of New York, St. Louis, Dallas, and San Francisco approving revised officer salary structures.	4-7
Letters to the Federal Reserve Banks of Chicago and Minneapolis approving the payment of salaries to certain officers at rates fixed by the Boards of Directors.	8-9

Bank holding company investment in stock of small business investment companies (Item No. 10). There had been distributed a memorandum from the Legal Division dated November 27, 1962, submitting a proposed interpretation of (1) section 4(c)(4) of the Bank Holding Company Act, which permits a bank holding company to acquire shares of nonbank corporations "which are of the kinds and amounts eligible for investment" by national banks, and (2) section 302(b) of the Small Business Investment Act, which permits a national bank to invest "2 per cent of its capital and surplus" in the stock of small business investment companies.

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In an interpretation published in the Federal Reserve Bulletin of March 1959, the Board had held that a bank holding company could lawfully invest in stock of small business investment companies up to 1 per cent of the holding company's capital and surplus, with surplus to be determined in accordance with generally accepted accounting and reporting procedures applicable to the holding company.^{1/}

In 1961, however, First Bank Stock Corporation of Minneapolis, Minnesota, asked the Board's advice as to the amount that it and its subsidiaries could invest in stock of small business investment corporations. In attempting to answer this inquiry, certain questions arose that caused a reexamination of the 1959 interpretation. As a result, the Legal Division had now concluded that the 1959 interpretation did not fully effectuate the apparent intent of the Congress. Accordingly, the Division proposed that the 1959 interpretation be superseded and that the Board issue a new interpretation which would provide that total direct and indirect investments of a bank holding company in stock of small business investment companies might not exceed 2 per cent of the capital and surplus of a subsidiary bank if such stock was owned or controlled by the subsidiary bank, or 2 per cent of the capital and surplus of the holding company, if itself a bank, if the stock was owned or controlled by such bank. A holding company that was not a bank would be allowed to invest up to 2 per cent of its proportionate interest in

^{1/} The Small Business Investment Act was amended in 1961 to increase from 1 per cent to 2 per cent the permissible investment by a national bank in stock of small business investment companies.

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the capital and surplus of each subsidiary bank less that bank's direct investment in stock of small business investment companies.

The Legal Division felt that the proposed interpretation would avoid the shortcomings of the earlier interpretation and would give greater effect to the apparent legislative intent of the Bank Holding Company Act and the Small Business Investment Act. The proposed interpretation would permit all banks, even though subsidiaries of bank holding companies, to invest up to the full amount permitted by the Small Business Investment Act without creating a situation where a holding company could invest a greater amount in small business company stock than the aggregate of the banks in its system. A staff review indicated that no holding company system had invested in the aggregate more than that permitted under the proposed interpretation.

After discussion, the Board approved unanimously the issuance of the proposed interpretation, with the understanding that it would be published in the Federal Register and the Federal Reserve Bulletin and that a copy would be sent to each registered bank holding company. A copy of the interpretation, as subsequently published, is attached to these minutes as Item No. 10.

The meeting then adjourned.

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

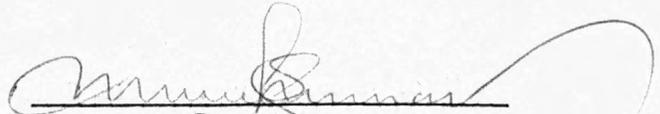
12/11/62

Letters to the Federal Reserve Bank of Philadelphia (attached Items 11, 12, and 13) approving the appointment of Robert A. Dobie, Donald J. McAneny, and William F. Walsh as examiners.

Letter to the Federal Reserve Bank of Chicago (attached Item No. 14) approving the appointment of John M. Saphir as assistant examiner.

Letter to the Federal Reserve Bank of Dallas (attached Item No. 15) approving the appointment of Melvin W. Pollock as assistant examiner.

Letter to the Federal Reserve Bank of San Francisco (attached Item No. 16) approving the appointment of James W. Stacey as assistant examiner.


Secretary

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

Item No. 1
12/11/62

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 11, 1962

Board of Directors,
Citizens State Bank,
Hempstead, Texas.

Gentlemen:

The Federal Reserve Bank of Dallas has forwarded to the Board of Governors a letter dated October 25, 1962, signed by Executive Vice President T. W. Weatherred, together with the accompanying resolution dated October 11, 1962, 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 208.10(c) of 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 Dallas of the Federal Reserve 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 Dallas.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.

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

4719
Item No. 2
12/11/62

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 11, 1962

Board of Directors,
First State Bank of Odem,
Odem, Texas.

Gentlemen:

The Federal Reserve Bank of Dallas has forwarded to the Board of Governors a letter dated November 16, 1962, signed by Executive Vice President and Cashier Zack H. Pruett, together with the accompanying resolution dated November 14, 1962, 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 208.10(c) of 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 Dallas of the Federal Reserve 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 Dallas.

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
12/11/62



ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 11, 1962

Board of Directors,
Houston Bank & Trust Company,
Houston, Texas.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of Dallas, the Board of Governors, acting under the provisions of Section 19 of the Federal Reserve Act, grants permission to the Houston Bank & Trust Company to maintain the same reserves against deposits as are required to be maintained by nonreserve city banks, effective with the first biweekly reserve computation period beginning after the date of this letter.

Your attention is called to the fact that such permission is subject to revocation by the Board of Governors.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

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

Item No. 4
12/11/62



ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 11, 1962

CONFIDENTIAL (FR)

Mr. Alfred Hayes, President,
Federal Reserve Bank
of New York,
New York 45, New York.

Dear Mr. Hayes:

The Board of Governors has approved, effective January 1, 1963, the following minimum and maximum ranges for the respective officer salary groups at the Federal Reserve Bank of New York, as requested in your letter of November 15, 1962:

<u>Group</u>	<u>Minimum</u>	<u>Maximum</u>
A	\$26,000	\$37,500
B	22,500	32,000
C	19,000	26,500
D	16,500	22,000
E	14,500	19,000
F	13,000	17,000

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.



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

Item No. 5
12/11/62

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 11, 1962

CONFIDENTIAL (FR)

Mr. Harry A. Shuford, President,
Federal Reserve Bank of St. Louis,
P. O. Box 442,
St. Louis 66, Missouri.

Dear Mr. Shuford:

The Board of Governors has approved, effective January 1, 1963, the following minimum and maximum ranges for the respective officer salary groups at the Federal Reserve Bank of St. Louis, as requested in your letter of November 9, 1962:

<u>Group</u>	<u>Minimum</u>	<u>Maximum</u>
A	\$18,500	\$27,500
B	15,000	22,500
C	12,500	18,750
D	11,000	16,500

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.



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

4723

Item No. 6
12/11/62

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 11, 1962

CONFIDENTIAL (FR)

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

Dear Mr. Irons:

The Board of Governors has approved, effective January 1, 1963, the following minimum and maximum ranges for the respective officer salary groups at the Federal Reserve Bank of Dallas, as requested in your letter of November 9, 1962:

<u>Group</u>	<u>Minimum</u>	<u>Maximum</u>
A	\$18,500	\$27,500
B	15,000	22,500
C	11,500	17,500
D	9,000	13,500

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

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

Item No. 7
12/11/62



ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 11, 1962

CONFIDENTIAL (FR)

Mr. F. B. Whitman,
Chairman of the Board,
Federal Reserve Bank of
San Francisco,
San Francisco 20, California.

Dear Mr. Whitman:

The Board of Governors has approved, effective January 1, 1963, the following minimum and maximum ranges for the respective officer salary groups at the Federal Reserve Bank of San Francisco, as requested in your letter of November 7, 1962:

<u>Group</u>	<u>Minimum</u>	<u>Maximum</u>
A	\$20,000	\$30,000
B	17,000	25,000
C	14,000	21,000
D	11,000	16,500

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.



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

4725

Item No. 8
12/11/62

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 11, 1962

CONFIDENTIAL (FR)

Mr. Charles J. Scanlon, President,
Federal Reserve Bank of Chicago,
Chicago 90, Illinois.

Dear Mr. Scanlon:

The Board of Governors approves the payment of salaries to the following officers of the Federal Reserve Bank of Chicago for the period January 1 through December 31, 1963, at the rates indicated:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
George W. Cloos	Senior Economist	\$15,500
Lynn A. Stiles	Senior Economist	14,500

The rates approved by the Board are those fixed by your Board of Directors as reported in your letter of November 8, 1962.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

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

Item No. 9
12/11/62



ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 11, 1962

CONFIDENTIAL (FR)

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

Dear Mr. Deming:

The Board of Governors approves the payment of salaries to the following officers of the Federal Reserve Bank of Minneapolis for the period January 1 through December 31, 1963, at the rates indicated:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
Ralph J. Dreitzler	Assistant General Auditor	\$13,000
Christopher Bjork	Assistant General Auditor	12,000

The rates approved by the Board are those fixed by your Board of Directors as reported in your letter of November 8, 1962.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

TITLE 12 - BANKS AND BANKING
CHAPTER II - FEDERAL RESERVE SYSTEM
SUBCHAPTER A - BOARD OF GOVERNORS OF
THE FEDERAL RESERVE SYSTEM

[Reg. Y]

PART 222 - BANK HOLDING COMPANIES

Limit on Investment by Bank Holding Company System
in Stock of Small Business Investment Companies

Section 222.111 is revised to read as follows:

§ 222.111 Limit on investment by bank holding company system
in stock of small business investment companies.

(a) In an interpretation of the Bank Holding Company Act of 1956 published in 1959 at 25 F.R. 1584* (superseded by this interpretation) the Board of Governors expressed the view that a bank holding company could lawfully invest, in stock of small business investment companies, up to 1 per cent of "the holding company's capital and surplus". That interpretation was based on two statutory provisions: (1) section 4(c)(4) of the Holding Company Act (12 U.S.C. 1843), which permits a holding company to acquire shares of nonbank corporations "which are of the kinds and amounts eligible for investment" by national banks, and (2) section 302(b) of the Small Business Investment Act (15 U.S.C. 682), which permitted a national bank to invest "1 per cent of its capital and surplus" in SBIC stock. (In 1961, this provision of the SBI Act was amended to increase the permissible investment from 1 per cent to 2 per cent.)

* Published in 1959 at 25 F.R. 257.

(b) Further study of the effects of the 1959 interpretation, as it would apply to actual situations, has disclosed that it produces results inconsistent with basic Congressional purposes embodied in the Holding Company Act and the SBI Act and therefore requires modification and refinement.

(c) In adopting section 4(c)(4) of the Holding Company Act, Congress intended, broadly speaking, to permit a holding company to invest in corporate stock to the same extent as if it were a national bank and its subsidiaries were branches. Viewed from another angle, the Congressional intent was to allow a holding company system to invest in corporate stock (whether held by the holding company or by subsidiaries) to the extent that the banking interests represented by the holding company would permit such investment if those interests were embodied in a national bank rather than a bank holding company. With respect to the SBI Act, section 302(b) thereof clearly was intended to permit every national bank to invest up to a specified percentage, now 2 per cent, of its capital and surplus in SBIC stock, regardless of whether or not the bank was a subsidiary in a holding company system.

(d) In some situations the 1959 interpretation would thwart these Congressional objectives. In the case of a holding company that owned most of the stock of its subsidiary banks and wrote up its asset accounts to reflect the full underlying book value of its bank stocks, the holding company could invest in SBIC stock a substantially larger

amount than could its subsidiary banks in the aggregate.^{1/} This result would be even more noticeable in the case of a holding company with substantial nonbanking interests, permitted by the exceptions provided in section 4(c) of the Holding Company Act, since such interests would further increase the "capital and surplus" of the holding company. It is unreasonable to assume that Congress intended, by enacting section 4(c)(4), to increase the authority of holding companies to purchase corporate stock because of the magnitude of the holding company's nonbanking interests.

(e) In other situations, the Congressional purpose reflected by section 302(b) of the SBI Act would be defeated. Under section 4 of the Holding Company Act, SBIC stock owned directly by subsidiary banks is owned indirectly by the holding company. In the case of a holding company that owns only a slight majority (or a minority) of its banks' stock, the capital and surplus of the holding company sometimes is markedly smaller than the aggregate capital and surplus of its subsidiary banks. In such a case, the Board's 1959 interpretation would

^{1/} An example may clarify this statement. If the banks in a holding company system were national banks with aggregate capital of \$10 million, surplus of \$10 million, and undivided profits of \$5 million, those banks could invest in SBIC stock no more than \$400,000 (i.e., 2 per cent of \$20 million, the banks' capital and surplus). However, if the holding company owned all of the stock of those banks and showed it on its books at total underlying value--the capital, surplus, and undivided profits of the subsidiary banks--the holding company could invest \$500,000 in SBIC stock (i.e., 2 per cent of \$25 million, the holding company's capital and surplus). The difference results, of course, from the fact that, in the case of banks, "capital and surplus" does not comprise the entire capital structure, whereas in the case of other corporations (such as holding companies) "capital and surplus" usually does include practically the entire capital structure.

prevent subsidiary banks from investing in SBIC stock to the extent permitted by section 302(b) of the SBI Act, despite the legislative intent, reflected by the 1960 amendment of that law, that even holding company banks should be able to invest in SBIC stock up to the limit there prescribed.^{2/}

(f) For these reasons, the 1959 interpretation is superseded.

It is the position of the Board that, under the provisions of sections 4(a)(1) and 4(c)(4) of the Bank Holding Company Act, the total direct and indirect investments of a bank holding company in stock of small business investment companies may not exceed:

- (1) with respect to such stock owned or controlled by a subsidiary bank, 2 per cent of that bank's capital and surplus;
- (2) with respect to such stock owned directly by a holding company that is a bank, 2 per cent of that bank's capital and surplus; and
- (3) with respect to such stock otherwise owned or controlled directly or indirectly by the holding company, 2 per cent of its proportionate interest in the capital and surplus of each subsidiary bank (that is, the holding company's percentage of the bank's stock times the bank's capital and surplus) less that bank's investment in stock of small business investment companies.

^{2/} In the example presented in footnote 1/, if the holding company owned 60 per cent of its banks' stock, those banks could invest in SBIC stock only \$300,000, rather than the \$400,000 permitted by section 302(b). The holding company's capital and surplus would be \$15 million (i.e., 60 per cent of \$25 million, the aggregate capital, surplus, and undivided profits of the subsidiary banks), 2 per cent of which would be \$300,000. Accordingly, the subsidiary banks themselves could not invest more than this amount in SBIC stock, since stock owned by subsidiary banks is indirectly owned by the holding company and therefore the aggregate investment by the subsidiary banks may not exceed 2 per cent of the holding company's capital and surplus.

(g) This interpretation avoids the shortcomings of the earlier interpretation. It permits every bank to invest up to the full amount permitted by section 302(b) of the SBI Act, despite the fact that a particular bank may be a subsidiary of a holding company; this accords with the intent of section 302(b). At the same time, in no case will it permit a holding company system to invest a greater amount in SBIC stock than could be invested, in the aggregate, by the banks in the holding company system if they were national banks; this is believed to accord with the general purpose (actual or reasonably presumed) of section 4(c)(4) of the Holding Company Act.

(12 U.S.C. 1844)

Dated at Washington, D. C., this 11th day of December, 1962.

(SEAL)

(Signed) Merritt Sherman
Merritt Sherman,
Secretary.

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

Item No. 11
12/11/62

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 11, 1962

Mr. Joseph R. Campbell, Vice President,
Federal Reserve Bank of Philadelphia,
Philadelphia 1, Pennsylvania.

Dear Mr. Campbell:

In accordance with the request contained in your letter of December 5, 1962, the Board approves the appointment of Robert A. Dobie, at present an assistant examiner, as an examiner for the Federal Reserve Bank of Philadelphia, effective December 31, 1962.

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. 12
12/11/62

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 11, 1962

Mr. Joseph R. Campbell, Vice President,
Federal Reserve Bank of Philadelphia,
Philadelphia 1, Pennsylvania.

Dear Mr. Campbell:

In accordance with the request contained in your letter of December 5, 1962, the Board approves the appointment of Donald J. McAneny, at present an assistant examiner, as an examiner for the Federal Reserve Bank of Philadelphia, effective December 31, 1962.

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. 13
12/11/62

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 11, 1962

Mr. Joseph R. Campbell, Vice President,
Federal Reserve Bank of Philadelphia,
Philadelphia 1, Pennsylvania.

Dear Mr. Campbell:

In accordance with the request contained in your letter of December 5, 1962, the Board approves the appointment of William F. Walsh, at present an assistant examiner, as an examiner for the Federal Reserve Bank of Philadelphia, effective December 31, 1962.

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. 14
12/11/62

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 11, 1962

Mr. Leland Ross, Vice President,
Federal Reserve Bank of Chicago,
Chicago 90, Illinois.

Dear Mr. Ross:

In accordance with the request contained in your letter of December 5, 1962, the Board approves the appointment of John M. Saphir as an assistant examiner for the Federal Reserve Bank of Chicago. Please advise the effective date of the appointment.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.



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

Item No. 15
12/11/62

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD



December 11, 1962

Mr. Thomas R. Sullivan, Vice President,
Federal Reserve Bank of Dallas,
Station K,
Dallas 2, Texas.

Dear Mr. Sullivan:

In accordance with the request contained in your letter of December 6, 1962, the Board approves the appointment of Melvin W. Pollock as an assistant examiner for the Federal Reserve Bank of Dallas. Please advise as to effective date of appointment.

It is noted that Mr. Pollock is indebted to the Texas National Bank, Houston, Texas, in the amount of \$1,000. Accordingly, the Board's approval of the appointment of Mr. Pollock is given with the understanding that he will not participate in any examination of the Texas National Bank until his indebtedness is liquidated.

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. 16
12/11/62

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD



December 11, 1962

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

Dear Mr. Galvin:

In accordance with the request contained in your letter of December 3, 1962, the Board approves the appointment of James W. Stacey as an assistant examiner for the Federal Reserve Bank of San Francisco. Please advise the effective date of the appointment.

It is noted that Mr. Stacey's father is a director of the First State Bank of Salina, Salina, Utah, a State member bank. Accordingly, the Board's approval of the appointment of Mr. Stacey is given with the understanding that he will not participate in any examination of First State Bank of Salina as long as his father is an officer or director of that institution.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.