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OF
BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
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Emergency plans, Regulation No. 2, Use of Secured Notes to Transfer Credits, approved with Regulation No. 1, relating to Operations of FR Banks, to be automatically effective in the event of an attack, transmitted to the Presidents of all FRBanks

Federal programs, interagency committee to study, established by the President of the U.S., along with two other committees to study various implications of the report of the Commission on Money and Credit, Chm. of Board named as member, Mr. Noyes to serve as Board's liaison, Secretary Dillon to chair committee re, Mr. Roosa, Under Secretary for Monetary Affairs to arrange organizational meeting for, Board representative to meet with Mr. Roosa

Report by Mr. Noyes on organizational meeting held in Office of the Under Secretary of the Treasury Roosa, by the President, indicated that staff work would be done largely by representatives of the Treasury and the Budget Bureau
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Report by Mr. Noyes on recent meeting and status of study re

Report by Mr. Noyes on status of work of, and re forthcoming meetings in connection with

Draft report of, proposed to be submitted to President of U.S., presented to Board by Mr. Noyes for comment, Board's views re

Securities markets, review of usage and recent developments in, and discussion re its relation to margin requirements

Statement of Chm. Martin on inventory investment and credit conditions to be presented before Subcommittee on Economic Stabilization, Automation, and Energy Resources of the Joint Economic Committee reviewed, agreed statement be revised in form satisfactory to Chairman Martin

System policy, impact of current, topic of discussion with FAC

Indicated appropriate and as having desirable impact on business activity, views of FAC expressed in joint meeting with Board

Question re relative weight to be placed on domestic or on international considerations, topic for discussion with FAC

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    Shares, deposits and withdrawals of, during month, and those outstanding at end of month, proposed additional items for inclusion in reports of Federal and State, to obtain data re
  Cuban situation:
    Emergency planning program of FRSystem, report by Mr. Harris re, in light of situation
    Progress report by Mr. Harris on developments re FRSystem defense planning in light of
    Report by Mr. Harris on developments, suggestion re possibility of simulated exercise under conditions that would prevail under DEFCON 2, agreed that the possibility of a desk exercise would be considered
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Foreign exchange and gold markets, report by Mr. Young on developments following the

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Armored car service, letter to Postmaster General re shipments of currency by registered mail and by

Comptroller of the Currency, question by Governor Robertson re possible notice of a suggested bill providing for the transfer from the, to the Board of the currency function, no such suggestion had been made

Emergency storage at cash agent banks:

Plan of FRBank of Richmond to store currency with its 23 Cash Agent Banks approved, authorized to incur reasonable expenses incident to, budgetary provision made for anticipated expenditures

Decision of FRBank of Richmond to increase its number of cash agent banks from 23 to 24 noted without objection

Proposed storage of, in The First National Bank of Chillicothe, Ohio, a cash agent bank, by the FRBank of Cleveland, approved

Proposal of FRBank of Boston re currency storage at three cash agent banks, approved, including general authorization to make further arrangements with other cash agent banks, with certain understanding

Exhibit by International Bank for Reconstruction and Development of currency of member countries, use of marked specimen of each denomination of FRNote, to be provided by Bureau of Engraving and Printing, for inclusion in, no objection by Board, Mr. Farrell to advise Mr. Howell, Treasury Department
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Foreign, FRSystem operations in:

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FRSystem operations

Mechanization of sorting and counting operations of paper, by FRBanks, recommendation of Electronics Subcommittee, as approved by Presidents' Conference, re contract with Stanford Research Institute to study, noted by Board without objection, with understanding re cost

Shipment:

Proposal of Post Office Department to extend to field officials authority to use direct commercial air flights for dispatching Federal Reserve shipments of negotiable securities and, valued at $25,000 or more, letter to FRBanks requesting comments

Letter to Post Office Department with respect to, approved

Preferred use of registered mail and armored car for draft of letter to Postmaster General advising consensus of Presidents' Conference prepared by Miscellaneous Operations Committee, discussed by Board, telegram to President Swan re certain suggested changes approved, meeting of Governor Mitchell and President Swan with Postmaster General noted

"D"

Dawson, William L., Congressman:

H.R. 9619, a bill to establish and prescribe the functions of a Department of Consumers, to require the disclosure of finance charges in extension of credit, and to create a Committee on Consumers in the House of Representatives, report to
Deaths:

Jones, Everett, Laborer, Division of Administrative Services, death noted by Governor Shepardson on behalf of the Board

Morse, M. Elva, Statistical Assistant, Division of Research and Statistics, noted

Reff, F. J., Assistant Manager, Seattle Branch, death noted

Shipp, Arad B., General Mechanic-Operating Engineer, Division of Administrative Services, on January 7, 1962, noted

Slay, James M., Vice President, FRBank of Richmond, noted

Defalcations:

Bank losses, suggestions re continuing and redoubling efforts to convince banks of need for $1 million excess fidelity bonds for protection against, letter to FRBanks enclosing possible letter to be sent to State member banks that have not obtained such coverage, approved

S. 3203, bill to extend, authorizing extension of V-loan program under Board's Regulation V for two years, report sent to Chairman Robertson, Senate Banking and Currency Committee

Defense Production Act of 1950:

V-loans, government guaranteed under Board's Regulation V, draft bill to amend the, authorizing extension of program for an additional two years, report sent to Budget Bureau

S. 3203, a bill to extend the Defense Production Act of 1950 authorizing extension of program for two years, report sent to Chairman Robertson, Senate Banking and Currency Committee
Definitions:
Bank Holding Company Act, discussion re one-bank definition in connection with consideration of draft of proposed amendment to section 3(a) (1) of
Revised draft of proposed amendment accepted for use in connection with legislative proposals Board might submit to this session of Congress
Consultants, question as to whether economists attending a seminar, and being paid a fee, would be considered as, in connection with proposed questionnaire devised for use in guarding against conflict of interests in the employment of, agreed to hold for further consideration, with the understanding that the Division of Personnel would contact other agencies for their interpretations
Memorandum from Division of Personnel Administration reporting findings of inquiry re, reviewed
Executive officers of member banks, possible amendment to Regulation O to clarify, discussion
Noncash items, proposed amendment re definition of, notice for publication in Federal Register approved

Department of Agriculture:
Food stamp program:
Amendment to Agreement with, re examination of stamps for genuineness, to audits by FRBanks covering certain activities, and to reimbursement to FRBanks for certain expenses, approved by Presidents' Conference, no objection by Board to execution of amended agreement
Visits to FRBanks by audit representatives of, to examine coupons received from local banks, memorandum from Messrs. Hackley and Farrell with respect to, advice to Chairman of Presidents' Conference Subcommittees on Collections and Counsel on Collections
Department of Agriculture: (continued)

Housing Act of 1949, draft bill to amend title V of, providing an alternate method of financing rural housing loans and for other purposes, proposed by, permitting that Department to obtain funds without relying entirely on Treasury borrowing, report to Bureau of the Budget

Revised draft bill to amend Title V to provide for insuring rural housing loans, proposed by, report sent to Budget Bureau, comments by Governor Mills re revisions made in earlier draft bill

Department of Commerce:

S. 3130, a bill to authorize the Secretary of, to purchase industrial and commercial evidences of indebtedness to promote loans in redevelopment areas, proposed report to Chairman Robertson, of the Senate Banking and Currency Committee discussed, agreed that staff would redraft for further consideration

Further discussion, report to Senator Robertson approved

United States Code, section 131 of title 13, proposal by, to amend, providing for an earlier taking of the economic census, favorable comments transmitted to the Bureau of the Budget

Department of Consumers:

SEE: Consumers, Department of:

Department of Interior:

Bank of American Samoa, Pago Pago, Tutuila, American Samoa, question re eligibility for membership in FRSystem, understood Division of Examinations to discuss matter of supervision of, with Interior Department
Department of Interior: (continued)

Bank of American Samoa, Pago Pago, American Samoa, discussion with representatives of the Interior Department re, reported in connection with re-
view of questions re eligibility for membership in the FRSys

Department of Justice:

Bank competition, seminar arranged by Board to study, invitation to send repre-
sentative, sent to the

Bank holding company application forms F.R. Y-1 and F.R. Y-2, letter re proposed revisions sent to

Bank holding company applications for acquisition of stock, question of complying with a time limit in submission of reports by, to be discussed with the Assistant Attorney Gen-
eral in connection with the un-
favorable report re the acquisi-
tion of stock of six Virginia banks by the United Virginia Bankshares, Incorporated, Rich-
mond, Virginia

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Bank mergers:

Procedures with respect to sending Board's reports on competitive factors re, request by, for receipt at the same time as deciding agen-
cies, decision to comply with request

Bank Stock Corporation of Milwaukee, Wisconsin: Pending litigation re, request by Justice Department for condition reports and earnings and dividends re-
ports for years 1956 through 1961 of certain State member banks in Milwaukee County for use with respect to, letter agreeing to make reports avail-
able approved, with Gov. Mills dissenting
Department of Justice: (continued)

Chain banking survey, request from, for access to reports of Valley National Bank and Arizona Bank obtained by Board in connection with, majority of Board decided to deny request

Department store sales figures for department stores in Milwaukee, Wisconsin, requested by, agreement that release of departmental sales figures in dollars would risk disclosure of individual store sales in violation of understanding with reporting stores, request declined, advice to FRBank of Chicago

Electronic computer, suit brought by Justice on behalf of Board against Wegematic Corporation in connection with contract re, reply to Justice re financial statements submitted in support of proposal to settle the case

Reply to inquiry from, re Board's recommendation re offer in settlement of $25,000 received from Wegematic, letter approved

Marine Midland Corporation, Buffalo, New York, application to acquire stock of Security National Bank of Long Island, Huntington, N.Y., letter received from Justice with respect to, copy transmitted to

Morgan Guaranty Trust Company of New York, N.Y., letter to, granting its request that representatives of the Anti-trust Division be permitted to examine reports of condition of, in light of an investigation on possible violations of the anti-trust laws, approved

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Inquiry from Justice re Board's position in connection with proposal of attorney for Whitney re treatment of certain exhibits in the case of

Department of Labor:

Employee-management cooperation in the Federal service, letter to Secretary Goldberg stating Board has no comments on draft of proposed standards of conduct for employee organizations and proposed code of fair labor practices in connection with program for

Federal Employees' Compensation Act, ruling that Board members, officers and employees are covered by, advice received from Bureau of Employees' Compensation

Pension funds, corporate, and other private retirement and welfare programs, interagency committee to study, suggestion Secretary of Labor be asked informally by Chairman Martin or Vice Chairman Balderston his views on progress of committee

Workmen's compensation, claim filed by Board employee under District of Columbia Workmen's Compensation Act, letter denying Board and the employee were subject to the Act at time of injury, sent to Bureau of Employees' Compensation of the
Department of State:

Latin America, Conference on Inflation and Growth,
Mr. Sammons authorized to attend,
subject to concurrence by State
Department desirability of participation from U.S. point of view, no objection by

Loan on gold requested by Banco de la Republica,
Bogota, Colombia, from FRBank of New York, consultation with Latin American Desk at, with respect to, noted

Department store sales figures:
Department stores in Milwaukee, Wisconsin, request for departmental sales figures in dollars, from Dept. of Justice, agreement that release of data would risk disclosure of individual store sales in violation of understanding with reporting stores, request must be declined, advice to FR Bank of Chicago

Deposits:
Absorption of exchange charges:
Question re arranging interagency meeting on, Comptroller of the Currency Saxon not prepared to enter into such a meeting, noted by Governor Robertson

Memorandum from Governor Robertson recommending amendment to Regulation Q to the effect that absorption would not be payment of interest on deposits, in line with interpretation of FDIC regulations and views of Comptroller of the Currency as expressed in joint meeting, agreement re procedure to be followed re proposed meetings with FDIC, FRBank Presidents, and FAC

Memorandum re background of situation sent to Presidents of FRBanks preparatory to proposed meeting to discuss, with copy to FAC
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Possible amendment of Regulation Q with respect to, differences in opinion among Federal bank supervisory agencies, views of FAC members expressed at joint meeting with Board

Consensus that Board's position re, should not be expressed at forthcoming Federal Advisory Council meeting, consideration to be given to views of Council members

No decision reached by Board noted by Chm. Martin at joint meeting with FAC, position of Comptroller of the Currency reported, and discussion re possibility of banks engaging in more effective policing of Board's current policy

Biennial collection of deposits by counties used in compiling "Distribution of Bank Deposits by Counties and Standard Metropolitan Areas," duplicate punched cards covering data as of June 1960 and June 1962, requested by Business Equipment Manufacturers Association, request approved on reimbursable basis

Branch banks deposit data, summary of results of FRBank survey re branch record keeping procedures and outcome of questionnaire with respect to, discussion re possible negotiations with respect to the collection of, staff to prepare a recommendation that might be explored with the other bank supervisory agencies and the Bureau of the Budget
Deposits: (continued)

Branch banks deposit data: (continued)

Proposal re adoption of an expanded collection program, sent to Comptroller of the Currency and FDIC, with an attached form, for possible use in place of regular deposits-by-counties form

Discussion re alternative procedures, letter to Comptroller restating Board's position and commenting on alternative proposal, approved, with copy to FDIC

Decision of Board and FDIC to expand the collection of, to include reports of deposits by cities, from all member banks, sample form and instructions sent to FRBanks, and letter to FDIC approved, decision of Comptroller of the Currency not to participate in program noted

Question whether such report by member banks is mandatory, in light of letter of Comptroller of the Currency to national banks re, discussion re Board authority under section 11(a), FRAct, telegram to FRBanks approved, with copy to Comptroller of the Currency and FDIC

Governor Mitchell's reference to Comptroller of the Currency's letter informing national banks that submission of reports re, was at their discretion, Secretary of the Board requested to transmit to Bureau of the Budget copies of letter and wire to FRBanks indicating reports are mandatory, in light of section 11(a) of the FRAct

Inquiry from the President of the First National Bank of San Jose, Calif., re use of, question of confidentiality of certain unpublished information and Board's authority to collect, reply approved, with edited copies to be sent to FRBanks, Budget Bureau, and Comptroller of the Currency
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Branch banks deposit data: (continued)
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Computation of interest:
Savings deposits:
Question presented by the District of Columbia Bankers Association re the quarterly compounding of interest on, at the rate of 4 per cent per annum, Board's views as provided in the Supplement to Regulation Q transmitted to General Counsel, FRBank of Richmond

Memorandum by Mr. Farrell discussing problems under Regulation Q raised by United Security Account Plan of the Citizens Bank and Trust Company, Park Ridge, Illinois, ruling proposed for advance notice of savings account withdrawals in connection with, agreed proposal deserving of further consideration, suggestion re subject for discussion at FAC meeting

Question whether a savings deposit may bear a maximum rate of interest of 4% from the date of the transfer to such deposit of funds that have been on deposit for one year as a time certificate, reply to FRBank of Chicago approved

Letter to Presidents of all FRBanks requesting continuance of observation re development of practices and possible abuses with respect to, Legal Division to continue to study possible amendments to Regulation Q and a summary memorandum to be submitted for the Board's consideration in due course
Deposits: (continued)

Computation of interest: (continued)

Savings deposits: (continued)

Daily basis computation considered in Mr. Hackley's memorandum re possible amendments to Regulation Q, agreed that memorandum, after being edited and augmented as suggested, be transmitted to the FRBanks and other Federal bank supervisory agencies for comment, possible amendment excluding deposits above a specified amount from the definition of savings deposits discussed as possible remedy to problem of

Time certificates being converted from 6-month to 12-month certificates, request by FRBranch of Detroit for interpretation under Reg. Q with respect to, liberal position described in memo from Legal Division discussed, agreed if FDIC concurred, proposed reply would be sent, otherwise Board would consider further, reconsidered in light of information from FDIC

Agreed to take position in accord with FDIC, advice to FRBranch of Detroit with copies to each FRBank, to be published in the Federal Register

Dormant accounts:

Joint survey by Board, FDIC, and Comptroller of the Currency requested by Congressman Patman, including data re service charges and undivided profits, Governor Robertson to undertake preliminary discussions with other two bank supervisory agencies

Meeting with Comptroller of the Currency Saxon and FDIC Chairman Cocke, with respect to, reported by Gov. Robertson
Deposits: (continued)

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Arrangements for another meeting, proposed form of questionnaire with respect to, transmitted to Comptroller of the Currency by Gov. Robertson 2/19 631, 647

Comptroller of the Currency continued to express reservations with respect to, letter to Congressman Patman indicating Board's position re, agreed that an invitation be extended to Comptroller of the Currency to meet with Board for a general discussion re bank supervisory matters 3/7 832

Meeting arranged 3/12 876

Texas statute providing for protection and preservation of, letter from FRBank of Dallas raising question of compliance by FRBanks, with State laws, copy sent to FRBank of New York, and to all other FRBanks, with request for information re situation in respective districts 4/2 1103, 1122

FDIC requested by Treasury Department to transmit to all insured banks a request from Secretary of the Treasury for a report on, reported by Governor Robertson 4/3 1129

State statutes relating to, study of applicability to FRBanks by Presidents' Conference requested in letter to Chairman Fulton, with a copy to each FRBank President and Secretary of the Conference 5/24 1930, 1943

S. 1486, a bill to authorize the Comptroller of the Currency to regulate service charges by national banks on, report to Congressman Spence, Chm. of the Committee on Banking and Currency, indicating no objection re 7/20 2767, 2774
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Foreign time:

Increase in, since change in the maximum permissible rates of interest, noted by Chase Manhattan Bank, New York, N.Y., question re Board's statistics with respect to, understood that matter would be looked into by the staff

H.R. 12080, enrolled bill to permit domestic banks to pay interest on time deposits of foreign governments at rates differing from those applicable to domestic depositors, report sent to Budget Bureau

Amendment to Regulation Q removing limitations for a three-year period on rates of interest paid on, approved, effective upon enactment into law of H.R. 12080, amending section 19, FRAct, H.R. 12080, approved by President as Public Law 87-827, press release issued (coordinated with action of FDIC), notice published in Federal Register

Amendment to section 19, FRAct removing limitations on rates of interest paid on question re status of Bank for International Settlements under the amendment, agreed that BIS was included, Governor King's position noted, and Gov. Robertson abstaining

Question whether the higher interest rate permitted to be paid on, can be paid to an individual or non-qualified organization who purchases a time certificate from the foreign institution, Board's interpretation approved, but to be discussed with Treasury Dept. and FDIC before publication
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Interpretation approved with revisions suggested by the Treasury and understanding that suggested requirement for disclosure through the instrument itself, be cleared with FDIC
Published in Federal Register after concurrence with FDIC
Exemption from interest rate limitations, question re applicability to time deposits of European Coal and Steel Community; of the European Investment Bank and 3 U.N. subsidiary organizations, views of FRBank of New York, Treasury and FDIC noted, discussion, interpretation that deposits of European Investment Bank do not qualify for exemption approved
Status of Coal and Steel Community deferred pending discussion by Richard Simmons and Board's staff
Indirect payment of interest:
Services performed by the Provident Tradesmens Bank and Trust Company, Philadelphia, Pennsylvania, for School District of the Township of Nether Providence in connection with the maintenance of a demand deposit, Board interpretation of Regulation Q with respect to
Question whether the offering of free services by member banks to demand depositors constitutes, reply to inquiry from FRBank of New York
Premium or credit, conditioned on length of time newly opened savings deposit must remain with the bank, question whether offer by member bank would constitute, letter to FRBank of Chicago, FDIC position re question noted

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Maximum rates of interest payable on time and savings:

Reaction of banks to recent increase in, and certain questions re changes developing from, topic for discussion with FAC

Increase in foreign time deposits noted by Chase Manhattan Bank, New York, N. Y., since change in, question re Board statistics with respect to, understood that matter would be looked into by staff, group of bankers at meeting with Secretary of the Treasury indicated hope that action might be taken to increase maximum rates applicable to time deposits of shorter maturities, comment by Chm. Martin

Reactions of banks to recent increase in, views of FAC reported in joint meeting with Board, discussion re problems and possible solutions incident to, copies of replies to questionnaire of Mr. Hays to certain banks re, distributed to Board members following meeting

Recent developments resulting from increase in, including effects of high interest rates, topics for discussion with FAC

Various actions and problems of commercial banks and other developments resulting from, increase in views of FAC expressed at joint meeting with Board

New York State banks:

Maximum rate of interest payable on savings deposits in national banks during first 12 months, question raised in light of provisions of State Regulations, section 24, FRAct, and Regulation Q, understanding that New York State Superintendent of Banks would be informed re Board's views before publication of Board's position, letter to FRBank of New York
Deposits: (continued)

New York State banks: (continued)

Maximum rate of interest payable: (continued)

Consideration deferred
Agreed to invite Mr. Root, New York State Superintendent of Banks to meet with Board to discuss

Mr. Root, accompanied by Counsel for New York State Banking Department to meet with Board, agreement re possibility of change in Board's position

Board's former position reaffirmed, Governors Balderston and Mills dissenting, advice to New York State Superintendent of Banks, with copy to FRBank of New York

Board's position re, agreement that FRBank of New York not circularize to member banks, in light of request from New York State Superintendent of Banks

Public funds, dormant accounts consisting of, FDIC requested by Treasury Dept. to transmit to all insured banks a request from Secretary of the Treasury for a report on, reported by Governor Robertson

Savings:

Certificates with fixed maturities considered in Mr. Hackley's memorandum re possible amendments to Reg. Q, agreed that memorandum, after being edited and augmented as suggested, be transmitted to the FRBanks and other Federal bank supervisory agencies for comment

Grace periods as provided in Regulation Q, not superseded by amendment to the Supplement establishing maximum interest rates on time and saving deposits, advice to Deputy Comptroller of the Currency re question by Central National Bank of Okmulgee, Oklahoma
Deposits: (continued)
Savings: (continued)

Indirect payment of interest on, question whether premium or credit, conditioned on length of time newly opened account must remain with the bank, offered by member bank, would constitute payment of interest, 1961 position adhered to, that a time limit on a non-recurring premium of nominal value would not constitute, letter to FRBank of Chicago, FDIC position re question noted

Computation of interest:
Views reported in joint meeting of Federal Advisory Council re inequality of interest rate differentials
Quarterly compounding at the rate of 4 per cent per annum, question presented by the District of Columbia Bankers Association, Board's views as provided in the Supplement to Regulation Q transmitted to General Counsel, FRBank of Richmond
Requested reports submitted by FRBanks re computation on a daily basis letter to Presidents of all FRBanks requesting continuance of observation re possible abuses with respect to, Legal Division to continue to study possible amendments to Regulation Q and a summary memorandum to be submitted for the Board's consideration in due course
Possible amendment to Reg. Q re computation on a daily basis, amendments proposed to be submitted to staffs of Comptroller of the Currency and FDIC, and to Presidents of all FR Banks for comment
Deposits: (continued)
Savings: (continued)
Computation of interest: (continued)
Possible amendment to Regulation Q: (continued)
In Mr. Hackley's memorandum re, agreed that memorandum, after being edited and augmented as suggested, be transmitted to the FRBanks and other Federal bank supervisory agencies for comment, memorandum transmitted under date of August 20, 1962 requesting comment by Sept. 28, 1962 7/24 2819-27

Interest rates paid by member banks on, staff memorandum containing data with respect to, reviewed 11/20 3898

New York State national banks, question re maximum rates of interest payable on, during first 12 months in light of State Regulations, section 24 of FRAct and Reg. Q, comparisons with State commercial banks and mutual savings banks understanding re informing New York State Superintendent of Banks of Board's views and consultation with Mr. Treiber before publication of Board's position, letter to FRBank of New York, question re applying "retroactive" interpretation 1/10 93, 107

Consideration deferred 1/22 230
Agreed to invite Oren Root, New York State Superintendent of Banks to meet with the Board to discuss 1/24 251

New York State Superintendent of Banks, accompanied by Counsel for the New York State Banking Department agreed to meet with Board 1/25 290

Board's position reaffirmed, Governors Balderston and Mills dissenting, advice to New York Superintendent of Banks, with copy to the FRBank of New York, statement by Governor Balderston, agreement that it would be inadvisable to give the matter more publicity than necessary 1/31 350, 377
Deposits: (continued)
Savings: (continued)

New York State national banks: (continued)
Agreement that FRBank of New York not
circularize to member banks Board's
position re, in light of request
from New York State Superintendent
of Banks

Transfer of funds that have been on deposit
for one year as a time certifi-
cate to, question whether such
savings deposits may bear a max-
imum rate of interest of 4% from
the date of the transfer, reply
to FRBank of Chicago approved

United Security Account Plan:
FRBank of Chicago requested to furnish
details of plan of Citizens Bank
and Trust Company, Park Ridge,
Illinois, in view of possible
violation of Reg. Q, question re
special or regular examination
of the bank to obtain informa-
tion, statement by Messrs. Hackley
and Solomon that they were not
participating in current phase of
staff work re

Memorandum by Mr. Farrell re problems
under Regulation Q raised by,
agreed proposal deserving of
further consideration, sugges-
tion re subject for discussion
at FAC meeting, investigation
by FRBank of Chicago completed,
to be analyzed and a memorandum
prepared for Board consideration

Results of special examination of bank
to obtain information re, re-
viewed, view certain proposed
transfers of funds from savings
accounts for payment of checks
would be violations of sec. 19,
FRAct, and Regulation Q, action
on matter deferred, Governor
Mitchell's views re
Deposits: (continued)
Savings: (continued)

United Security Account Plan: (continued)

Further consideration deferred pending
receipt of report of examination
of bank being conducted by FRBank of Chicago

Letter advising bank that Board expects
discontinuance of operation of
plan, with appropriate notice to
be sent to customers of the plan,
in light of violations of Reg. Q,
section 217.1(e)(3), approved

Draft letter ordering termination of
Plan, or start of procedure to
forfeit FRSystem membership, in
light of violation of Reg. Q,
discussed, agreed to hold for
consideration by a full Board

Agreed to consider letter further after
checking with the FRBank of Chicago
re revisions suggested by Governor Mitchell

Further discussion, letter approved,
Governor Mitchell dissenting, record
to show that Messrs. Shay and
Hackley had not participated

Request granted for extension of time
to October 27, 1962, for discontinuance of

Extension of time within which to discontinue granted, with proviso
that depositors in Plan would be appropriately notified re withdrawal of checks thereunder

Letter from bank indicating concern re Board's proviso re notifying depositors of termination of, discussion re possible section 9 proceeding if Plan is not terminated, letter to FRBank of Chicago and enclosed draft letter to Citizens Bank and Trust Company approved

4/23 1443
5/3 1660, 1670
7/3 2531
7/9 2556
7/11 2577, 2639
7/24 2816, 2838
10/25 4064, 4081
11/23 4478, 4488-89
Deposits: (continued)
Savings: (continued)

United Security Account Plan: (continued)
Letter advising that Board would apply sanctions prescribed by law for failure to comply with provisions of FRAct and regulations thereunder, if operations of Plan are continued, approved, with the understanding that the Chairman of Citizens Bank would be asked to meet with the Board

Further discussion, Chairman MacArthur to meet with available Board members December 21st

Date of meeting of Chairman Martin and Governors Mills and Robertson with Mr. MacArthur, noted

Chairman Martin and Governors Mills and Robertson met with Mr. MacArthur, memorandum of the meeting placed in the Board's files

Savings accounts:
Army and Air Force Exchange Service, question re eligibility to maintain a savings account with a member bank, advice to FRBank of New York that such funds deposited by, are not eligible

Board's position reaffirmed that such accounts are not eligible for classification as a savings deposit

Organizations permitted to maintain, reasons and views discussed

"Savings bonds": Issuance of negotiable time certificates under the name of, questions re compliance with the provisions of Reg. Q, possible violation of section 21 of the Banking Act of 1933, discussed, request for a high-priority study by the Research, Examinations, and Legal Divisions, agreed to request the FRBanks to determine the extent certificates of deposit were being issued in the respective Reserve districts
Deposits: (continued)
"Savings bonds": (continued)
Issuance by the Citizens and Southern National Bank of Atlanta in the form of bank, question re compliance with Regulation Q, referred to in a letter to the Comptroller of the Currency answering Deputy Comptroller Taylor's memorandum suggesting that FDIC and Board avoid rendering interpretations until policy aspects are considered by Comptroller

Time:
Interest rates being paid on, comments made by certain bankers at meeting reported by Mr. Thomas

Group of bankers at meeting with Secretary of the Treasury indicated hope that action might be taken to increase maximum rates applicable to time deposits of shorter maturities, comment by Chairman Martin

Maturities up to six months, possibility of raising interest rate limitation on, suggested by Gov. Mitchell with request for full consideration of subject at future date

Time certificates:
Conversion of 6-month bearing interest at the new maximum 4%, request by FRBranch of Detroit for interpretation under Regulation Q with respect to, liberal position described in memorandum from Legal Division discussed, agreed if FDIC concurred, proposed reply would be sent, otherwise Board would consider further

Reconsidered in light of information from FDIC

Agreed to take position in accord with FDIC, advice to FRBranch of Detroit with copies to each FRBank, to be published in the Federal Register
Deposits: (continued)

Time certificates: (continued)

First National Bank of Hillsboro, Kansas, question presented by, re payment of six-months' interest on a twelve-month time certificate of deposit, as interpreted under Regulation Q, reply to Deputy Comptroller of the Currency

Foreign institutions, interest rate higher than that permitted for domestic deposits, question whether higher interest can be paid to an individual or nonqualified organization who purchased the certificates from the foreign institution, Board's interpretation approved but to be discussed with the Treasury Dept. and FDIC before publication

Interpretation approved with revisions by Treasury, published in Federal Register after concurrence with FDIC

Long-term with fixed rate of interest:

Question as to possible evasion of maximum rates of interest provisions of Reg. Q by such guaranteed interest rates, matter included in study of certificates of deposit

Memorandum from Messrs. Dembitz, Benner, and Chase on study re, proposed reply to Comptroller of the Currency re questions as to propriety of, under section 217.3(b), Reg. Q, discussed, possibility of amendment to Reg. Q applicable to, staff to study matter with view to further consideration

Reply to inquiry from Comptroller of the Currency re, approved, enclosing proposed amendment to Reg. Q, section 217.3(b), to make clear that member banks must reduce contracted interest rate to comply with action of Board reducing maximum permissible rates of interest, and must so advise the public, in connection with, proposed amendment sent to FDIC and FRBanks for comments
Deposits: (continued)

Time certificates: (continued)

Long term with fixed rate of interest: (continued)

Consideration deferred pending receipt of comments

First National Bank of Port Arthur, Texas, request for opinion from, whether it would be permissible to continue to pay interest at rates set forth in a 3-year contract if at later date interest rates were lowered by Board

Proposed amendment to Regulation Q with respect to contracted interest rates payable on, agreed to publish in Federal Register for comments, following consultation with FDIC, question whether proposed amendment would prevent time certificates from being negotiable, raised by FRBank of New York

Mohawk National Bank, Schenectady, New York, proposed form for use by, submitted to Board for opinion, reply approved

Possible effects of provisions allowing withdrawal upon a certain number of days' or months' written notice, commented on, and reference to statement that maximum rate of interest is subject to adjustment by Board

Negotiable:

Issuance under the name of "savings bonds", discussed, question re compliance with Reg. Q, and section 21, of the Banking Act of 1933, request for high-priority study by Research, Examinations, and Legal Divisions, agreed to request FRBanks to determine extent certificates were being issued in respective FRDistricts, reference to plans by Citizens and Southern National Bank, Atlanta, Ga., and Franklin National Bank, Mineola, New York
Comments made by certain bankers at meeting re interest rates being paid on, reported by Mr. Thomas Citizens and Southern National Bank of Atlanta, certificates issued by, in the form of "bank savings bonds", question re compliance with Regulation Q, referred to in letter to Comptroller of the Currency answering Deputy Comptroller Taylor's memorandum suggesting that FDIC and Board avoid rendering interpretations until policy aspects are considered by Comptroller.

Recent developments of significance in connection with, in relation to increased maximum rates of interest payable on time and savings deposits, topic for discussion with FAC.

Increased use by commercial customers and more active market for, views of FAC expressed in joint meeting with Board.

Proposed survey re issuance of, by large commercial banks, developed by Committee on Banking and Credit Policy, endorsed by System Research Advisory Committee, and cleared by Presidents' Conference Committee on Research and Statistics, approved and authorized by Board, advice to FRBanks, letter to Budget Bureau requesting approval of survey form.

Comments and views of Governor Mitchell re effects of negotiable certificates on the banking system.

Survey of interest rates on, of member banks having certain total deposits, to be conducted by FRBanks, approved, letter sent to all FRBanks.
Deposits: (continued)

Time and savings: (continued)

Recent increase in maximum rates of interest payable on, reaction of banks to, and certain questions re changes developing from, topic for discussion with FAC

Views of FAC reported in joint meeting with Board, discussion re problems and possible solutions incident to, in the various Districts, copies of replies to questionnaire of Mr. Hays to certain banks re, distributed to Board members following meeting

New York State, plans by Superintendent of Banks for New York to permit changes in maximum rate of interest payable on, by chartered State banks, agreement that Board should not comment with respect to plans

Increased maximum permissible rates of interest payable on, recent developments resulting from, including effects of high interest rates, topic for discussion with FAC

Views of FAC expressed in joint meeting with Board re

H.R. 10628, a bill to require that insured banks maintain three-fourths of, in real estate loans, and at least half of such deposits in residential loans, report sent to Congressman Spence

Maximum permissible rates of interest payable on, as amended in Supplement to Regulation Q, not to supersede grace period provision for receiving deposits and paying interest, advice to Deputy Comptroller of the Currency re question by General National Bank of Okmulgee, Oklahoma
Deposits: (continued)

Time and savings: (continued)
Recent and prospective trends of, and effects from standpoint of bank portfolio management, topic for discussion with FAC
Views of FAC expressed at joint meeting

Depressed areas:
S. 3130, a bill to authorize the Secretary of Commerce to purchase industrial and commercial evidences of indebtedness to promote industrial and commercial loans in redevelopment areas by lending institutions in order to help such areas plan and finance their economic redevelopment, proposed report to Senator Robertson, Chairman of the Senate Banking and Currency Committee discussed, draft letter to be prepared
Report to Senator Robertson approved

Destruction of records:
State member banks, miscellaneous Board records pertaining to, authority to be sought from National Archives for disposal on continuing basis after a five-year retention period
Development Underwriting Ltd., Sydney, Australia, consent granted to Chemical International Finance, Ltd., New York, N.Y., to purchase and hold shares of

Difference accounts, FRBanks:
SEE: Accounts, FRBanks:
Difference (over and short)

Dinners:
Coombs, H.C., Governor of the Reserve Bank of Australia, suggestion re dinner at Board's Building with available Board members and appropriate staff approved

Directors Day:
Program and dinner discussed, with certain understanding
Directors:
Federal Deposit Insurance Corporation:

Hearing by House Banking and Currency Committee on bill re composition of Board of, Board questioned by National Association of Supervisors of State Banks re possible objection to, agreed unnecessary to reply

FRBank of Atlanta:

Chalkley, Henry G., Jr., Deputy Chairman, appointment for 1963
Cheatham, J. M., Class C, reappointment for three-year term approved
Tarver, Jack, Chairman and FRAgent, designation for 1963

Dinners: (continued)

Directors Day: (continued)

Understanding re dinner in connection with
Agreement re change of date for Directors Day with understanding re date of dinner

Examiners' Conference:

To be held on March 26-27, 1962, dinner approved
List of persons to be invited to attend a dinner in connection with, approved

Organization for Economic Cooperation and Development:

Dinner for delegates of Working Party 3 of the Economic Policy Committee of, attending meetings of International Monetary Fund and International Bank for Reconstruction and Development in Washington, authorized to be held in Board's Building, with understanding re invitees from U.S. Government and foreign central banks

Dinner, with Mr. Young as host, at an outside location in Washington, for associates in operations of Working Party 3 authorized

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Federal Reserve Bank of St. Louis
Directors: (continued)

FRBank of Boston:

Canham, Erwin D., Deputy Chairman, appointment for 1963 10/19 4019
Chairman and FRAgent, designation for 1963 10/22 4033

Keeney, Barnaby C., Class C, appointment for three-year term to be tendered if willing to accept, unable to accept appointment 10/30 4156

Norton, Wilbur H., Class C, appointment for three-year term to be made if willing to accept, advice of appointment 10/31 4202-03

Webster, William, Deputy Chairman, appointment for 1963 approved 10/22 4033

Wessell, Nils Y., Class C, reappointment for three-year term approved, designation as Chairman and FRAgent for 1963 10/19 4017-18

Unable to accept reappointment as Class C director reported by Chm. Martin 10/22 4032

FRBank of Chicago:

Briggs, Robert P., Class C, question re service as director of small business investment corporation, agreed Chm. Martin advise Mr. Briggs that the decision was one for him to make 2/7 447

Chairman and FRAgent, designation for 1963 10/19 4019

Hilton, James H., Class C, reappointment for three-year term approved, appointment as Deputy Chairman for 1963 10/19 4017-19

FRBank of Cleveland:

Deputy Chairman, appointment to be discussed by Chm. Martin with Chm. Hall 11/19 4380

Hall, Joseph B., Class C, question re eligibility for reappointment due to age and discontinuing to occupy present position as President of the Kroger Company of Cincinnati, consensus that Board should proceed on the assumption that he would be eligible 4/25 1483

Chairman and FRAgent, designation for 1963 10/19 4018
Directors: (continued)
FRBank of Cleveland: (continued)
  Johnston, Logan T., Class C, appointment for three-year term to be made if willing to accept, acceptance ascertained, appointment telegram sent
  Deputy Chairman, appointment for 1963
  Thompson, Joseph H., Deputy Chairman, discussion with Chairman Hall re appointment of a successor to, upon completion of his 6 years of service
  FRBank of Dallas:
    Anderson, Robert O., Class C, reappointment for three-year term approved, designation as Chairman and FRAgent for 1963
    Davis, Morgan J., Deputy Chairman, appointment for 1963
    Fleming, Lamar, Jr., Deputy Chairman, appointment for 1963
  FRBank of Kansas City:
    McGee, Dean A., Class C, appointment for three-year term to be made if willing to accept, acceptance ascertained, appointment telegram sent
    Proposed disposal of bank stock by formation of a holding company and transfer of the stock there-to, question whether transaction meets not only technical compliance with the law, but is consistent with spirit of the law, consensus re informing Mr. McGee re Board's views
    Scott, Homer A., Chairman and FRAgent, designation for 1963
    Simons, Dolph, Deputy Chairman, appointment for 1963
  FRBank of Minneapolis:
    Bean, Atherton, Class C, reappointment for three-year term approved
    Bemis, Judson, Deputy Chairman, appointment for 1963
Directors: (continued)

FRBank of New York:
Reed, Philip D., Class C, reappointment for three-year term approved, designation as Chairman and FRAgent for 1963
Wise, James DeCamp, Deputy Chairman, appointment for 1963

FRBank of Philadelphia:
Bevan, David C., Class C, reappointment for three-year term approved, appointed Deputy Chairman for 1963
Hoadley, Walter E., Chairman and FRAgent, designation for 1963

FRBank of Richmond:
Elkins, Wilson H., Class C, appointment for three-year term to be tendered if willing to accept, advice of appointment
Grier, William H., Deputy Chairman, appointment for 1963
Hyde, Edwin, Deputy Chairman, appointment for 1963, Chairman and FRAgent, designation for 1963

FRBank of St. Louis:
Classification for purposes of electing Class A and B directors, changes approved
Longwell, J.H., Deputy Chairman, appointment for 1963
Reference to
Shepley, Ethan A.H., Class C, appointment for 3-year term and designation as Chairman and FRAgent, to be made if willing to accept, advice of appointment

FRBank of San Francisco:
Deputy Chairman, matter of appointing, Chm. Martin authorized to consider with Chairman Whitman
Fredericks, John D., Class C, currently serving as, appointment as Deputy Chairman for 1962
Deputy Chairman, appointment as, accepted, plan for announcement re, indicated
Appointment for 1963
Directors: (continued)

FRBank of San Francisco: (continued)

Hirschler, Frederic S., possible appointment as Class C, if J.D. McCall unable to accept, understanding re procedure to be followed
Willing to accept for unexpired portion of three-year term
Appointment accepted for unexpired portion of three-year term, plan for announcement re, indicated
Kerr, Clark, Class C, appointment for unexpired term ending December 31, 1964, to be made if willing to accept
Report from Mr. Fauver that answer re acceptance of appointment to be given shortly
Unable to accept appointment as Class C
McCall, J.D., Class C, appointment to be made if willing to accept, Chm. Martin to explore matter with Chairman Whitman
Merrill, Fred C., nominated for election as Class B, question re eligibility in light of position as President, Fireman's Fund Insurance Co., and Board's previous ruling re such service, agreed to interpose no objection, with understanding re issuance of re-affirmation of 1925 ruling precluding such service
Whitman, F.B., Class C, reappointment for three-year term approved
Designation as Chairman and FRAgent for 1963

FRBanks:

Bank stock owned by Class C appointee, question whether proposal to dispose of stock by formation of a holding company and transfer of the stock thereto, meets not only technical compliance with the law, but is consistent with spirit of the law, discussion, consensus re informing individual of Board's views
Directors: (continued)
FRBanks: (continued)
Chairmen and Deputy Chairmen, designations and appointments for 1962

Class A and B:
Eligibility requirements for, member banks to be apprised of affiliations that would preclude individuals from serving as, in circular letter announcing the elections of

Class B:
Insurance company (fire) officer, eligibility to serve as, question whether such business constitutes "commerce" and if it is too closely related to lending and finance business, raised in connection with nomination of Mr. Merrill for election as director FRBank of San Francisco, agreed to raise no objection 11/8 4295
1925 ruling precluding such service to be reaffirmed in letter to FR Banks at some time after end of this year 11/8 4301

Class C:
Appointments for terms beginning Jan. 1, 1963
Desirability of considering persons who had served as FRBranch bank directors suggested by Governor King
Service as director of a small business investment corporation, question re Chairman Briggs, FRBank of Chicago, discussion, agreed Chm. Martin advise Mr. Briggs generally that the decision was one for him to make 2/7 447
Eligibility for, question re eligibility of Joseph B. Hall, Chairman FR Bank of Cleveland for reappointment due to age or ceasing to occupy present position as President of the Kroger Company of Cincinnati, consensus that Board should proceed on the assumption that he would be eligible 4/25 1483
Directors: (continued)
FRBanks: (continued)
Class C: (continued)
Salary administration, greater responsibilities for, in connection with officers' salaries at FRBanks raised in discussion re proposed plan for salaries of Presidents and First Vice Presidents

Governor Mills' view that plan would delegate more authority to directors than was contemplated by law

Small business investment corporation, service of Class C Director as director of, following discussion, agreement re

FRBanks and branches:
Appointments, reference to those ineligible for reappointment, suggested procedure for obtaining information for persons who might be considered as replacements

For terms beginning January 1, 1963, agreement re timing of release of press statement re

Meetings:
Agreed Governor Shepardson and Governor Mills would work with Mr. Fauver and other members of the staff in developing Directors' Day Program for March 15, 1962

Agreed that the proposed program would be acceptable as a basis for making final arrangements

Discussion re arrangements for program and dinner, with certain understanding

Review of 1962 Directors' Day Program by Mr. Fauver, with recommendations for modifications, understanding re including several of the suggestions in preparation of plans for 1963 program

Newly appointed directors, agreement re tentative meeting date with understanding re dinner

Agreement re change of date for
Directors: (continued)

FRBranch banks:

Appointments for terms beginning January 1, 1963

Class C directors, persons who had served as, desirability of considering, suggested by Gov. King

Commercial bank directors, question re continuing service of Raymond E. Olson as director of Buffalo Branch until end of present year, if he accepted directorship of Lincoln Rochester Trust Company, Rochester, New York, matter deferred pending distribution of staff memorandum re similar cases

Memorandum reviewed, Board would have no objection to his continuing as director for remainder of 1962 should he accept directorship of commercial bank, FRBank of New York to be advised, discussion re changing regulation and means for making service more rewarding for directors and the FRSystem, appropriate subject for meeting of Chairmen's Conference

Mutual investment fund, eligibility for appointment as director, Seattle Branch, of individual who is a director of a, but whose principal occupation is officer of industrial concern, no objection

Regulations, Board of Governors, discussion re question of possible change in, particularly in connection with directors accepting directorships of commercial banks

System affairs, discussion re more active participation in, by

(Individual branches):

Baltimore:

Corrin, E. Wayne, appointment for three-year term if willing to accept, willing to accept, appointment telegram sent
Directors: (continued)
FRBranch banks: (continued)

Birmingham:
Vacancy caused by resignation of Henry King Stanford discussed, understood Governor King would review situation 8/1 2916
Marks, C. Caldwell, appointment for unexpired portion of term ending December 31, 1964, to be made if willing to accept, advice of appointment 8/9 3062
Stanford, Henry King, resignation noted 8/1 2916
Warner, Jack W., reappointment for three-year term approved 10/19 4018

Buffalo:
Commercial bank directorships, suggestion by Governor Mitchell that since three cases involving question re, had arisen since 1949 at Buffalo, matter would be discussed with FRBank of New York and Buffalo Branch 5/16 1843
Forman, Maurice R., appointment for three-year term if willing to accept, willing to accept, appointment telegram sent 12/5 4633, 4634
Olson, Raymond E., question re continuing as director of, until end of year, if he accepted directorship of Lincoln Rochester Trust Company, matter deferred pending distribution of staff memorandum re similar cases 5/14 1817
Memorandum reviewed, Board would have no objection to his continuing as director for remainder of 1962 should he accept directorship of commercial banks, FRBank of New York to be advised 5/16 1841

Charlotte:
Cowan, J. C., Jr., reappointment for three-year term approved 10/19 4018
Directors: (continued)

FRB Branch banks: (continued)

Cincinnati:
Whitaker, Howard E., reappointed for three-year term approved

Denver:
Burghart, R.A., reappointment for two-year term approved

Detroit:
Gerstacker, Carl A., resignation effective October 1, 1962
Heavenrich, Max P., Jr., appointment for unexpired portion of term ending December 31, 1963, to be made if willing to accept, advice of appointment
Peppiatt, Guy S., appointment for three-year term if willing to accept, willing to accept, appointment telegram sent
Weil, Louis A., Jr., appointment for unexpired portion of the term ending December 31, 1963, if willing to accept

El Paso:
Corbett, Roger B., reappointment for three-year term approved

Helena:
Newburn, Harry K., reappointment for two-year term approved

Houston:
Campbell, Donald B., appointment for three-year term if willing to accept, willing to accept, appointment telegram sent

Jacksonville:
Yates, Claude J., reappointment for three-year term approved

Little Rock:
Stabler, Carey V., appointment for three-year term if willing to accept, willing to accept, appointment telegram sent

Los Angeles:
Halgren, S. Alfred, reappointment for two-year term approved
Directors: (continued)
FRBranch banks: (continued)
Louisville:
    Harrison, William H., reappointment for three-year term approved
    Unable to accept reappointment, alternative possibilities considered
    Martin, Boyce F., appointment for three-year term to be made in event of unavailability of Mr. Milner, neither available for appointment
    Milner, B. Hudson, appointment for three-year term to be made if willing to accept, unable to accept appointment
Memphis:
    Self, William King, reappointment for three-year term approved
Nashville:
    Holt, Andrew D., appointment for three-year term approved
New Orleans:
    Emmerich, J.O., reappointment for three-year term approved
Oklahoma City:
    Barby, Otto C., reappointment for two-year term approved
Omaha:
    Hardin, Clifford Morris, reappointment for two-year term approved
Pittsburgh:
    Byrom, F.L., reappointment for three-year term approved
Portland:
    Reter, Raymond R., reappointment for two-year term approved
Salt Lake City:
    Rowland, Thomas B., reappointment for two-year term approved
San Antonio:
    Stockton, John R., reappointment for three-year term approved
Seattle:
    O'Brien, Robert, appointment for the two-year term to be made if willing to accept, acceptance ascertained, appointment telegram sent
Discount window: Use of:

FRBank of Kansas City examination report review indicated, by six country banks, action unnecessary due to improvement over previous year, understood that Governor Mitchell would discuss administration of the discount function with President Clay

Tentative recommendation by the Committee on Financial Institutions that all commercial banks be given access to, on the same basis as member banks, instruction to Mr. Noyes re position to be taken at meeting with the Committee

Directors: (continued)

FRBranch banks: (continued)

Seattle: (continued)

O'Brien, Robert: (continued)

Eligibility to accept appointment as, while serving as director of a mutual investment fund, but whose principal occupation is officer of industrial concern, no objection to service

Discount Bank Investment Corporation Ltd., Tel Aviv, Israel, applications of First Pennsylvania Overseas Finance Corporation, Philadelphia International Investment Corporation, and Continental International Finance Corporation to purchase stock of, letters to applicants advising Board reluctant to grant consent, approved

Letters granting consent re, upon condition that Discount Bank Investment Corp. Ltd., dispose of its holdings of stock of Mercantile Bank of Israel Ltd., within a specified time, approved

Discount Bank Investment Corporation Ltd., Tel Aviv, Israel, applications of First Pennsylvania Overseas Finance Corporation, Philadelphia International Investment Corporation, and Continental International Finance Corporation to purchase stock of, letters to applicants advising Board reluctant to grant consent, approved

Letters granting consent re, upon condition that Discount Bank Investment Corp. Ltd., dispose of its holdings of stock of Mercantile Bank of Israel Ltd., within a specified time, approved

11/8 4302

10/31 4181,4205-07

12/5 4620,4641-43

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350 Pages
Discounts for and advances to member banks:
Eligibility for:
Mortgages for discounting, question referred to at joint meeting of Board and FAC
Recommendations of Subcommittee on Legislation re paper eligible for, in light of report of System Committee on Eligible Paper, approved by Presidents' Conference, distribution of draft legislation to Farm Credit Administration, ABA, and Association of Reserve City Bankers, agreed matter be considered by Board at early date
Matter considered further

Dissertations:
Reproduction of copies of "Redistribution of Gold Reserves Among Federal Reserve Banks", by David B. McCalmont, and "History of the Weekly Combined Statement of the Twelve Federal Reserve Banks" by Richard J. Bannon, approved with the understanding that copies would be placed in Reserve Bank libraries and a small number furnished each author

Distinguished Federal Civilian Service:
Award to be granted by President, as established by Executive Order 10717, Woodlief Thomas nominated by Board for, advice to be transmitted to Distinguished Civilian Service Awards Board

District of Columbia Workmen's Compensation Act:
Claim filed by Board employee under, letter to Dept. of Labor denying Board or employee were subject to, at time of injury

Dividends:
Ashville Bank, Ashville, Ohio, no objection to a dividend declared in Dec. 1961
Bank of Cairo, Missouri, no objection to declaration of dividends paid in 1961 and in 1962, and declaration of a dividend made in Dec. 1962, approved
Dividends: (continued)

Bank of Tuscumbia, Missouri, no objection to declaration of dividends in 1961 and thus far in 1962, declaration of a dividend in December 1962, approved

Farmers Bank and Trust Company, Knox, Indiana, declaration of a dividend payable March 31, 1962, approved

Declaration of dividends payable on June 30 and Sept. 29, 1962, approved

Farmers and Merchants State Bank, Claflin, Kansas, no objection to declaration of a dividend in 1960

Farmers and Merchants State Bank, Oldenburg, Indiana, declaration of a dividend in December 1962, approved

Muscatine Bank and Trust Company, Muscatine, Iowa, declaration of a dividend in December 1962, approved

Peoples Savings Bank, Laurel, Iowa, declaration of a dividend in December 1962, approved

Prairie State Bank, Augusta, Kansas, no objection to declaration of dividend Dec. 20, 1961

Declaration of a dividend in 1962 approved

Sterling State Bank, Mt. Sterling, Ohio, declaration of a dividend in December 1962, approved


Dollar exchange:

First National Bank of Miami, Florida, authorized to accept drafts or bills of exchange drawn for purpose of furnishing, as required by usages of trade in certain designated countries, dependencies, or insular possessions of the U.S.

First Pennsylvania Banking and Trust Company, Philadelphia, Pa., authorized to accept drafts or bills of exchange drawn for the purpose of furnishing dollar exchange

12/20 4850, 4884
3/12 871, 881
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3/2 798, 807
12/17 4788, 4791
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1/31 349, 372
Doyle, David F.:
Hearing examiner, National Labor Relations Board,
designed Hearing Examiner in Continental Bank and Trust Co.,
Salt Lake City, Utah, Show Cause Hearing ordered by the Board

Durant, Wenthworth T., attorney for Panhandle State Bank of Borger, Texas, (former State member bank) request for page of 1953 examination report of bank for use in pending tax suit between bank and Bureau of Internal Revenue, request denied, Governor Mitchell dissenting

"E"

Earhart, Cecil, former President, FRBank of San Francisco, no objection to recommending appointment of, to committee to study privately-owned timber resources, pursuant to request from U.S. Forest Service

Earnings and dividends reports:
State member banks, certain reports in Milwaukee County, 1956 through 1961, requested by Dept. of Justice in connection with the proceeding against Bank Stock Corporation of Milwaukee, agreed to furnish, with Governor Mills dissenting

Earnings and expenses:
FRBanks:
Reports submitted to boards of directors of, form indicating no breakdown as to source, questioned by Governor King, understood that Governor King would discuss matter with Mr. Farrell re desirability of more detailed monthly income statements
Profit and loss accounts 1962, no objection to year-end entries, respective FRBanks to be advised
Economic conditions:
Review of economic developments and outlook, topic for discussion with FAC 11/2 4220, 4232.
Viewed with optimism as discussed at the joint meeting with FAC 11/20 4428.

Economic Development Institute of the International Bank for Reconstruction and Development, visit to Board's offices by participants in, including luncheon, approved 11/23 4481.

Economic developments:

Economic projections:
Presentation of alternative patterns of economic developments for remainder of 1962, copies of text and accompanying charts and tables placed in Board's files 4/27 1504.

Economic Report of the President:
Joint Economic Committee hearings re, draft of testimony by Chairman Martin to be revised in light of discussion and suggestions 1/22 231.

Economic situation:
Censuses, economic, including manufacturers, minerals, and other businesses, proposal by Department of Commerce to amend the United States Code, section 131 of title 13, to provide for earlier taking of the, favorable report to the Bureau of the Budget 4/18 1387, 1416.

Electrical Workers Union, New York Local 3:
Labor contract, negotiated by, establishing a work week of five 5-hour days, staff request to prepare a descriptive paper re 1/22 232.

Electronics Instrument Company of America, New York, N.Y.:
Loan made by Chase Manhattan Bank, New York, N.Y., to, in connection with the financing of oil property now owned by Lowe Petroleum Corporation, request received from Internal Revenue Service re information from examiner's work papers in connection with, letter to FR Bank of New York re, approved, Governors King and Mills dissenting 6/22 2265, 2273.
Emergency plans:
Board, report on defense mobilization activities during past year, including program for continuity of FRSystem functions in event of attack; bank preparedness, and V-loan program sent to Chm. Robertson, Joint Committee on Defense Production

Cash agent banks:
Plan of FRBank of Richmond to store currency with its 23 Cash Agent Banks approved, authorized to incur reasonable expenses incident to, budgetary provision made for anticipated expenditures during 1962
Decision of FRBank of Richmond to increase its number of, from 23 to 24, noted without objection
Preactack storage of currency in First National Bank of Chillicothe, Ohio, by FRBank of Cleveland, proposal approved
Proposal of FRBank of Boston re currency shortage at three, approved, including general authorization to make further arrangements with other cash agent banks, with certain understanding

Cuban situation:
Report by Mr. Harris on FRSystem emergency planning program in light of
Progress report by Mr. Harris on developments re FRSystem defense planning in light of
Suggestion in report by Mr. Harris, re possibility of simulated exercise under conditions that would prevail under DEFCON 2, agreed possibility of desk exercise would be considered
Emergency plans: (continued)

Fallout shelters:

Federal Government, execution of a fallout shelter license to, by the FRBank of San Francisco, permitting the use of certain areas in the Bank's service building for fallout shelter purposes, no objection by Board 6/29 2426, 2449

Board of Governors:
Shelter in Board's garage, negotiated contract with George A. Fuller Company for installation of, in accordance with plans submitted by White and Mariani, authorized, Gov. Mitchell's reservations having been noted 9/12 3433

Contract with George A. Fuller Company prepared, Secretary authorized to execute on Board's behalf 9/28 3727

FRBank of Dallas:
Federal radio transmitting frequency, use of, authorization includes use at relocation center in Denton, Texas, in order to communicate with armored cars between that point and Dallas 12/17 4795

FRBank of New York:
Vault facilities for earmarked gold, suggestion by Governor Robertson that the New York Bank review a previous emergency planning study referring to the possibility of using vault facilities at West Point, discussed in connection with proposed building alterations by FRBank of New York to provide 12/18 4800

FRBank of Richmond:
Fallout shelter, no objection to acceptance of bid and expenditure on project, including architects' and engineers' fees 5/24 1929, 1936
Emergency plans: (continued)

FRBank of San Francisco:

Fallout shelters, execution of a fallout shelter license to the Federal Government permitting the use of certain areas in the Bank's service building for fallout shelter purposes, no objection by Board 6/29 2426, 2449

Regulations 1 and 2 relating to "Operations of FRBanks" and "Use of Secured Notes to Transfer Credits," approved to be automatically effective in the event of an attack, transmitted to the Presidents of all FRBanks 1/15 153, 164-78

Relocation site of Board's operations, Committee comprised of Messrs. Harris, Farrell, and Kelleher to explore problems arising from space needs at FRBank of Richmond in light of space provided for Board's emergency operations, committee to present recommendations to Board 7/17 2730

Ente Finanziario Interbancario, Rome, Italy, consent granted retroactively for Banca d'America e d'Italia to purchase stock of, advice to Bank of America 11/26 4491, 4507

Equipment:

Board of Governors:

Chart-making machine, electronic, proposed purchase of, provided for in 1963 budget 12/10 4692

Computer, electronic, IBM model 1410, recommendation that purchase option agreement with IBM not include four type 729 magnetic tape units, approved, decreased cost noted 1/16 195

Outside use of, request from the Business Equipment Manufacturers Association for a duplicate deck of punched cards covering data in the Board's publication entitled "Distribution of Bank Deposits by Counties and Standard Metropolitan Areas", agreed cards could be furnished on a reimbursable basis, staff was authorized to comply with other such requests on a reimbursable basis 8/14 3103, 3120
Equipment: (continued)

Board of Governors: (continued)

Computer, electronic, IBM model 1410: (continued)

Processing of data from reports of condition and earnings and dividend reports, for FDIC and Comptroller of the Currency, inquiry from Chm. Cocke, FDIC, whether Board would continue such service, reply by Governor Shepardson to inquiry, reported 3/20 953

Suit brought by Justice Dept., on behalf of Board against Wegematic Corporation in connection with contract, (with Alwac Corporation) reply to Justice re financial statements submitted in support of proposal to settle the case 4/13 1366, 1374

Letter to Justice Dept. indicating the Board's desire to close the matter and stating that the Board would agree with any settlement that the Justice Dept. believed to be appropriate 12/13 4755, 4767

Telephone monitoring devices, information re listening-in devices and telephone recording equipment, letter sent to Congressman Moss as requested, with copy and instruction re making verbatim records of conversations to be distributed to Board's staff 2/15 567, 585

Typewriters:

Electric, purchase of, amendment of Board's standards relating to, approved, suggestion re timing of purchases and re development of replacement plan 4/24 1458

Manual, development of replacement plan for, suggested in connection with proposed purchase of electric typewriters 4/24 1460
Eurodollar:
Meetings:
Experts to discuss, invitation received from Bank for International Settlements for FRSystem participation in, agreement re representation from Board's staff and FRBank of New York, Mr. Young to locate an appropriate person from another FR Bank, BIS to be advised
Central bank officers to meet in Switzerland at Bank for International Settlements to discuss Eurodollar market, Mr. Katz authorized to attend

European Coal and Steel Community:
Time deposits of, question re qualifying under P.L. 87-827 for exemption from interest rate limitations, matter deferred pending discussion by Board's staff with Mr. Richard Simmons, of New York law firm of Cravath, Swaine & Moore

Examinations:
Bank examining function and auditing function at FRBanks, inquiries by Governor Balderston re staff increase and upgrading in, understanding that this strengthening was desired by Board
Bank holding companies, suggestion by Governor Mitchell to ascertain and describe function of, in connection with the examinations of
Bank service corporations:
Supervision of, by Federal bank supervisory agencies, questioned in light of H.R. 8874, a bill to authorize investments by member banks in
Services performed for banks by, to be subject to the same regulation and examination as if they were performed by the bank itself, proposed Regulation S implementing provisions of Sec. 5, of the Bank Service Corporation Act, to be published in the Federal Register for comment
Examinations: (continued)

Examiner's work papers, information from, requested by Internal Revenue Service, decision to release letter to FRBank of New York re, approved, Governors Mills and King dissenting

FRBanks:

Biographical data on persons newly appointed to FRAgent's function, omission from Chief Examiner's confidential memorandum on management submitted in supplement to report of, authorized

Expenditures, since release of examination reports to House Banking and Currency Committee, absence of criticism of FRBank expenditures noted

Procedures:

Annual review of procedures followed by field examining staff in connection with bank, recommendation that Price Waterhouse & Co. be retained for 1962, and for consultation in connection with transition to recommend procedures, approved, advice to Price Waterhouse

Review of techniques and, used by the Board's Division of Examinations in examining FRBanks, to be made by Price Waterhouse & Co., letter approved

Report re study of techniques and procedures by Price Waterhouse & Co., during an examination of the FRBank of Atlanta, discussion stressed need to put recommended procedures into effect as promptly as possible, miscellaneous criticisms to be included in reports, in light of recommendations

Recommendations by Price Waterhouse & Co., discussed in connection with question of retention of public accounting firms by directors of FRBanks to review internal audit function at FRBanks
Examinations: (continued)
FRBanks: (continued)
Procedures: (continued)

Certain changes in procedure proposed by Governor Robertson, Governor Mitchell's views re impact from expense standpoint if adopted, noted in consideration of 1963 Board budget

Changes proposed by Governor Robertson re reduction in field examining staff, designing of audit control and review programs, and use of internal audits supplemented by surprise visits, interested divisions to submit memoranda of views, views of Haskins & Sells to be requested, in preparation for further consideration by Board, legal authority of Board to abbreviate examinations questioned by Governor Mills

Foreign banking corporations, examination of, FRBank of Chicago authorized to follow the same plan as FRBanks of New York, Boston, and Philadelphia, with FRBank examiners acting for Board examiners in the examination of Continental International Finance Corporation, Chicago, Illinois

Foreign branches of national banks:
Board reluctant to state that it would not exercise the authority provided by sec. 25(6) of the FRAct with respect to, discussed in connection with request by Swiss National Bank re examining requirement and submission of reports by proposed branch of First National City Bank, New York, N.Y., in Geneva, Switzerland

Letter to President Schwegler, Swiss National Bank, approved, Gov. Mitchell to advise Pres. Hayes

Conversation with Max Ikle re attitude of Swiss National Bank, reported by Governor Mitchell
Examinations: (continued)

National banks:

Allocation of cost:

Request by Comptroller of the Currency Saxon to discuss with the Board a plan with respect to, Governor Robertson authorized to meet with Mr. Saxon and to bring the matter back to the Board for consideration

Report on meeting with Comptroller of the Currency re proposal for Federal Reserve and FDIC to pay part of the cost of, agreement with recommendation by Governor Robertson justifying reimbursement for cost and transmittal of copies of, rather than cost of making the examination, Governor Robertson authorized to advise the Comptroller and indicate willingness to meet and discuss further

Further views received from the Comptroller of the Currency, discussion re preparation for forthcoming meeting with the Comptroller re problems in the field of bank supervision including further discussion

Recommendation of Governor Shepardson that Board have comparative data on costs of examinations of State and national banks in consideration of reply to Comptroller of the Currency re, understanding with respect to acquiring such data

Discussion re Board's position should Comptroller present draft legislation to Congress re Federal Reserve contributions to costs of
Examinations: (continued)

National banks: (continued)

Allocation of cost: (continued)

Comments by Chairman Martin re problem, expressed at joint meeting of Board with FAC

Reply to Comptroller of the Currency

Draft bill to authorize the FRSystem to pay to the Comptroller of the Currency up to 25% of the expense of, transmitted to Board by the Comptroller referred to in Board's reply to Mr. Saxon

Status of Comptroller's request that Federal Reserve contribute to, Comptroller continuing to consider possibility of requesting legislation re, noted in joint meeting with FAC and Board

Schedule of charges for providing FR Banks with copies of reports of, and of District of Columbia banks, received from Comptroller of the Currency, matter to be considered further

Effective date of proposed schedule of charges deferred following conversation by Chairman Martin with Comptroller, letter to Comptroller confirming, letter to FRBanks requesting views

Requested comments by FRBanks received, agreed that matter should be discussed with the Reserve Bank Presidents at the forthcoming Presidents' Conference

Possible procedure discussed at joint meeting with Presidents, in case charges are accepted, suggestion re consideration for inclusion in Board's Annual Report to the Congress for possible attention by appropriate Congressional committees
Examinations: (continued)
National banks: (continued)
Allocation of cost: (continued)

Charges announced by Comptroller of the Currency for providing FRBanks with copies of, proposed letter to Comptroller stating Board's views discussed, Gov. Robertson to work with staff to revise draft letter for further Board consideration, with understanding re review of letter by FRBank Presidents, consensus re reference in letter to inclusion of subject in Board's Annual Report for 1962

Letter to Comptroller of the Currency requesting one examination report of all national banks for each calendar year, but no reports of trust departments or branches, FRBanks to pay applicable charges, understanding re loan of copies of examination reports between Washington Office of Comptroller and Board of Governors

No reply received with respect to Board's letter of June 27, 1962, to the Comptroller of the Currency, noted that the Comptroller's letter to the FRBank Presidents informing them re the new rates was also dated June 27

Regional chief national bank examiners requested by the Comptroller to make arrangements with the FRBanks for delivery of reports and billings, wire sent to Presidents of all FRBanks re arrangements with respect to

Reports no longer being made available to Board in Washington on a borrowed basis reported, matter to be given further consideration

Difficulty corrected, reports being made available by Office of Comptroller of the Currency, noted
Examinations: (continued)

Nonmember bank proposed to be converted to national bank (Royal State Bank, N.Y., N.Y.) considered by State banking authorities to be in unsatisfactory condition, question whether FRBank of New York could examine, to determine whether banks' national charter was deserving of approval.

State member banks:
Municipal securities, tax exempt, maturity breakdown of bank holdings of, question whether such information could be obtained from reports of examination staff considering revising summary sheet to develop such information.

Supervision of, possibility of placing in hands of bank chartering authorities, or possible legislation placing matter in hands of one Federal agency, discussion in light of work load of Board in connection with, staff to circulate previous draft legislation for Board consideration.

Training program for bank examiners from the three Federal bank supervisory agencies on examination problems related to the increasing use of electronic equipment by banks, reported by Gov. Robertson.

Trust departments of State member banks, effect of termination of Reg. F on, question raised by Governor Mills.

(Individual banks):
Austin National Bank, Austin, Texas, review of report of, in connection with questions under Reg. O relating to executive officer status of Vice Chairman of the Board of Directors of, suggested by Gov. Robertson.

Information relating to indebtedness of the Vice Chairman to the bank as shown in, reported by Gov. Robertson.
Examinations: (continued)

Bank of America, New York, N.Y., question re condition of Banca d'America e d'Italia, Milan, Italy, and reference to possible comments in current year's examination of 10/9 3846

Bank of Belmont Shore, Long Beach, California, (now Coast Bank), request from attorney for 1958 report for use in litigation, Board will not make report available, reply to FRBank of San Francisco including recommended procedure in event subpoena duces tecum is served 3/20 948, 959

Bankers Trust Company, New York, N.Y., request on behalf of Internal Revenue Service for access to excerpts from certain reports of, reply indicating request should come directly from IRS, approved, comments by Gov. Mills re maintaining confidentiality of examination reports 9/10 3405, 3415

Chase International Investment Corporation, New York, N.Y., Board not informed promptly in writing as required by Condition 1 of the General Consent re stock purchases by Arcturus Investment & Development Ltd., noted in reviewing examination report of 4/16 1379

Chemical International Ltd., New York, N.Y., had become a borrower, indicated by Gov. Mills with the suggestion that close scrutiny be given during examination, reference made during consideration of purchase of stock shares of Credit Malakoff Societe Anonyme, Paris, France by 3/1 783

Questions re certain transactions raised in examination of, discussion re possible letter relating to, decision to take no action in light of current study of Regulation K 4/27 1505
Examinations: (continued)

Citizens Bank and Trust Company, Park Ridge, Ill., question re conducting special or regular examination of, to obtain information re operation of United Security Account Plan of, in light of possible violation of Regulation Q, letter to FRBank of Chicago

Results of special examination of, reviewed, action on matter deferred, Gov. Mitchell's views re

Question re advising bank of possibility of frequent examinations, at bank's expense, in light of questionable operations involving United Security Account Plan, consideration deferred pending receipt of report of examination being conducted by FRBank of Chicago

Review of special examination re United Security Account Plan, letter advising bank that Board expects operation of plan to be discontinued, with appropriate notice to customers, approved

Continental Bank and Trust Company, Salt Lake City, Utah, motion of, as respondent in administrative proceeding before the Board, for production of confidential sections of certain examination reports of, denied

Continental International Finance Corporation, Chicago, Ill., authorization re examination of, by examiners of FRBank of Chicago acting as examiners for Board of Governors

FRBank of Atlanta:

Report reviewed, operations of Fiscal Agency Department to be followed carefully in light of certain defects noted
Examinations: (continued)
FRBank of Atlanta: (continued)
Report of, no reference to imperfections in the safekeeping procedures at the, noted and questioned by Governor Shepardson

FRBank of Boston:
Report reviewed, attention called to the case of a research employee operating a stock trading account for speculative purposes, understood that a draft of letter to the FRBank Presidents containing a specific reference to trading in margin accounts would be prepared for consideration when all Board members were present

Report reviewed
FRBank of Chicago, report reviewed
FRBank of Cleveland, report reviewed
FRBank of Kansas City, report reviewed, cases of protracted borrowing and general philosophy of discount window administration noted, action unnecessary due to improvement, understood that Gov. Mitchell would discuss administration of the discount function with President Clay

FRBank of Minneapolis, report reviewed
FRBank of New York:
Report reviewed examination of earmarked gold held in custody for foreign central banks, proposed revised procedure involving test checking, no objection

Report reviewed, agreed no action warranted by Board, discussion re Legal Department and re audit procedures of System Open Market Account and possible comments by Haskins & Sells, review of comments by Price Waterhouse & Co.

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Federal Reserve Bank of St. Louis
Examinations: (continued)

FRBank of Philadelphia, report reviewed, retention of outside public accounting firm for purpose of reviewing the audit function at, plan discarded by, noted 9/13 3470-71

FRBank of Richmond:
Report reviewed, no matters requiring action by Board 2/19 630

Mysterious disappearance of Treasury certificate of indebtedness from vault of, held as collateral to tax and loan account of a nonmember bank, discovered in course of current, reported by Mr. Solomon 8/27 3212

Report reviewed, agreed no action warranted by Board, discussion re disappearance of certificate of indebtedness from vault of, and re situation where employee maintains margin accounts 11/19 4376-78

FRBank of St. Louis, report reviewed 4/23 1450

First National City Bank, New York, N.Y., proposed branch in Geneva, Switzerland, question by Swiss National Bank re intention of Board and Comptroller of the Currency with respect to 10/4 3794

Letter to President Schwegler, Swiss National Bank, approved, Governor Mitchell to advise President Hayes 10/19 4011, 4022

Swiss National Bank not inclined to permit opening of branch of, if any agency of another government retained right to examine the branch, conversation with Max Ikle reported by Governor Mitchell 12/20 4872

G.W. Jones Exchange Bank, Marcellus, Michigan, letter to FRBank of Chicago, requesting a new examination before determining the issuance of a warning under section 30 of the Banking Act of 1933 to Mrs. Donna V. Schurtz, President of 2/14 548, 563
Examinations: (continued)

International Banking Corporation, New York, N.Y., questions raised in examination of, re certain transactions, decided to take no action in light of current study of Regulation K

Irving Trust Company, New York, N.Y., production of reports of examination of, ordered in suit of Trans World Airlines, Inc., against Howard R. Hughes and Hughes Tool Co., (in which Irving Trust Co. is also defendant), Board declines to authorize such production, advice to counsel for, with request that Board be advised if Special Master or Court required production

In light of request by Special Master, Board authorizes with stated restrictions re production of reports of examination of

Production of confidential portions of reports of, authorized with noted restrictions, ordered by Special Master

Panhandle State Bank of Borger, Texas, (former State member bank), request from attorney for a page of the 1953 examination report, and request from Internal Revenue Service agent to study entire report, for use in pending tax suit both requests denied, Gov. Mitchell dissenting

Southern National Bank of Houston, Texas, statement re need for recent examination of, in light of reported changes revealed in application for full trust powers, decision to forgo examination and approve application
Examiners:

Board of Governors:

Donovan, John P., transfer from position of FRExaminer to Review Examiner with no change in salary approved 8/27 3213

Egertson, Jack M., Review Examiner, Division of Examinations, appointment and salary approved, with understanding re moving expenses from Chicago, Illinois, to Washington, D.C., and transportation and per diem while in travel status 3/5 824

FRBank of Chicago, examiners conducting examinations of Edge Act Corporations to be furnished appropriate credentials as FRExaminers, with understanding re FRBank examiners assisting in examinations 11/21 4446, 4454

Gray, Hurley Wayne, Assistant FRExaminer, resignation accepted 8/27 3214

Harrison, John B., Examiner, FRBank of New York, to be designated as FRExaminer in connection with arrangements approved for his assignment of approximately two months in the foreign banking section of the Board's Division of Examinations 6/13 2148, 2162

Noory, George G., Assistant Review Examiner, Division of Examinations, transfer from position of analyst in Division of Bank Operations with no change in salary approved 7/3 2541

Sanford, James K., Review Examiner, Division of Examinations, appointment and salary approved with understanding re moving expenses and transportation from North Olmsted, Ohio, and per diem 9/25 3664

Starr, Donald O., Assistant FRExaminer, Division of Examinations, change in official headquarters from Washington, D.C., to El Paso, Texas, approved 3/7 833

Thornton, Robert B., Assistant FRExaminer, Division of Examinations, appointment and salary approved 10/24 4048
Examiners: (continued)

Board of Governors: (continued)

Tyndall, Linwood N., Assistant FRExaminer, Division of Examinations, headquarters changed from Washington, D. C., to Jacksonville, Fla., effective immediately 12/3 4601

Westmoreland, Robert N., Jr., Assistant FRExaminer, change in official headquarters from New Orleans, La., to Washington, D. C., effective immediately, approved 8/22 3175

Conference of Representatives of Bank Examination Departments of FRBanks, to be held on March 26-27, 1962, dinner approved 1/18 217

List of persons to be invited to attend a dinner in connection with, approved 2/13 542

Discussion re proposed program for analysis of banking structure and competition at forthcoming 3/1 791

Federal bank supervisory agencies, experimental program of training for, re examination problems relating to the increasing use of electronic equipment by banks, reported by Governor Robertson 1/30 342

Meeting of Vice Presidents and other representatives of Bank Examination Departments of FRBanks proposed after Annual Convention of National Association of Supervisors of State Banks in Bretton Woods, New Hampshire 7/30 2899

FRBanks:

Appointment of examiners, assistant examiners, and special or special assistant examiners, Governor Shepardson authorized to approve on behalf of the Board 7/24 2827

Bank stock, premiums paid for, comment by Governor Robertson re development of adequate information by, as well as other factors that might suggest a conflict of interest, to be used in future cases re acquisition of bank stock by bank holding companies 11/2 4223
Examiners: (continued)
FRBanks: (continued)

Family relationships:

Beagles, Richard W., appointment as assistant examiner, FRBank of Atlanta, approved not to participate in examination of national bank so long as his father served as an officer.

Case, Barry J., assistant examiner, FRBank of Philadelphia, appointment approved not to participate in examination of Fidelity-Philadelphia Trust Company, as long as his father served in any capacity in the bank.

Hickory, Gary R., appointment as asst. examiner, FRBank of Chicago, approved not to participate in examination of First National Bank of Burr Oak, Mich., so long as his father served as an officer or director.

Huffman, Richard C., appointment as assistant examiner, FRBank of Richmond, approved not to participate in examination of Grant County Bank, Petersburg, West Virginia, so long as his mother is employed by that bank.

Lippert, John D., appointment as asst. examiner, FRBank of Chicago, approved, not to participate in examination of Second National Bank of Saginaw, Mich., as long as his father is an officer.

Little, Feramorz Thomas, asst. examiner, FRBank of San Francisco, appointment approved not to participate in examination of Walker Bank & Trust Company, Salt Lake City, Utah, as long as his father is employed by that bank.

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Examiners: (continued)
FRBanks: (continued)
Family relationships: (continued)

Marden, Richard Dow, appointment as assistant examiner, FRBank of Boston, approved, not to participate in examination of Randolph Savings Bank, Randolph, Mass., as long as his father is an officer of that bank

Stacey, James W., appointment as assistant examiner, FRBank of San Francisco, approved not to participate in examination of First State Bank of Salina, Utah, as long as his father is an officer or director

Upshaw, Robert B., assistant examiner, FRBank of Richmond, appointment approved not to participate in examination of a nonmember bank as long as he is related to an officer of that institution

Instructions to:
Treasury financing, advance refunding, terms announced, Treasury to include a statement relating to the value at which banks would be allowed to carry on their books securities subscribed to by them in connection with refunding, advice to be sent to FRBank Examination Depts., discussed during money market review

Puerto Rico, question re stationing a resident System examiner in, raised by FRBank of New York, in light of possible membership in FR System of Puerto Rican banks, staff to prepare additional information re status of certain Puerto Rican banks

Acceptability for System membership of the seven local insured banks discussed in light of results of review of examination reports, agreed unanimously that it would be undesirable for System to maintain resident examiner in, advice to FRBank of New York
Examiners: (continued)

Instructions to: (continued)

Salaries, report of study re salaries of bank examiners employed by Comptroller of the Currency, FDIC, and, report transmitted to FR Bank Presidents

National banks:

Trust powers of national banks, pending applications re, to be transferred to appropriate regional Chief National Bank Examiner, as advised by Comptroller in light of passage of Public Law 87-722, transferring from Board to Comptroller of the Currency authority to regulate the exercise of, advice to FRBanks

Executive officers:

Loans to:
SEE: Loans:

Executive officers

Expenses:

Board of Governors:

Audits, 1962, public accounting firm of Haskins & Sells, selected to conduct, advice to Haskins & Sells, and advice to Price Waterhouse & Co., comments re rotation of accounting firms

Center for Latin American Monetary Studies, visit to Board including luncheon, translating facilities, conducted tour of Washington and certain minor expenditures, approved

Payment in connection with "cooperating membership" for FRSystem in, letter to Dr. Marquez approved

Chain banking through indirect controls, request by Congressman Patman, Chm. of the House Select Committee on Small Business, for a survey of member banks re, due to size, project would have to be mechanized, which would necessitate a contract with an outside service bureau at an estimated cost around $18,000, expenditure justified only if survey would be of significant value to Small Business Committee, advice to Chairman Patman

7/11 2612, 2667
10/1 3741
4/9 1282, 1297
7/23 2794
10/22 4032, 4040
3/22 1030
Expenses: (continued)

Board of Governors: (continued)

Chain banking: (continued)

Broader study including nonmember banks suggested by Gov. Mitchell, agreed to limit to member banks with possible later consideration of expansion, letter to Comptroller of the Currency re participation approved, draft of schedule to obtain information transmitted to Bureau of Budget requesting Budget Bureau number

Consumer buying intentions, survey re, conducted by Bureau of the Census, Board's interim financial support for the quarterly July 1962 survey requested by Bureau of the Budget, in light of deferred Congressional action, approved, subject to clearance with House & Senate Appropriations Subcommittees, any resulting over-expenditure in 1962 budget of Division of Research and Statistics authorized

Consumer finances surveys, program for 1963, as described in memorandum from Div. of Research and Statistics, including estimated $240,000 for consumer financial positions survey and an additional $25,000 for remaining methodological survey, approved, no plans for staff expansion with respect to, except possible help from outside consultants, per Mr. Noyes

Employee Training and Development Program:

Economic statistics, advanced, confirming arrangements with Professor Edwin S. Mills to conduct course in, consisting of 20 to 30 sessions with a fee of $100 for each session

French, conversational, arrangements with Dr. Claude Yves Meade to conduct a course in, with compensation in amount of $450 for each of two 16-week semesters, approved
Expenses: (continued)
Board of Governors: (continued)
Employee Training and Development Program: (continued)
Mathematical Economics, Introduction
  to, arrangements with Dr. Richard A. Good to conduct a course in,
  with compensation in amount of $1,250 for each of two 18-week
  semesters, approved

Writing, effective, arrangements confirmed with Dr. Calvin D. Linton
  to conduct course in, with understanding re compensation

Examinations of FRBanks, review of procedures and techniques used by Board's
  Division of Examinations in examining FRBanks to be made by
  Price Waterhouse & Co., letter approved, assumed that total cost
  of review and advisory services would be within range of cost of
  previous reviews

National banks, examination of, proposal of
  Comptroller of the Currency re allocation of costs of, discussion re Board's statutory authority to control its own money in light of proposed contributions of Board to costs of

Examiners' Conference to be held on March 26-27, 1962, dinner approved

The Federal Reserve System--Purpose and Functions, order for reprinting
  50,000 copies of Fourth Edition of, to be placed with Judd & Detweiler, Inc., approved

Industrial production--1957-59 Base, recommendation re cost of printing revision in special pamphlet, approved, with understanding re over-expenditure in Board's budget

Inter-Agency Bank Examination School, memorandum by Gov. Robertson recommending that Board and FDIC share with the States the expense of State Examiners attending, and that seminar type school for experienced senior examiners be initiated, approved, including approval of budget over-expenditure with respect to
Expenses: (continued)

Board of Governors: (continued)

Quarters, arrangements for lease of space in new FDIC building for five-year period at rate of $5.25 per square foot approved 6/15 2178

Reproduction of copies of dissertations, "Redistribution of Gold Reserves Among Federal Reserve Banks", by David B. McCalmont, and "History of the Weekly Combined Statement of the Twelve Federal Reserve Banks" by Richard J. Bannon, approved, with the understanding that copies would be placed in Reserve Bank libraries and a small number furnished each author 7/9 2554

Research projects of National Bureau of Economic Research, Inc., New York, N.Y., contract to furnish Board with results of various, at cost of $7,500, executed by Governor Shepardson with understanding re overexpenditure in 1962 budget of Division of Research and Statistics 11/15 4352

Seals, revision of Board's seal to conform to design of FRBulletin seal as redrawn in 1961, estimated cost about $500, no provision made in 1962 budget for expenditure, approved as recommended in Mr. Sherman's memorandum 3/22 1018

FRBank of Richmond, currency storage, authorized to incur reasonable expenses incident to approved plan to store currency at its 23 Cash Agent Banks 1/5 48, 55

FRBanks:

Functional cost data of FRBanks for 1961, suggestion by Governor Mills for discussion of these data by Div. of Bank Operations, understood that such presentation would be arranged 2/16 609
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Function expense distributions for "Retirement and other benefits", actions of Presidents' Conference concerning changes in the Accounting Manual re, approved by Board, advice to Chairman of Presidents' Conference with copies to all FR Bank Presidents

Insurance carried by, draft of letter to FR Banks reviewing comments made by Presidents' Conference and Conference of Chairmen, staff requested to prepare new draft in light of Board's discussion

Governor Mills expressed concern re unwarranted invasion of FRBanks authority to determine their own insurance program

Revised draft of letter to FRBanks approved, no objection to discontinuance of certain insurance coverage or to arrangement for sharing losses

Motion picture on purposes, structure and operations of FRSystem, expenditure by FRBanks for, approved by Presidents' Conference, no objection by Board

National bank examination reports, schedule of charges for providing FRBanks with copies of, received from Comptroller of the Currency, matter to be considered further

Effective date of proposed schedule of charges deferred following conversation of Chm. Martin with Comptroller of the Currency, letter to Comptroller confirming

Export-Import Bank of Washington:
Bankers' acceptances, question from officer of, re cooperation of banks in connection with holding acceptances fully guaranteed by, reported by Governor Robertson
Export-Import Bank of Washington: (continued)

Private capital participation in operations of, study by re possibility of increasing, through repurchase agreements, invitation from Budget Bureau for participation of Board's staff, authorization and understanding re, Governor Robertson to be kept informed of developments

Designation of Messrs. Partee and Gemmill, Board's representative and alternate, advice to Budget Bureau

Fabrica Espanola Magnetos S.A., Madrid, Spain, consent granted for Bankers International Financing Company, Inc., New York, New York, to purchase shares of

Fair employment practices:

Board of Governors:

Designation of Messrs. Kelleher and Kern, Director and Assistant Director of the Division of Administrative Services, as Contracts Compliance Officer and Deputy Contracts Compliance Officer, advice to President's Committee on Equal Employment Opportunity

Separate regulations relating to, not issued, procurement activities carried on in accordance with the Executive Order

Report re employment of minority groups sent to Civil Service Commission in connection with study conducted at the request of the President's Committee on Equal Employment Opportunity
Farm Credit Administration:
Discount eligibility of paper, suggestion by Subcommittee on Legislation that draft of proposed legislation re, be submitted to, for views, approved by Presidents' Conference, agreed Board would consider matter at early date
Matter considered and discussed further

Farmers Home Administration:
Loans of member banks to farmers insured by, promissory notes evidencing, considered eligible as collateral security for advances under section 13, FRAct, interpretation sent to Administrator of, and to the FRBanks to be published in the FRBulletin
Rural housing loans made by private lenders in certain situations, draft bill to amend Housing Act of 1949, Title V, to authorize insurance of such loans by, report sent to Budget Bureau

Federal Advisory Council:
Absorption of exchange charges:
Possible amendment to Regulation Q with repect to, problems reviewed and discussed, including enforcement problems, differences in opinion among Federal bank supervisory agencies, and nonpar banking, views of FAC members expressed at joint meeting with Board
No decision reached by Board noted by Chm. Martin at joint meeting, position of Comptroller of the Currency reported, and discussion re possibility of banks engaging in more effective policing of Board's current policy
Automobile market, demand for automobiles will continue relatively good with firm used car prices, views of FAC expressed in joint meeting
Federal Advisory Council: (continued)

Balance of payments:
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Business situation:
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Condition reports for use by national banks, revised form proposed by Comptroller of the Currency eliminating certain banking data, proposal discussed with FAC at joint meeting

Construction activity and real estate markets, impressions re strength of, in light of revaluation of stock prices, views with respect to, expressed at joint meeting with FAC

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Deposits:
Time certificates of, increased use by commercial customers and more active market for, views of FAC expressed in joint meeting with Board

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Recent increase in maximum rates of interest payable on, reaction of banks to, views reported in joint meetings with Board

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Volume increasing, believed that it will continue to grow, but at decreasing rate, effect on bank portfolios noted, views of FAC expressed at joint meeting

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Economic developments and outlook viewed with optimism as discussed at the joint meeting with

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Executive Committee:
Members, election of Messrs. Enders, Hobbs, and Zwiener, and to serve as ex officio, Messrs. Murphy and Hays

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Foreign currency operations of FRSystem, review of recently authorized program of, by Chairman Martin at joint meeting with FAC, speech made by Pres. Hayes, FRBank of New York re, and testimony by Chm. Martin at hearings on President's Economic Report, referred to

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Housing and construction area, developments in, views re recent rise in housing starts, in FHA and VA applications, and appraisal requests, construction of apartments in larger cities going on in face of relatively high vacancy rates, views expressed in joint meeting with Board 5/1 1590

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Interest rates, prime, discussion by Board and, re possible effects on economy of lowering, reference to effect of interest rates on pressure for foreign loans 9/18 3572

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Declined this year with increase in holdings of municipal securities, and mortgages, and lengthening of maturities, views of FAC expressed in joint meeting 9/18 3565
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Federal Advisory Council: (continued)
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Special meeting with Board: (continued)
Question of discussing with, position of Comptroller of the Currency on certain bank supervisory matters, agreed items first be cleared with Comptroller
Letter to Mr. Prochnow re, approved, discussion re date of meeting and re possibility of considering it as regular meeting
September 17-18, 1962, next to be held
November 19-20, 1962, next to be held
February 18-19, 1963, next to be held
Members:
Alternates:
deBretteville, Charles, present at meeting as representative of 12th District in the absence of Mr. McAllister
Glover, Milton H., present at meeting as representative of First District in the absence of Mr. Enders
Rutledge, Henry T., present at meeting as representative of Ninth District in the absence of Mr. Moorhead
Breidenthal, M. L., attended first meeting as newly appointed member
Hays, Reuben B., elected Vice President
Maestre, Sidney, attended first meeting as newly appointed member
McAllister, Elliott, attended first meeting as newly appointed member
McRae, J. Finley, attended first meeting as newly appointed member
Moorhead, John A., attended first meeting as newly appointed member
Murphy, George A., elected President
Zwiener, Kenneth V., attended first meeting as newly appointed member
Federal Advisory Council: (continued)

Monetary and credit policy:

Appropriate and having desirable impact on business activity, views expressed in joint meeting with, reference to balance of payments problem in relation to

More weight placed on international considerations in view of seriousness of balance of payments deficit, importance of sound fiscal policy, views of FAC expressed in joint meeting with Board

Generally favorable impact on the economy, discussion re lower or higher prime interest rates and availability of money in connection with, reference to pressure for foreign loans discussed

Belief that the present degree of ease continues to be appropriate, views expressed at the joint meeting with FAC

Mortgages, eligibility for discounting at FRBanks question referred to at joint meeting of Board and FAC

National bank examinations, allocation of costs of:

Comments by Chairman Martin re problem, expressed at joint meeting of Board with FAC

Status of Comptroller's request that the Federal Reserve contribute to, noted in joint meeting with Board

Real estate markets, impressions re strength of, in light of revaluation of stock prices, views expressed at joint meeting with

Revenue bonds, underwriting and dealing in, by commercial banks, views of FAC re proposed legislation to permit, expressed in joint meeting

Staff:

Korsvik, William J., elected Assistant Secretary

Prochnow, Herbert V., elected Secretary
Federal Advisory Council: (continued)

Taxes, contrasting points of view expressed re a tax reduction in light of the projected budget deficit, suggestion that action involving the revamping of the tax structure would have productive results without incurring the same degree of risk.

Thomas, Woodlief, Adviser to the Board, comments by President Murphy re FAC's respect for, and good wishes for his future, in light of his impending retirement.

Topics for discussion:

Absorption of exchange charges: Agreement re special meeting with Board to consider possible amendment to Regulation Q re understanding re material to be furnished members of.

Letter to Mr. Prochnow re, with copy to each FAC member, approved, and memorandum re background of situation sent to FAC.

Consensus that Board's position should not be expressed, consideration to be given to views of Council members.

Automobile and housing markets, appraisal of current strength of, high proportion of multi-family housing starts.

Balance of payments: Deficit in U.S., public concern about Appraisal of public reaction to.

Loans, bank: Demand for commercial and industrial Demand for, including real estate and consumer Demand during next several months, including real estate and consumer loans Demand for, including real estate and consumer.
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Computation of interest on savings deposits, Mr. Farrell's memorandum proposing advance notice of savings account withdrawals to cope with problems under Regulation Q raised by United Security Account Plan of Citizens Bank and Trust Company, suggested as subject of discussion at some forthcoming meeting of 3/23 1036
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List sent to Mr. Prochnow

List sent to Mr. Prochnow

List sent to Mr. Prochnow

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Question re advisability of reduction

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Current or prospective improvement in Unemployment situation:

Moderate improvement seen and anticipated to continue, relationship to balance of payments problem and effects of European Common Market on, discussed at joint meeting with Board

Little indication of any significant prospective improvement in, although moderately encouraging trend seen, views expressed in joint meeting with Board

Federal Deposit Insurance Act:

Section 18, amendment proposed, conforming with proposed amendments to the Bank Holding Company Act of 1956 contained in draft bill submitted by Board to Senate and House Banking and Currency Committees
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Section 18(c):

Branch banks, operation of, resulting from acquisitions under, question re necessity of Board approval and capital requirements of resulting bank, reply to inquiry from Farmers and Merchants Bank of Long Beach, Calif., to be sent as staff letter by Mr. Hackley to FRBank of San Francisco

Orders on bank merger cases, proposal that such orders be so worded as to refer to Bank Merger Act of 1960, rather than to, noted without objection

Federal Deposit Insurance Corporation:

Absorption of exchange charges, question re arranging interagency meeting on, noted by Governor Robertson

Views of representatives of, that such absorption does not represent payment of interest on deposits under Federal Deposit Insurance Act, noted by Governor Robertson in connection with proposed amendment to Regulation Q re, summary of meeting of representatives of Board, Comptroller of the Currency, and, referred to, agreement re forthcoming meeting with directors of, to discuss

Position of FDIC with respect to problems re, noted and discussed at joint meeting of Board and FAC

Bank of American Samoa, Pago Pago, Tutuila, American Samoa, views of FDIC re application for deposit insurance, noted in consideration of question re eligibility for membership in FRSystem

Questions re qualifications as "State bank" for purposes of deposit insurance under Federal Deposit Insurance Act noted in discussion re eligibility for membership in FRSystem
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Bank competition, seminar arranged by Board to study, invitation sent to representative of

Bank service corporations, investments in, by State nonmember insured banks, recommendation by, to include authorization for, in H.R. 8874, a bill to authorize member banks to invest in such corporations, Board's views re recommendation

Draft statement proposed by Board to be issued to State member banks upon enactment of H.R. 8874, made available to, noted

Press statement approved for issuance if H.R. 8874 is enacted, could be converted into a joint release with FDIC if desired

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Position of FDIC re extending financial assistance to students from State banking departments in light of withdrawal of Comptroller of the Currency from participation in training program, understanding re possible further action

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Federal funds series:

Revision of, proposed by System Research Advisory Committee, and cleared at Presidents' Conference approved by Board, letter to FRBanks indicating release of confidential form, L. 6.2, and possible public release of certain figures at a later date

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Fallout shelters, execution of a fallout shelter license to the, by the FRBank of San Francisco, permitting the use of certain areas in the Bank's service building for fallout shelter purposes, no objection by Board
Federal Home Loan Bank Act:
Draft bill to amend Home Owners' Loan Act and, submitted by Federal Home Loan Bank, report to Budget Bureau to be redrafted 3/9 860
Unfavorable report transmitted to Bureau of the Budget 3/16 913, 944
Revised draft bill permitting broader authority for Federal savings and loan associations to engage in the financing of multiple dwelling units, comments re, transmitted to the Bureau of the Budget 7/11 2571, 2638
H.R. 13044, enrolled bill consisting of amendments to the Home Owners Loan Act, and liberalizing the authority of the Federal savings and loan associations to lend on multi-unit residential properties, report to Bureau of the Budget indicating no objection 10/3 3752, 3766

Federal Register:
Bank holding company application Forms F.R. Y-1 and F.R. Y-2, recommendation that proposed revision of, be tentatively adopted and that notice to be published in the, for comments 7/23 2786
Pursuant to action taken on July 23, 1962, the notice was transmitted to Bank for International Settlements, interpretation re status of, for purposes of coverage under amendment to sec. 19 of the FRAct which removed limitations on rates of interest paid on foreign official time deposits, to be published in 10/25 4075
Bank Service Corporation Act and Bank Holding Company Act of 1956, interpretation re applicability of the, in certain situations, approved, to be published in 12/20 4852, 4914
Regulation D, amendment to Supplement of, to reduce reserve requirements of member banks, approved, appropriate information to be sent to 10/18 3996
Federal Register: (continued)

Regulation G, proposed amendment re definition of noncash items, notice re, for publication in, approved

Regulation I, revised draft of, dealing with issuance of cancellation of FRBank stock to be published in the, for comments

Approval of, copy published in the

Regulation J, amendment to section 210.2(a) to be published in

Regulation N, amendment to section 214 (inserting new section 214.5) relating to accounts of FRBanks with foreign banks, and authorizing FOMC to supervise and direct relations with foreign banks insofar as they relate to open market transactions conducted through accounts with such banks, to be published in

Regulation Q:

Amendment to sec. 217.3(a), removing limitations on rates of interest paid on official foreign time deposits for three-year period, approved, notice published in

Interpretation of, clarifying exemptions of interest ceilings on foreign time deposits, after revisions by the Treasury Department and suggested changes concurred in by FDIC, approved for publication in

Time certificates:

Conversion of 6-month into 12-month, bearing interest at the new maximum 4%, request by FRBranch of Detroit for interpretation under, agreed to take position in accord with FDIC, to be published in

Of deposit, long-term:

Proposed amendment with respect to contracted interest rates payable on long term, agreed to publish in, for comments, following consultation with FDIC
Federal Register: (continued)

Regulation S:
Bank Service Arrangements, proposed regulation entitled, implementing provisions of sec. 5, Bank Service Corporation Act, that such services be subject to same regulation and examination by Board as if they were performed by the bank itself, to be published for comments in, FDIC considering publishing similar regulation noted

Regulation T:
Interpretation re time allowed for payment for mutual fund shares purchased in a special cash account, to be published in
Interpretation as to whether transaction involving extension of credit by a securities dealer to a corporation in connection with the retirement of some of the corporation's stock would be considered in violation of, to be published in

Regulations T and U:
Amendments to Supplements of, with respect to reduction in margin requirements, approved with Governors Mills and Robertson dissenting, to be published in

Regulation U:
Amendment to section 221.2(f)(g) and (h) approved and published in
Interpretation re status of certain loans proposed by Albuquerque National Bank to persons purchasing shares of stock under Employees' Stock Plan of American Telephone and Telegraph Company, to be published in

Reserve cities:
Termination of designation of Topeka and Wichita, Kansas, as reserve cities, notice to be published in
Termination of designation of Kansas City, Kansas, as amendment to 1947 Rule for Classification of Reserve Cities, published in
Federal Register: (continued)

Rules of Procedure of the Board of Governors, amendment that bank merger and bank holding company applications be made available for public inspection in cases where a public hearing or public oral presentation is ordered, except such portions that Board finds disclosure would not be in the public interest, published in 1/12 143, 151

Small business investment companies, investments by bank holding companies in, interpretation of section 4(c)(4), Bank Holding Company Act and sec. 302(b), Small Business Investment Act approved, to be published in 12/11 4714, 4727

Time deposits of European Investment Bank, interpretation indicating that exemption of foreign time deposits from interest rate limitations does not apply to, approved, to be published in 12/20 4853, 4920

Trust powers of national banks, regulation of Comptroller of the Currency re, issued effective Sept. 28, 1962, in light of enactment of Public Law 87-722, transferring authority from Board to Comptroller re, published in 1/3 3757

Virginia Commonwealth Corporation, Richmond, Va., request for determination pursuant to section 4(c)(6) of the Bank Holding Company Act re activities of Virginia Standard Corp., and State-Wide Insurance Corp., Inc., both nonbanking subsidiaries of, "Notice of Request and Order for Hearing" approved, to be published in the 12/21 4954, 4965

Amendments to sections 4, 9 and 23A, proposed, supplementing or conforming with proposed amendments to Bank Holding Company Act of 1956 contained in draft bill submitted to Senate and House Banking and Currency Committees by the Board 4/9 1284, 1299
FRAct: (continued)

Sections 3 and 10:

S. 1005, a bill to amend, relating to an increase in statutory limitation on expenditures for FRBranch bank buildings, report sent to Senator Robertson, Senate Banking and Currency Committee

Section 9:

Branch banks resulting from mergers and consolidations, question whether Board approval required for continued operation of, under, understood reply to inquiry from Farmers and Merchants Bank of Long Beach, California, be sent to FRBank of San Francisco as staff letter by Mr. Hackley

Branch of foreign bank located in U.S., question re eligibility for membership in FRSystem under, discussion and views

Further reference to situation

Further reference

Section 10, applicability to possible membership on board of directors of Bank for International Settlements of member of FRBoard of Governors, discussed

Section 11, authority for Board to require certain data and reports from national banks contained in, noted in discussion of proposal of Comptroller of the Currency re revision of condition report for use by national banks which would eliminate certain banking data which Board regards valuable

Further discussion

Letter to Comptroller stating Board's views in light of, approved, with copies to FDIC and Budget Bureau

Section 11(a), authority of Board under, to require branch bank deposit data from member banks, discussion, telegram to FRBanks with respect to, approved
FRAct: (continued)

Section 11(a): (continued)

With respect to submission of reports by member banks re branch bank deposit data, Secretary of Board requested to transmit to Budget Bureau copies of letter and wire to FRBanks indicating reports are mandatory under Section 11(k), transfer to Comptroller of the Currency from the Board authority presently exercised under, over trust powers of national banks, as provided in enrolled bill H.R. 12577, letter to Comptroller re procedure for handling Board's files and records in connection with transfer, approved Repeal of, upon passage of Public Law No. 87-722 transferring authority to regulate trust powers of national banks, advice to FRBanks, and issuance of press statement authorized

Section 11(k), transfer to Comptroller of the Currency from the Board authority presently exercised under, over trust powers of national banks, as provided in enrolled bill H.R. 12577, letter to Comptroller re procedure for handling Board's files and records in connection with transfer, approved

Repeal of, upon passage of Public Law No. 87-722 transferring authority to regulate trust powers of national banks, advice to FRBanks, and issuance of press statement authorized

Section 12(A), purchase and sale of cable transfers constituting open market transactions falling within the jurisdiction of the FOMC as provided by, referred to by Mr. Hackley in connection with consideration of proposed program of System foreign currency operations

Further discussion re, in light of questions whether foreign currency operations should be subject to supervision of Board or of FOMC

Matter discussed further

Section 13, branch of foreign bank located in New York City, question re eligibility to maintain nonmember clearing account with FRBank of New York under, discussion in light of inquiry from Israel Discount Bank Limited, Tel Aviv, Israel, matter to be discussed with Presidents of FRBanks of New York and San Francisco
FRAct: (continued)

Section 13: (continued)

Discussion with Messrs. Hayes and Swan, Mr. Shay to contact Counsel for FR Bank of New York for further consideration

Board's view that section 13 would not preclude FR Bank of New York from opening and maintaining a non-member clearing account for Israel Discount Bank, Ltd.

Letter from FRBank of New York containing doubts of Counsel re legal authority for opening account, matter to be considered further

Board's opinion reaffirmed, Chm. Martin to discuss with President Hayes

Farmers Home Administration, promissory notes evidencing loans by member banks to farmers which are insured by, considered eligible as collateral security for advances under, advice to

Service and collection charges, question re applicability of section 16, paragraph 14, and, in connection with charges that a bank may make against its depositor for paying checks drawn by him on the bank, and the charge that a bank may make against the payee or holder of checks for collecting such items drawn on other banks, not applicable, advice to Mr. Hufsmith, Chairman of First National Bank, Palestine, Texas

Section 14(b):

Bill proposed by Treasury to amend, to extend for two years authority of FRBanks to purchase Government securities direct from Treasury, report to Budget Bureau approved
FRAcT: (continued)
Section 14(b): (continued)
Bill proposed by Treasury to amend: (continued)
H.R. 11654, a bill to amend, favorable report to Chm. Spence, of the House Banking and Currency Committee approved
S. 3291, a bill to amend, favorable report to Chairman Robertson of the Senate Banking and Currency Committee, approved
Report sent to Budget Bureau re enrolled bill

Section 14(e):
Not to be used as a basis for maintaining accounts by FRBanks for foreign commercial banks or their branches

Section 14(g), requiring Board to exercise special supervision over all relationships and transactions entered into with foreign banks, referred to in memoranda by Mr. Hackley in connection with consideration of proposed program of System foreign currency operations
Further discussion
Further discussion
Amendment of Reg. N authorizing FOMC to supervise and direct certain actions of FRBanks with foreign banks insofar as they relate to open market transactions conducted through accounts with such banks, approved by Board in exercise of its responsibilities under, Governor Robertson dissenting

Section 16, paragraph 14, service and collection charges
SEE: FRAcT:
Section 13:
Service and collection charges

Section 19:
Amended by Public Law 87-287 (H.R. 12080) to remove limitations on rates of interest paid on official foreign time deposits for 3-year period
FRAct: (continued)

Section 19: (continued)

Amended by Public Law 87-287 (H.R. 12080): (continued)

Status of Bank for International Settlements under amendment 10/25 4067

Request for interpretation under, with respect to the payment of a higher rate of interest than is permitted by Regulation Q, Board's interpretation approved but to be discussed with Treasury and FDIC before publication 11/6 4258

Approved including revisions by Treasury, published in Federal Register after concurrence with FDIC 11/21 4448, 4472

Draft of section 30 warning to Adrian Harmon, Vice President, Barton County State Bank, Lamar, Mo., re apparent violations of, sent to FRAgent Scott, of Kansas City FRBank 1/30 337, 344

United Security Account Plan of Citizens Bank and Trust Company, possible violation of

SEE: Deposits: Savings:

United Security Account Plan of Citizens Bank and Trust Co.

Section 21:

Provision under, that expense of examinations of national banks be assessed by Comptroller of the Currency upon national banks, provision reaffirmed in Board's attitude toward proposal for Federal Reserve and FDIC to pay part of cost of examination of national banks 2/27 752

Section 22(g), loans to executive officers of member banks, discussion re interpretation under, with respect to a limit on borrowing by an executive officer from his own bank, suggestion re possible amendment 1/16 185
FRAct: (continued)

Section 23A:
H.R. 12501, a bill to amend, ascertained that information from Budget Bureau that hearings would be held tomorrow by House Banking and Currency Committee was not accurate, consideration of draft of possible report deferred 8/8 3029

Report to Chairman Spence, House Banking and Currency Committee approved 8/13 3073, 3094

Section 24:
H.R. 7796, a bill to amend, to allow national banks, under certain conditions, to make real estate loans up to a certain per cent of deposits, and to liberalize limitations on construction loans, statement to be presented by Chm. Martin before Subcommittee No. 1 of House Banking and Currency Committee 7/18 2754

Report to Chairman Robertson of the Senate Banking and Currency Committee 8/8 3027, 3045

Report to Bureau of the Budget on the enrolled bill 9/19 3584, 3604

Section 25:
Proposed regulation to effectuate amendment to (by PL 87-588) to permit foreign branches of national banks to exercise additional powers, publication for comments deferred 12/12 4739

Publication of proposed regulation deferred pending further consideration of Regulation K study 12/20 4863

Sections 25 and 25(a):
Overseas operations of member banks, determinations as to most effective ways for conducting overseas operations under provisions of, matters to be decided by member bank itself, advice to Bank of America National Trust and Savings Association 3/8 847, 854
FRAct: (continued)

Sections 25 and 25(a): (continued)

Draft bill repealing, and forming a new Foreign Banking Operations Act, transferring to the Comptroller of the Currency authority re foreign branches of national banks, investments by national banks in stock of foreign banking corporations and the chartering and regulation of foreign banking corporations, staff instructed to draft a letter to the Secretary of the Treasury strongly opposing Letter to Secretary of Treasury Dillon approved and delivered personally by Chairman Martin, copy sent to Comptroller of the Currency 7/11 2592

FRAgents:

Biographical data on persons newly appointed to FRAgent's function, omission from Chief Examiner's confidential memorandum on management submitted in supplement to report of examination of each FRBank, authorized

Anderson, Robert O., FRBank of Dallas, designation for 1963 8/15 3124
Bean, Atherton, FRBank of Minneapolis, designation for 1963 10/19 4019
Briggs, Robert P., FRBank of Chicago, designation for 1963 10/19 4019
Canham, Erwin D., FRBank of Boston, designation for 1963 10/22 4033
Hall, Joseph B., FRBank of Cleveland, designation for 1963 10/19 4018
Hoadley, Walter E., FRBank of Philadelphia, designation for 1963 10/19 4018
Hyde, Edwin, FRBank of Richmond, designation for 1963 11/19 4379
Reed, Philip D., FRBank of New York, designation for 1963 10/19 4018
Scott, Homer A., FRBank of Kansas City, designation for 1963 10/19 4019
FRAgents: (continued)

Shepley, Ethan A. H., FRBank of St. Louis, designation for 1963

Tarver, Jack, FRBank of Atlanta, designation for 1963

Wessell, Nils Y., FRBank of Boston, designation for 1963

Unable to accept reappointment as Class C director noted

Whitman, F. B., FRBank of San Francisco, designation for 1963

FRAgents, Assistant:

Brown, Newton, Alternate Assistant FRAgent, FRBank of Atlanta, appointment to succeed W. B. Morgan approved

Buell, Harris C., Alternate Assistant FRAgent, FRBank of Chicago, appointment approved

Clapp, Robert V., Alternate Assistant FRAgent, FRBank of Boston, appointment approved

Cotter, Edward F., Alternate Assistant FRAgent, FRBank of Boston, appointment approved

Hochstatter, Robert J., Alternate Assistant FR Agent, FRBank of Chicago, appointment approved

Kelley, James D., FRBank of Cleveland, appointment to succeed Mr. Clifford G. Miller, approved

Miller, Clifford G., FRBank of Cleveland, appointment to succeed Mr. D. C. Robinson, approved

Morgan, W. B., Alternate Assistant FRAgent, FR Bank of Atlanta, appointment to succeed Mr. D. E. Plaster, approved

Thorn, Walter A., Alternate Assistant FRAgent, FRBank of Cleveland, appointment to succeed Edison F. Peck, approved

Virta, George, Alternate Assistant FRAgent, FRBank of San Francisco, appointment as additional approved

Wheatley, Austin, Alternate Assistant FRAgent, FRBank of Chicago, appointment approved
FRAgent's Representatives:
Bedel, Walter L., Pittsburgh Branch, appointment approved 1/24 242, 265
Cook, Robert W., Detroit Branch, appointment to succeed Otis R. Radford, approved 4/23 1442, 1453
Mayfield, Dean E., Little Rock Branch, appointment to succeed Howard J. Jensen, approved 1/24 242, 267
Moss, Linwood F., Houston Branch, appointment to succeed C. E. Purifoy, approved 6/27 2373, 2396
Schafer, Robert P., Cincinnati Branch, appointment approved 1/24 242, 265
Self, W. N., Birmingham Branch, appointment to succeed George W. Mason, approved 10/11 3886, 3911
Sing, Robert E., Charlotte Branch, appointment to succeed Winfred W. Keller, approved 9/21 3610, 3633
Szevery, Adolph R., Los Angeles Branch, appointment to succeed L. H. Steffer approved 11/14 4312, 4331

FRBank of Atlanta:
Banking quarters:
Head office building, discovery of structural weakness in old section of, to which alterations and addition are being made, advice from President Bryan re problem and anticipated action to be taken, including removal of roof slab, Mr. Bryan to be informed by Board's views 4/19 1427
Employment of Batson-Cook Company at certain fee in connection with work already performed re alterations, demolition of old building, construction of new addition, and certain other services, authorized, further planning on new building addition on basis of Plan No. 2 authorized 5/28 1958, 1971
No objection to proceeding with West addition to, on basis of plans outlined and architects' drawing submitted 9/14 3504, 3539
FRBank of Atlanta: (continued)

Equipment:
Electronic computer, IBM 1401, proposal to purchase noted by Board without objection

Examinations:
Report reviewed, operations of Fiscal Agency Department to be followed carefully in view of certain defects noted
Report of, no reference to imperfections in the safekeeping procedures at the, noted and questioned by Governor Shepardson
Fiscal Agency Department, operations of, to be followed carefully by Divisions of Examinations and Bank Operations in view of certain defects noted in review of examination report

Hospitalization plan, inclusion of "student definition" clause in, approved by Board, advice to, with copy to all FRBanks

Salaries:
Employees, revision in salary structure approved
Proposed revision of structure, views re change at head office, question re proposed change applicable to branches, matter to be discussed with Chm. Tarver and President Bryan
Officers other than Presidents and First Vice Presidents:
Guidelines limiting the number of salary increases in any year to 40% of the officer staff, concern expressed by President Bryan, agreed to await possible comments from other FRBanks before considering justification for possible modification
Problems noted in discussions of new guidelines by FRBank representatives and Committee on Organization, Compensation and Building Plans, Division of Personnel Administration to be requested by Committee to study problem
Staff:

Examiners, special assistant:
- Designation of one individual approved 5/3 1666, 1719
- Designation of four individuals approved 10/26 4105, 4109
- Designation of three approved 11/5 4243, 4251

(Individual names):
- Adams, DeWitt, General Auditor, Salary approved 12/20 4934
- Beagles, Richard W., appointment as assistant examiner approved not to participate in examination of a national bank so long as his father is an officer thereof 9/6 3368, 3375
- Bennett, Darrell Merlin, appointment as assistant examiner approved, not to participate in examination of a nonmember bank to which he is indebted 1/3 24, 31
- Branan, N. Carson, Assistant Cashier, salary approved 12/13 4758, 4776
- Approval of salary, previously approved, included in overall approval of officers' salaries at Atlanta 12/20 4933, 4934
- Brandt, Harry, Assistant Vice President, salary approved 12/20 4934
- Breck, Fred L., Assistant Cashier, salary approved 12/20 4934
- Brown, Dowdell, Jr., Assistant Vice President, salary approved 12/20 4934
- Brown, Newton, Alternate Assistant FRAgent, appointment to succeed W. B. Morgan approved 9/21 3610, 3632
- Bryan, Malcolm, President, salary approved 12/19 4836
- Denmark, J. E., Vice President, salary approved 12/20 4934
- Dill, Richard A., appointment as examiner approved 3/1 792, 796
- Forbes, James B., Assistant General Auditor, salary approved 12/20 4934
- Ford, C. Mason, Assistant Vice President, salary approved 12/20 4934
- Harris, J. T., Assistant Vice President, salary approved 12/20 4934
FRBank of Atlanta: (continued)
Staff: (continued)

Hibbert, George, Assistant Counsel, salary approved

Hingst, Eric B., Assistant Cashier, salary approved
Approval of salary, previously approved, included in over-all approval of officers' salaries at Atlanta

Howard, Beyrl E., Assistant Vice President, salary approved

Loomis, George D., appointment as assistant examiner approved

Martin, F. H., Assistant Vice President, salary approved

Martin, I. H., Assistant Vice President, salary approved until retirement

McCorvey, J. E., Vice President and Cashier, salary approved

Millsaps, Fred R., Assistant Cashier, salary approved
Salary approval included in over-all letter approving officers' salaries at Atlanta

Morgan, W. B. Alternate Assistant FRAgent, appointment to succeed Mr. D. E. Plaster, approved

Nelson, John W., appointment as assistant examiner approved

Patterson, Harold T., First Vice President salary approved

Raisty, Lloyd B., Vice President, salary approved

Rawlings, Brown R., Vice President, salary approved

Sheffer, George W., Chief Examiner, salary approved

Stephenson, R. M., Assistant Vice President, salary approved

Taylor, Charles T., Vice President and Director of Research, salary approved

Vallette, Edgar M., Assistant Vice President, salary approved
FRBank of Atlanta: (continued)
Staff: (continued)
Wapensky, Basil A., Assistant Cashier, salary approved 12/20 4934
Wells, Jeffrey, Assistant Cashier, salary approved 12/20 4934
Willingham, Robert Shealy, Jr., appointment as assistant examiner approved 1/24 256, 288

FRBank of Boston:
Emergency plans:
Currency storage at three cash agent banks, proposal approved including general authorization to make further arrangements with other cash agent banks, with certain understanding 11/16 4360, 4365

Equipment:
Electronic computer, IBM 1620, contract for lease entered into by, reported to Board for information, discussion re question of Bank installing a second computer for particular use of its research staff, consensus no reply necessary 5/17 1857
Electronic check processing equipment, NCR 310, no objection to proposed rental of 5/24 1929, 1938

Examinations:
Attention called to the case of a research employee operating a stock trading account for speculative purposes, understood that a draft of letter to the FRBank Presidents containing a specific reference to trading in margin accounts would be prepared for consideration when all Board members were present 3/22 1022
Report of examination reviewed, reference to above discussion, agreed no matters requiring action 3/22 1025
Report reviewed 8/2 2933

Robbery:
Holdup of United States Mail truck in Plymouth, Mass., proposal to offer reward for recovery of currency and/or coin lost in connection with, Board interposes no objection 9/17 3551
Proposed changes in terms of reward, as suggested by Post Office Dept., Board interposes no objection 9/21 3613
Salaries:

Officers, proposed revision in ranges for, to be discussed by Board's Committee on Organization, Compensation, and Building Plans with President.

Report by Governor Mitchell on discussions with President Ellis, letter approving proposed revision sent to, with understanding re question of minimum range for Salary Group A.

Officers, approved, with understanding and comments that only increase incident to current promotions will be excepted from limitation on merit adjustments.

Staff:

Examiners:

Special Assistant, designation of C. Richard Peterson approved.

(Individual names):

Anderson, Paul S., Financial Economist, salary approved.

Angney, D. Harry, Vice President, salary approved.

Aubrey, Lee J., Assistant Vice President, salary approved.

Approval of salary included in over-all letter approving officers' salaries at Boston.

Berge, Ansgar R., Vice President, salary approved.

Booney, Weston L., Assistant Cashier, salary approved.

Brady, Charles H., Assistant Cashier, salary approved.

Clapp, Robert V., Alternate Assistant FRAgent, appointment approved.

Cotter, Edward F., Alternate Assistant FRAgent, appointment approved.

Crane, Edward E., appointment as Assistant Examiner approved not to participate in examination of a national bank to which he is indebted.
Dickson, Wallace, Assistant Vice President, salary approved  
Eisenmenger, Robert W., Acting Director of Research and Industrial Economist, salary approved  
Ellis, George H., President, salary approved  
Farrell, Walter Orrin, appointment as examiner approved  
Hoyle, Luther M., Jr., Vice President, salary approved  
Approval of salary included in over-all letter approving officers' salaries at Boston  
Jones, Robert William, appointment as ass't. examiner approved not to participate in examination of a State member bank, a national bank and a nonmember bank so long as his indebtedness thereto remains unliquidated  
Keating, Ripley M., Assistant Cashier, salary approved  
Lacks, Stanley B., General Auditor, salary approved  
Latham, E. O., First Vice President, salary approved  
Lowe, John E., Cashier, salary approved  
Marden, Richard Dow, appointment as ass't. examiner approved not to participate in examination of Randolph Savings Bank, Randolph, Mass., so long as his father is an officer of that bank  
McGrath, Frank Guthrie, appointment as ass't. examiner approved  
Morris, Norman, Assistant Examiner, appointment approved not to participate in examination of a nonmember bank to which he is indebted  
Nye, Loring C., Assistant Vice President, salary approved  
O'Connor, John J., appointment as assistant examiner approved not to participate in examination of a national bank to which he is indebted
FRBank of Boston: (continued)
Staff: (continued)
Pisacreta, John David, appointment as Asst. Examiner approved
Radford, Richard H., Assistant Cashier, salary approved
Schlaikjer, Oscar A., Vice President and General Counsel, salary approved
Stone, Laurence H., Secretary and Assistant General Counsel, salary approved
Tangney, Eugene M., Assistant Cashier, salary approved
Salary approved with understanding and comment that increase should be considered merit adjustment rather than adjustment incident to promotion, in light of limitation
Thayer, Jarvis M., Jr., Assistant Vice President, salary approved
Salary approved, with comment and understanding that increase should be considered merit adjustment rather than adjustment incident to promotion, in light of limitation
Turner, Charles E., Vice President, salary approved
Walker, Richard A., Assistant Vice President, salary approved
Watts, G. Gordon, Vice President, salary approved
Salary approved
Willis, Parker B., Economic Adviser, salary approved
Zehner, Louis A., Assistant Vice President, salary approved
Stock trading account, case of research employee operating a, for speculative purposes, understood that a draft of letter to FRBank Presidents containing a specific reference to trading in margin accounts would be prepared for consideration when all Board members were present
FRBank of Chicago:
Audit function, outside public accounting firm retained by, to study internal, noted

Equipment:
Electronic check processing, Burroughs B-270, no objection to rental under purchase option
Second complement of Burroughs B-270, no objection to rental under purchase option

Examinations:
Report reviewed

Salaries:
Employees, increase in structure approved, basis for establishing salary ranges above grade 13 questioned by Gov. Mitchell, Division of Personnel to prepare informational material to be made available to each Board member

Nonclerical:
Painters, payment of salaries at specified rates approved
Plumber and carpenters, payment of salaries at specified rates approved
Engineers and firemen, payment at specified rates approved
Electricians, payment of salaries at specified rates approved
Marble maintenance man, payment at specified rate, approved
Payment of salaries to incumbents in positions of Janitor, Marble Maintenance, Paper Baler, Matron, Starter, Assistant Starter, Split Shift Operators and Operators, approved

Officers, suggestion re adoption of salary range for President, in connection with appointment of Mr. Scanlon, transmitted to Chairman Briggs
Revised ranges for officer salary groups approved
Revision in ranges for, approved
FRBank of Chicago: (continued)

Staff:

Examiners:
Conducting examinations of Edge Act Corporations to be furnished appropriate credentials as FRExaminers to assist the Board of Governors in examinations

Examiners, special assistant:
Designation of 41 persons to participate in examinations of State member banks only, approved
Designation of two individuals approved

(Individual names):
Allen, Carl E., President, resignation effective December 31, 1961
(SEE: FRBulletin, January 1962, page 37)
Aufdenkamp, Jo Ann, Librarian, leave of absence without pay to accept assignment with Klein & Saks as library consultant to National Planning Council, Government of Liberia, Board interposes no objection

Baughman, E. T., Vice President, salary approved

Bernahl, Gaylord, appointment as examiner approved not to participate in examination of nonmember bank to which he is indebted

Bierbauer, C. E., Assistant Vice President, salary approved

Black, Franklin J., appointment as examiner approved, not to participate in examination of certain nonmember bank until indebtedness has been liquidated

Bowman, Robert B., appointment as assistant examiner, approved

Buell, Harris C., Assistant Chief Examiner, salary approved

Alternate Assistant FRAgent, appointment approved
FRBank of Chicago: (continued)

Staff: (continued)

Buell, Harris C.: (continued)
Assistant Chief Examiner, salary approved

Capouch, J. J., Assistant Cashier, salary approved

Cloos, George W., Senior Economist, salary approved

Approval of salary included in over-all letter approving officers' salaries at Chicago

Corr, Laurence E., Examiner, appointment approved

Davis, L. A., Assistant Cashier, salary approved

Dawson, L. W., Assistant Cashier, salary approved

Demoney, N. Edwin, Jr., appointment as examiner approved, not to participate in examination of a certain nonmember bank until indebtedness has been liquidated

Dons, F. A., Assistant General Auditor, salary approved

Doyle, Daniel M., Assistant Cashier, salary approved

Salary approved

Dreyer, Franklin D., Examiner, appointment approved

Edler, F. C., Assistant Cashier, salary approved

Enders, J. J., General Auditor, salary approved

Fults, E. O., Assistant Vice President, salary approved

Cohr, L. A., Assistant Cashier, salary approved

Growninger, David D., appointment as asst. examiner approved

Gustavson, A. M., Vice President, salary approved

Hansen, V. A., Assistant Cashier, salary approved

Heath, E. A., Assistant Vice President and Assistant Secretary, salary approved

12/20 4937
12/20 4937
12/11 4715, 4725
12/20 4936-37
5/24 1933, 1955
12/20 4937
12/20 4937
12/14 4785-86
12/20 4937
7/30 2899, 2901
12/20 4937
5/24 1933, 1955
12/20 4937
12/20 4937
12/20 4937
1/3 24, 32
12/20 4937
12/20 4937
12/20 4937
FRBank of Chicago: (continued)
Staff: (continued)

Helmer, Hugh J., First Vice President:
Appointment for unexpired portion of a five-year term, and payment of salary approved
Salary approved

Hickory, Gary R., appointment as assistant examiner approved, not to participate in the examination of a State member bank of which he owns shares, and of a national bank, of which his father is President, as long as these two situations exist

Hines, Gerald F., appointment as examiner approved, not to participate in examination of a nonmember bank to which he is indebted

Hochstatter, Robert J., Alternate Assistant FRAgent, appointment approved

Hodge, P. C., Vice President, General Counsel and Secretary, salary approved

Hume, W. O., Assistant Cashier, salary approved

Jones, L. H., Vice President and Cashier, salary approved

Kroll, E. K., Assistant Cashier, salary approved

Kuhn, Mr., Economist, present at Board meeting during economic review

Laibly, C. T., Vice President, salary approved

Larson, Ward J., Assistant Counsel and Assistant Secretary:
Salary approved
Salary approved

Ledwidge, Jeremiah P., appointment as examiner approved

Lippert, John D., appointment as assistant examiner approved, not to participate in the examination of Second National Bank of Saginaw, Mich., to which he is indebted, and as long as his father serves as an officer
Loving, Byron J., Examiner, appointment approved  
Moffatt, Richard A., Vice President, salary approved  
Salaries approved  
Morrison, James R., Chief Examiner, salary approved  
Salaries approved  
Moffatt, Richard A., approved  
Vice President, salary  
5/24 1933, 1955  
7/30 2899, 2901  
12/20 4937  
Morrison, James R., Chief Examiner, salary approved  
Salaries approved  
Moffatt, Richard A., approved  
Vice President, salary  
4/26 1495, 1503  
12/20 4937  
Morrison, James R., Chief Examiner, salary approved  
Salaries approved  
Moffatt, Richard A., approved  
Vice President, salary  
1/16 195, 201  
12/20 4937  
Ollech, Walter E., Examiner, appointment approved  
Salaries approved  
Ollech, Walter E., approved  
Examiner, salary  
9/21 3627, 3647  
9/21 3627, 3647  
Pappas, Chris J., appointment as Examiner approved, not to participate in examination of a nonmember bank to which he is indebted  
Salaries approved  
Pappas, Chris J., approved  
Examiner, salary  
6/13 2147, 2160  
Pappas, Chris J., appointment as Examiner approved, not to participate in examination of an indicated national bank until indebtedness has been liquidated  
Salaries approved  
Pappas, Chris J., approved  
Examiner, salary  
4/26 1495, 1503  
12/20 4937  
Pappas, Chris J., appointment as Examiner approved, not to participate in examination of a State member bank to which he is indebted and of which he owns four shares of stock, so long as both these situations exist  
7/17 2731, 2739  
Saphir, John M., appointment as assistant examiner approved  
Salaries approved  
Saphir, John M., approved  
assistant examiner, salary  
12/11 4717, 4735  
Saphir, John M., appointment as assistant examiner approved  
Salaries approved  
Saphir, John M., approved  
assistant examiner, salary  
1/8 67-68  
12/19 4836  
Scanlon, Charles J., President, appointment for the unexpired portion of five-year term and salary approved, adopted salary scale for Presidents to be transmitted to Chm. Briggs  
Salary approved
Staff: (continued)

Scheld, Karl A., Assistant Cashier, salary approved
Salary approved
Seltz, Richard J., appointment as assistant examiner approved, not to participate in examination of a State member bank to which he is indebted
Schultz, H. S., Vice President, salary approved
Smyth, B. L., Assistant Vice President, salary approved
Sorg, R. E., Assistant Vice President, salary approved
Srp, J. J., Assistant Vice President, salary approved
Stiles, Lynn A., Senior Economist, salary approved
Approval of salary included in letter approving officers' salaries at Chicago
Tomson, O. Jay, Examiner, appointment approved, not to participate in examination of a nonmember bank to which he is indebted
Tracy, Patrick J., appointment as assistant examiner approved
Trinklein, John P., appointment as assistant examiner approved, not to participate in the examination of one nonmember bank and one national bank
Tucker, G. T., Assistant Vice President, salary approved
Wallace, Robert R., appointment as examiner approved
Weiskopf, Carl W., Assistant Chief Examiner:
    Salary approved
    Salary approved
Wheatley, Austin, Alternate Assistant Federal Reserve Agent, appointment approved
Wright, C. G., Assistant Vice President, salary approved
FRBank of Cleveland:
Emergency plans:
   Currency storage, preattack, at First National Bank of Chillicothe, Ohio, proposal approved 9/6 3359, 3370

Equipment:
   Electronic check processing, no objection to rental under purchase option, National Cash Register equipment at head office, and Burroughs B-270 equipment at Cincinnati and Pittsburgh branches 7/17 2729, 2733

Examinations, report reviewed
Fiscal agency operations, letter to Chairman of the Presidents' Conference interposing no objection to certain principles contained in a policy statement re the automation of, as a result of the request from the FRBank of Cleveland to process Federal taxes on its computer 6/11 2124 10/11 3886, 3912

Salaries:
   Officers, proposal for adjustment in officer salary structure requested by, memorandum re, presented by Division of Personnel Administration Cleveland to be asked to reconsider its proposal in light of action by Board re increase in maximum of Group A salary range 9/12 3420 9/12 3433
   Revision in ranges for, approved 12/3 4600, 4608

Staff:
   Examiners, special assistant:
      Designation of 13 persons approved, deletions made as requested 2/5 416, 430
      Designation of Richard Joseph Cinnane approved 3/14 902, 908
      Designation of various officers and employees approved 3/14 902, 908
      Designation of 10 individuals approved 11/8 4306, 4309
      Designation of two persons approved with authorizations heretofore given re these employees canceled 12/5 4634, 4669
      Designation of five individuals approved 12/7 4677, 4682-83
FRBank of Cleveland: (continued)
Staff: (continued)

(Individual names):
Alexander, David Preston, Assistant Examiner, appointment approved
Anthou, George Emmanuel, appointment as assistant examiner approved
Benjamin, Donald G., Assistant Cashier:
  Salary approved
Birkle, Robert Edward, appointment as assistant examiner approved
Booth, George, Assistant Counsel:
  Salary approved for the period July 1 through December 31, 1962
Breidenbach, Paul, Counsel, salary approved for the period July 1 through December 31, 1962
Clouse, Roger R., Vice President and Secretary, salary approved
Crawford, Charles E., Assistant Cashier, salary approved
Cutler, Addison T., Special Economist, salary increase noted without objection and approved
Danforth, Charles Russell, appointment as assistant examiner approved
Didham, Phillip B., Assistant Vice President, salary approved
DuVernay, Jay Brian, appointment as assistant examiner approved, not to participate in examination of a nonmember bank to which he is indebted
Emde, George H., Cashier, salary approved until retirement
Erste, Anne J., Assistant Cashier, salary approved
Farber, Robert H., Jr., appointment as assistant examiner approved, not to participate in examination of two national banks until indebtedness has been liquidated
Staff: (continued)

Fields, Gary Neil, appointment as assistant examiner approved 5/31 1987, 2006

Fink, Edward A., Vice President, salary approved 12/20 4930

Fricek, Elmer F., Assistant Vice President, salary approved 12/20 4930

Fulton, Wilbur D., President, questions raised by, request for Board's views, meeting with Board noted, at which he was apprised of Board's reasons for deferring reply, and re Board's plans re study by Professor McGill 6/18 2198

Salary approved 6/27 2394, 2403

Reference to retirement at the end of April 1963 10/4 3801

Salary approved 12/19 4836 12/20 4930

Ginnane, R. Joseph, Assistant Cashier, salary approved 5/10 1784, 1804

Hancox, George R., appointment as assistant examiner approved, not to participate in the examination of a National Bank to which he is indebted 12/20 4871, 4930

Hendricks, William, Assistant Cashier, revised salary proposal incident to appointment of, noted without objection and approved 10/4 3801 12/20 4930

Hickman, W. Braddock, Senior Vice President, discussion re appropriate salary adjustment for, agreed to discuss with Chairman Hall and to suggest that action be deferred 2/21 678, 696 12/20 4930

Hoover, Robert G., Assistant Vice President, salary approved 12/3 4600, 4614

Salary approved 12/20 4929, 4930

Hoy, John J., Assistant Vice President, salary approved
FRBank of Cleveland: (continued)
Staff: (continued)

Hunting, Harry W., Assistant Vice President, salary approved 12/20 4930
Kelly, Fred S., Assistant Vice President, salary approved 2/21 678, 696
Revised salary proposal incident to promotion from Assistant Vice President noted without objection and approved 12/20 4871, 4930
Kelly, James D., Assistant FRAgent, appointment to succeed Mr. Clifford G. Miller, approved 12/17 4788, 4791
Mann, Maurice, Senior Monetary Economist, salary approved for the period of July 1 through December 31, 1962 6/29 2425, 2442
Salary approved 12/20 4930
Miller, Clifford G., Assistant FRAgent, appointment to succeed Mr. D. C. Robinson, approved 3/16 913, 943
Salary approved 12/3 4600, 4614
Approval of salary included in overall letter approving officers' salaries at 12/20 4929, 4930
Miller, Elfer B., General Auditor, salary approved 12/20 4930
Mills, Alvah R., Assistant General Auditor, salary approved until retirement 12/20 4930
Morrison, Martin, Vice President, salary approved 12/20 4930
Nolan, James Brown, appointment as assistant examiner approved 4/5 1226, 1237
Ormiston, T. E., Assistant Cashier, salary approved for the period July 1 through December 31, 1962 6/29 2425, 2442
Salary approved 12/20 4930
Quast, George T., Chief Examiner, salary approved 12/20 4930
Selby, Lester M., Assistant Secretary, revised salary proposal incident to appointment of, noted without objection and approved 12/20 4871, 4930
Stetzelberger, Paul C., Vice President, salary approved 12/20 4930
FRBank of Cleveland: (continued)
Staff: (continued)
Thompson, Donald S., First Vice President, salary approved
Thorn, Walter A., Alternate Assistant FR Agent, appointed to succeed Edison F. Peck, approved
Worth, Andrew J., appointment as examiner approved

FRBank of Dallas:
Budget, 1963, first half of, expression of unfavorable opinion with respect to the adoption of semi-annual budgets for Reserve Banks, included in, advice to Radio transmitting frequency, Federal, application for use by Bank and Branches between armored cars and guard headquarters, letter from Mr. Spitz, Alternate Treasury Dept. Representative of Interdepartment Radio Advisory Committee, authorizing, transmitted to Use of frequency at relocation center included in authorization

Salaries:
Employees, revision in salary structure approved
Officers, revised salary structure approved

Staff:
Examiners, special assistant:
Designation of fifteen individuals approved
Designation of Charles W. Bailey, approved
Designation of Phillip A. Lane, approved
Designation of two individuals approved
(Individual names):
Allen, James T., appointment as assistant examiner approved
Berg, E. H., Assistant Cashier, salary approved
Boykin, Robert H., Assistant Counsel and Assistant Secretary, salary approved
FR Bank of Dallas: (continued)

Staff: (continued)

Carrithers, Howard, Vice President, salary approved

Caughlin, James F., appointment as examiner approved

Cauthen, James L., Vice President, salary approved

Coldwell, Philip E., Vice President and Economic Adviser, salary approved

First Vice President, appointment for unexpired portion of five-year term that began March 1, 1961, and salary approved

First Vice President, salary approved

Cowan, Leon W., Assistant Vice President, salary approved

Salary approved

Dodd, Harold P., appointment as examiner approved not to participate in examination of a certain nonmember bank until indebtedness has been liquidated

Gill, Howard Don, appointment as examiner approved

Green, Ralph T., Vice President, salary approved

Salary approved

Hardin, T. A., Vice President, salary approved

Irons, Watrous H., President, trip to Europe to attend annual meeting of Bank for International Settlements and to visit a number of European central banks, Mr. Ralph C. Wood authorized to accompany Governor Mitchell and

Salary approved

Land, A. H., General Auditor, salary approved

Murff, G. R., Vice President and Secretary, salary approved

Parker, James A., Vice President, salary approved
FRBank of Dallas: (continued)
Staff: (continued)

Plant, T. W., Vice President and Cashier, salary approved 12/20 4945
Pollock, Melvin W., appointment as asst. examiner approved not to partic-
ipate in examination of a na-
tional bank to which he is in-
debted 12/11 4717, 4736
Pritchett, W. M., Vice President, salary approved 12/20 4945
Reddick, William C., Jr., FRExaminer, sub-
poena issued to testify and pos-
sibly to place memorandum in
evidence at trial of criminal
charges involving disappearance
of funds of First State Bank,
Premont, Texas, agreed to inter-
pose no objection, advice to
Mr. Rudy 10/25 4065, 4098
Reed, Frederic W., Assistant Cashier, salary
approved
Salary approved 4/20 1436, 1439 12/20 4945
Rowe, J. Z., Director of Research, salary
approved following discussion
and review of situation by Gov.
Shepardson with President Irons
Salary approved 7/27 2858, 2876 12/20 4945
Rudy, George F., General Counsel, salary
approved 12/20 4945
Russell, James O., Chief Examiner, salary
approved 12/20 4945
Short, John E., appointment as assistant
examiner approved 8/13 3080, 3097
Shuford, Harry A., First Vice President,
apPOINTment as President of FR
Bank of St. Louis approved 9/13 3471, 3500
Simpson, Jerry A., appointment as assistant
examiner approved 8/13 3080, 3098
Sullivan, Thomas R., appointment as officer
in charge of Examination Dept.
with title of Vice President,
and salary approved 5/24 1930, 1953
Salary approved 12/20 4945
FRBank of Dallas: (continued)
Staff: (continued)
Thaxton, E. A., Jr., Assistant Cashier,
salary approved
Vorlop, Edward W., Jr., Assistant Cashier,
salary approved
Salary approved
Williamson, James F., appointment as asst. examiner approved
Subpoena issued to examiner of, to testify and possibly to place memorandum in evidence at trial of criminal charges involving disappearance of funds of First State Bank, Premont, Texas, following discussion and review by Legal Division, agreed to interpose no objection advice to Mr. Rudy

FRBank of Kansas City:
Audit function, internal, review of, by public accounting firm, reference to situation
Banking quarters, head office building, acquisition of two lots adjacent to Bank-owned property at rear of, for possible future expansion, no objection
Contingency fund for small charitable and similar contributions, report by President Clay on progress in settling matter, no objection to proposed reply
Plan for closing memorandum from Division of Examinations with respect to, approved
Discount window, use of, by member banks, cases of protracted borrowing and general philosophy of administration with respect to, noted in review of report of examination of, action unnecessary due to improvement, understood that Governor Mitchell would discuss administration of the discount function with President Clay
FRBank of Kansas City: (continued)
Equipment, electronic check processing equipment consisting of an IBM data processing system, supported by National Cash Register encoding equipment, no objection to the rental, under purchase option

Examinations, report reviewed, cases of protracted borrowing and general philosophy of discount window administration noted, action unnecessary due to improvement, understood that Gov. Mitchell would discuss administration of discount function with President Clay

Hospitalization, Blue Cross-Blue Shield hospitalization insurance, adoption of uniform basic program for Bank and its three branches approved

Membership dues and contributions, payment of dues in Kansas City Club on behalf of non-resident directors of bank discontinued, reported by Governor Balderston, no objection to proposed reply

Report on matter of contingency fund by President Clay

Decision not to contribute to Kansas City Downtown Committee, in light of Board's letters re membership dues and contributions, Board did not disagree with decision

Plan for closing out contingency fund, memorandum from Division of Examinations reviewing, approved

Salaries, officers, revision in ranges for, approved

Staff:
Examiners, special assistant:
Designation of sixty four individuals approved

(Individual names):
Andrews, Stanley J., Assistant Cashier, salary approved
Salary approved
FRBank of Kansas City: (continued)
Staff: (continued)

Billington, Wilbur T., Senior Economist, salary approved 12/20 4943
Blair, John N., Assistant Cashier, salary approved 1/30 338, 347
Salary approved 12/20 4943
Boysen, John T., Vice President, salary approved 1/30 338, 347
Salary approved 12/20 4943
Brauninger, T. F., Assistant Cashier, salary approved 1/30 338, 347
Salary approved 12/20 4943
Cawthorne, D. R., Senior Economist, salary approved 12/20 4943
Clay, George H., President, salary approved 12/19 4836
Craig, J. C., Assistant Vice President, salary approved 1/30 338, 347
Salary approved 12/20 4943
Cravens, C. A., Vice President, salary approved until retirement 12/20 4943
Doll, Ray J., Senior Economist, salary approved 12/20 4943
Evans, J. R., Vice President, salary approved 12/20 4943
Fairley, W. F., General Auditor, salary approved 12/20 4943
Griswold, Carl F., Assistant Cashier, salary approved 12/20 4943
Koppang, Henry O., First Vice President, salary approved 12/19 4836
Larson, F. H., Vice President, salary approved 12/20 4943
Leedy, William H., General Counsel and Secretary, anticipated service as assistant to Board Counsel in hearing re application of First Oklahoma Bancorporation, Inc., Oklahoma City, Oklahoma, for approval of acquisition of shares of First National Bank and Trust Co. of Oklahoma City and Idabel National Bank, Idabel, Oklahoma, reported 4/13 1364
FRBank of Kansas City: (continued)
Staff: (continued)
Leedy, William H.: (continued)
Question re service for remainder of year as director of corporation for which he was legal adviser before coming to the FRBank, question re making exception to Board's general policy re outside business interests, Governor Robertson to discuss matter with President Clay
Salary approved

Martin, Wayne W., Assistant Cashier, salary approved
Mills, L. F., Vice President, salary approved
Mothersead, Marvin L., Director of Personnel, salary approved
Salary approved
Royer, George D., Jr., Chief Examiner, salary approved
Snider, John W., Cashier, salary approved
Salary approved
Thomas, R. E., Assistant Vice President, salary approved
Salary approved
Tow, Clarence W., Vice President, salary approved
White, J. T., Vice President, salary approved

FRBank of Minneapolis:
Equipment:
Electronic check processing system, rental of Burroughs B-270, Board interposes no objection
Examinations, report reviewed
Salaries:
Officers, revision in ranges for, approved
Staff:
Beeth, E. O., Assistant Cashier, salary approved
Bergquist, C. E., Assistant Cashier, salary approved
Bjork, Christopher, Assistant General Auditor, salary approved
Approval of salary included in overall letter approving officers' salaries at Minneapolis
Salary approved

12/20 4940-41
FRBank of Minneapolis: (continued)
Staff: (continued)

Bronner, W. C., Assistant Cashier, salary approved 12/20 4941
Cramer, F. J., Assistant Vice President, salary approved 12/20 4941
Deming, Frederick L., President, salary approved 12/19 4836
Dreitzler, Ralph J., Assistant General Auditor, salary approved 12/11 4714, 4726
Approval of salary included in overall letter approving officers' salaries at Minneapolis 12/20 4940, 4941
Fischer, William V., appointment as asst. examiner approved 3/14 903, 909
Fossum, K. K., Vice President, salary approved 12/20 4941
Gillette, J. J., Assistant Vice President, salary approved 12/20 4941
Grobel, R. K., Chief Examiner, to be assigned to Board's offices for approximately four months, arrangements re salary, travel expenses, and per diem approved, advice to FRBank of Minneapolis Salary approved 1/10 98, 109 12/20 4941
Groth, C. W., Vice President and Cashier, salary approved 12/20 4941
Holmgren, M. B., Vice President, salary approved 12/20 4941
Johnson, A. W., Vice President, salary approved 12/20 4941
Knous, H. L., Assistant Cashier, salary approved 12/20 4941
Litterer, O. F., Assistant Vice President, salary approved 12/20 4941
Lysen, M. E., Assistant Vice President, salary approved 12/20 4941
MacDonald, John A., Assistant Cashier, request by Banco de la Republica, Bogota, Colombia, for assistance with organizational matters, letter re availability of, approved 6/20 2221, 2237
FRBank of Minneapolis: (continued)
Staff: (continued)
MacDonald, J. A., Assistant Cashier, salary approved 12/20 4941
McConnell, H. G., Vice President and Secretary, salary approved 12/20 4941
McNulty, A. J., General Auditor, salary approved 12/20 4941
Mills, A. W., First Vice President, salary approved 12/19 4836
Newgaard, Wendell M., appointment as asst. examiner approved 9/19 3588, 3607
O'Brien, W. A., Assistant Cashier, salary approved 12/20 4941
Ohnstad, O. W., Assistant Vice President, salary approved until retirement 12/20 4941
Olin, J. P., Assistant Vice President, salary approved 12/20 4941
Palmer, Donald W., appointment as examiner approved, not to participate in examination of a nonmember bank to which he is indebted 6/5 2061, 2066
Parsons, F. L., Vice President, salary approved 12/20 4941
Sather, M. O., Assistant Cashier, salary approved 12/20 4941
Strothman, M. H., Jr., Vice President and General Counsel, salary approved 12/20 4941
Vogel, Joseph R., appointment as examiner approved 6/5 2061, 2067

FRBank of New York:
Audit function, internal, retention of public accounting firm of Haskins & Sells to make review of, noted 7/23 2791
Plan adopted by, noted 9/13 3471
Inquiry re comments by Haskins & Sells following review of, reply by Mr. Smith 11/19 4377
Bank for International Settlements, present arrangement whereby officers of FRBank of New York attend meetings of, and statutory language describing the FRBank as central bank of the U.S., discussed in connection with possible formal membership of FRSystem on board of directors of 4/9 1275
Banking quarters:

Elevator facilities, employment of architectural firm of York & Sawyer to make a formal survey and proposal concerning modernization of, no objection

Vault, gold, proposed building alterations to provide additional space for earmarked gold, in view of existing questions, agreed to explore further and obtain views of FRBank of New York before reaching a decision, possibility of taxation upon foreign central banks if gold was held under earmark in States other than New York

Discussion with Mr. Hayes, President of FRBank of New York re, suggestion by Governor Robertson that the New York Bank review a previous emergency planning study referring to the possibility of using vault facilities at West Point, indication by Mr. Hayes that this would be done

Proposed building alterations to provide additional space for earmarked gold, budget, 1963, first half, accepted with the understanding that current expenses in the budget period would not include cost of expanding

Budget, 1963, first half, increase in payments toward expenses of the Bergen County and Nassau County check clearing bureaus, questioned by Governor Mills

Accepted with the understanding that current expenses in the budget period would not include cost of expanding gold vault, advice to
FRBank of New York: (continued)

Circulars:

Interest payable on savings deposits by banks in New York State, question whether FRBank of New York should circularize to member banks Board's position re

Request from New York State Superintendent of Banks that Board's position not be publicized, request from staff for Board guidance, agreed circulars should not be sent to member banks

Clearing account, nonmember:

Branch of foreign bank located in New York City, question re eligibility to maintain, under section 13, FRAct, discussion in light of inquiry from Israel Discount Bank Limited, Tel Aviv, Israel, matter to be discussed with Presidents of FRBanks of New York and San Francisco, advice to Israel Discount Bank Ltd.

Discussion with Messrs. Hayes and Swan, Mr. Shay to contact Counsel for FRBank of New York for further consideration

Board's view that section 13, FRAct, would not preclude the FRBank of New York from opening or maintaining a nonmember clearing account for a foreign commercial bank, advice to, indicating decision re Israel Discount Bank, Ltd., is within discretion of the FRBank

Letter from FRBank of New York containing counsel's doubts re legal authority with respect to, matter to be considered further

Board's opinion reaffirmed that such an account can be opened at the discretion of the FRBank, Chm. Martin to discuss matter with President Hayes
FRBank of New York: (continued)

Clearing and collection:
Bergen County and Nassau County Check Clearing Bureaus:
SEE: Clearing and collection:
Bergen County Clearing Bureau
Nassau County Clearing Bureau

Equipment:
Electronic computer, Ferranti-Packard, noted without objection the proposed rental, under purchase option, of a second IBM 1401 general purpose, no objection to purchase of IBM 1410, that Bank had been renting, no objection to purchase of

Examinations:
Report reviewed, examination of earmarked gold held in custody for foreign central banks, proposed revised procedure involving test checking, no objection
Report reviewed, agreed no action warranted by Board, discussed re Legal Department and audit procedures of System Open Market Account, and possible comments by Haskins & Sells, review of comments by Price Waterhouse & Co.

Fiscal agency agreement:
Inter-American Development Bank, execution of, in connection with proposed issue of 20-year bonds authorized
International Bank for Reconstruction and Development, amendment of, authorizing Bank to act as fiscal agent, approved in connection with bond issue
Amendment to include proposed issue of Two Year Bonds of 1962, approved

Foreign accounts:
Branch of foreign bank located in New York City, question re eligibility to open, under section 14(e), FRAct, agreed matter be discussed with Presidents of FRBanks of New York and San Francisco

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Pages
FRBank of New York: (continued)
Foreign accounts: (continued)

Branch of foreign bank located in New York City: (continued)

Discussion with Messrs. Hayes and Swan, Mr. Shay to contact Counsel for FRBank of New York for further consideration

Section 13(e) should not be used as basis for opening and maintaining

Inquiry re Board consent re opening of account and re approval of action of the FRBank directors with respect to, no objection to telegram to FRBank of New York

(Individual banks):

Austrian National Bank, Vienna, Austria, opening and maintenance of account of FRBank of New York with, approved, payable in foreign currency

Banca d'Italia, opening and maintenance of account of FRBank of New York with, approved, payable in foreign currency

Banco de Espana (Bank of Spain) opening approved

Bank of Canada, continued maintenance of account of FRBank of New York with, approved

Bank of England, continued maintenance of account of FRBank of New York with, approved

Bank of France, continued maintenance of account of FRBank of New York with, approved

Bank for International Settlements, opening and maintenance of account of FRBank of New York with, payable in foreign currency, approved

Further reference to

Banque Centrale de Syrie, opening approved

Banque Nationale Suisse, opening and maintenance of account of FRBank of New York with, payable in foreign currency, approved
FRBank of New York: (continued)
Foreign accounts: (continued)
de Nederlandsche Bank, opening and maintenance of account of FRBank of New York with, approved payable in foreign currency

Deutsche Bundesbank, opening and maintenance of account of FRBank of New York with, approved payable in foreign currency

Israel Discount Bank Limited, Tel Aviv, Israel, question re eligibility of New York City branch of, to open, under section 14(e), discussion, agreed matter be discussed with Presidents of FRBanks of New York and San Francisco, advice to Mr. Schwartz

Discussion with Messrs. Hayes and Swan, Mr. Shay to contact Counsel for FRBank of New York for further consideration

Section 14(e) should not be used as basis for opening and maintaining

National Bank of Belgium, opening and maintenance of account of FRBank of New York with, payable in foreign currency, approved

Societe Nationale de Credit a l'Industrie, Brussels, Belgium, question re designation as foreign bank under Regulation N for purpose of effectuating proposed reciprocal swap arrangement between National Bank of Belgium and FRSystem involving deposit of System francs in Societe Nationale, staff to explore matter further

Further discussion re designation as foreign bank, memorandum from Mr. Young reviewed, in light of reservations of Board, matter to be discussed by Mr. Young with Special Manager of System Open Market Account
FRBank of New York: (continued)
Foreign accounts: (continued)
Societe Nationale de Credit a l'Industrie,
Brussels, Belgium: (continued)
Opening and maintenance of account of
FRBank of New York with, approved
in light of willingness of National
Bank of Belgium to guarantee the
Federal Reserve balances with, due
to reciprocal swap arrangement
between National Bank of Belgium
and FRSystem, advice to Presidents
of all FRBanks

Foreign travel
program for personnel of Bank for
1962, noted without objection

Gold, earmarked, held in custody for foreign
central banks, proposed revised
procedure for examination of,
involving test checking, no ob-
jection

Legal Department, question whether indication of
tendency towards repressing in-
dependent judgments of members
of, raised following review of
examination of, comments by Mr.
Hackley

Loans:
Banco de Guatemala, application to FRBank
of New York for loan on gold
approved

Banco de la Republica, Bogata, Colombia,
granting of three-month loan on
gold up to $10 million by FRBank
of New York, approved, review of
situation re outstanding loan,
including reference to discus-
sions of Colombian Ambassador
with FRBank of New York negotia-
tions with International Monetary
Fund, and position of State Dept.

Banco de la Republica de Colombia, request
to, for a six months loan on gold,
discussion in light of Board policy
under which loans on gold would not
be made for more than three months
unless justified by exceptional
circumstances, Mr. Sammons autho-
ized to inform FRBank of New York
that Board would be prepared to
approve

6/15 2176, 2182
2/15 566, 577
1/3 22
11/19 4377
10/12 3920, 3931
8/14 3105, 3121
2/23 703
FRBank of New York: (continued)

Loans: (continued)

Banco de la Republica de Colombia: (continued)

Six months loan on gold by FRBank of New York approved, extension for three months of existing loan approved

Bank of Indonesia, application for a ninety day loan on gold, approved

Renewal of outstanding loan on gold approved

Bank for International Settlements, extension of gold loan arrangement approved

Central Bank of the Philippines, loan on gold approved

Three-month extension of gold loan approved

National Bank of Haiti, request for loan on gold by, matter reported to Board to determine whether there were any preliminary questions

Loan on gold approved, advice to FRBank of New York

Research function, plans for senior management questioned, agreed inquiry be made by Governor Balderston of President Hayes, with respect to

Salaries:

Employees, clerical and non-clerical, increase in structure approved

Officers other than Presidents and First Vice Presidents:

Maximum of Salary Group A not increased for, as it was for the other FR Banks, concern expressed by President Hayes with respect to, also concern re the guideline limiting the number of salary increases in any year to 40% of the officer staff, agreed to await possible comments from other FRBanks before considering justification for possible modification
FRBank of New York: (continued)
Salaries: (continued)

Officers other than Presidents and First Vice Presidents: (continued)

Concern expressed by President Hayes re revised procedures for administering and adjusting, reported by Governor Balderston, matter to be considered by Board's Committee on Organization, Compensation, and Building Plans at meeting with Mr. Hayes

Officers:
First Vice President, concern re salary level expressed

Ranges for First Vice President and Group A as provided in guidelines for FRBanks questioned by President Hayes re New York, agreement with Board re increase in range, letter to Chairman and President

Revised salary structure approved

Discussion and understanding re proposed increases for four officers due to retire within the year, Board does not look with favor, question re substantial increase for a Vice President above that indicated in guidelines, understanding re

Physicians, increase in structure approved

Staff:

Consultants, arrangements made with Lester V. Chandler to serve as consultant re program and operations of Research and Statistics function and to general monetary matters, noted

Examiner, question of stationing resident FRExaminer in Puerto Rico, raised by, in light of possible membership in FRSystem of Puerto Rican banks, Division of Examinations to prepare additional information re status of certain Puerto Rican banks

Further discussion, agreed it would be undesirable to station resident FRExaminer in Puerto Rico, advice to
FR Bank of New York: (continued)
Staff: (continued)
(Individual names):
Alexander, Bruce G., appointment as asst. examiner approved
Almassy, Anthony R., appointment as asst. examiner approved
Bellotti, Louis M., appointment as asst. examiner approved, not to participate in examination of a State member bank and a non-member bank to which he is indebted
Bennetts, Leonard I., Assistant General Auditor, salary approved
Bergel, Carl W., appointment as assistant examiner approved, not to participate in examination of a non-member bank to which he is indebted
Bergin, Martin W., change in assignment noted
Bevacqua, Alfred A., Jr., appointment as assistant examiner approved
Bilby, Harold A., Vice President, reassignment noted
Bird, Rodney T., appointment as assistant examiner approved, not to participate in examination of a non-member bank to which he is indebted
Birdsall, William B., appointment as asst. examiner approved
Bjelke, Edward W., appointment as assistant examiner approved
Blanchette, Ernest E., Manager, salary approved
Salary approved
Blonsky, Lawrence E., appointment as asst. examiner approved
Bosak, Barry F., appointment as assistant examiner approved
Braun, William H., Jr., Assistant Counsel, salary approved
FR Bank of New York: (continued)

Staff: (continued)

Cameron, Donald J., General Auditor, salary approved until retirement 12/20 4925

Question re increase in salary when due to retire within the year, understanding re 12/20 4864, 4924

Candito, Nicholas A., appointment as asst. examiner approved, not to participate in examination of a State member bank to which he is indebted 2/21 691, 701

Casazza, John M., appointment as examiner approved 6/27 2394, 2404

Chandler, Lester V., Consultant, arrangements made with, to serve as consultant re program and operations of Research and Statistics function and re general monetary matters, noted 10/17 3939, 3948

Chang, Victor, appointment as assistant examiner approved 2/9 491, 501

Assistant Examiner, not to participate in the examination of a State member bank until indebtedness has been liquidated 2/23 708

Clark, James J., appointment as examiner approved 6/27 2394, 2404

Clark, Joseph A., appointment as examiner approved, not to participate in examination of a certain nonmember bank until indebtedness has been liquidated 6/27 2394, 2404

Clarke, John J., Assistant General Counsel, salary approved 12/20 4925

Coombs, Charles A., Vice President, present at meeting with Board to report informally with Mr. Young re discussion held with representatives of Treasury re foreign currency operations 2/2 393

Salary approved 12/20 4925

No objection to substantial increase above that indicated in guidelines 12/20 4870
FRBank of New York: (continued)

Staff: (continued)

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<td>Manager, salary approved 12/20 4925, 10/18 3982, 4003</td>
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<td>French, Martin</td>
<td>Manager, salary approved 12/20 4925</td>
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<td>Gallucci, Eugene A.</td>
<td>appointment as assistant examiner approved, not to participate in examination of a nonmember bank until indebtedness has been liquidated 3/22 1026, 1032</td>
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<td>Garvy, George</td>
<td>Adviser, nominated by Board as candidate from FRSystem to attend International Banking Summer School to be held in Moscow July, 1962, advice to American Bankers Association accepted by school, noted 2/12 523, 535 5/10 1782</td>
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<td>appointment as examiner approved, not to participate in examination of certain nonmember bank until indebtedness has been liquidated 6/27 2394, 2404</td>
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<td>Gritzek, John</td>
<td>reappointment as assistant examiner approved 9/26 3677</td>
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FRBank of New York: (continued)
Staff: (continued)

Gronquist, C. Robert, appointment as asst. examiner approved, not to participate in examination of certain national bank

Guy, Edward G., Assistant General Counsel, salary approved

Hannigan, Edmond P., Assistant Examiner appointment approved not to participate in examination of a national bank to which he is indebted

Harris, Marcus A., Vice President, salary approved

Harrison, John B., Examiner, arrangements approved for an assignment of approximately two months to the foreign banking section of Board's Division of Examinations, salary and expenses to be carried by FRBank of New York, transportation expenses to and from New York each week to be paid by Board, to be designated as a Federal Reserve Examiner

Hayes, Alfred, President to discuss with President of Swiss National Bank, problem re examining requirement and submission of reports in connection with proposed Geneva, Switzerland branch of First National City Bank, New York, New York

Letter to President Schwegler, Swiss National Bank, approved, Governor Mitchell to advise Mr. Hayes

Salary approved

Heffernan, Thomas R., Examiner, appointment approved, not to participate in examination of certain nonmember bank until indebtedness has been liquidated

Holmes, Alan R., Assistant Vice President, to serve as personal assistant to the Under Secretary of Treasury for Monetary Affairs, for approximately six months, with understanding re leave of absence with pay, travel, and other expenses, no objection
FRBank of New York: (continued)
Staff: (continued)
Holmes, Alan R.: (continued)
Salary approved
Extension of leave of absence with pay
to serve as personal assistant
to Under Secretary of the Trea-
sury for Monetary Affairs, with
understanding re travel and other
expenses, no objection
No objection to further extension
of leave of absence with pay
Holmes, Alan R., Vice President, salary ap-
proved
Salary approved
Jensen, John P., Assistant Vice President,
salary approved
Kabashinski, Vyto J., appointment as asst.
examiner approved
Kimbball, Herbert H., Vice President, reassign-
ment noted
Salary approved
Klopstock, Fred H., Manager, salary approved
Kranik, Eugene C., Examiner, appointment ap-
proved, not to participate in ex-
amination of a nonmember bank
until indebtedness has been liqui-
dated
Lang, Peter P., Adviser, salary approved
Lewis, Harold W., Manager, salary approved
Lindsay, Robert, Senior Economist, salary
approved
Salary approved
Link, Robert G., Assistant Vice President,
salary approved
Loff, Roger A., Assistant Examiner, appoint-
ment approved, not to participate
in examination of a nonmember bank
to which he is indebted
MacInnes, Angus A., Jr., Assistant Vice Pres-
ident, salary approved
Marple, William E., Manager, salary approved
Marsh, Spencer S., Jr., Assistant Vice Pres-
ident, salary approved
FRBank of New York: (continued)
Staff: (continued)
Matera, Pasquale A., Assistant Examiner, appointment approved, not to participate in examination of State member bank to which he is indebted 3/28 1086, 1101
McDonough, James E., Assistant Examiner, appointment approved 8/8 3042, 3050
McWhinney, Madeline H., Manager, salary approved 12/20 4925
Meek, Paul, Manager, designation as an Asst. Secretary in addition to current title of Manager, noted Salary approved 1/22 240 12/20 4926
Morgan, Gary R., Assistant Examiner, appointment approved 4/25 1484, 1493
Mulligan, Michael M., Examiner, reappointment approved, not to participate in examination of The First National Bank of Wilkes-Barre, Pennsylvania, because of indebtedness 2/14 558
Nicolai, Julius A., Assistant Examiner, appointment approved 1/26 307, 315 12/20 4926
Niles, Donald C., Manager, salary approved 12/20 4926
Noa, Arthur H., Manager, salary approved 2/9 491, 501
Ozog, Edward J., Assistant Examiner, appointment approved 7/27 2863, 2897
Partorelle, H. John, Assistant Examiner, appointment approved 12/20 4925
Piderit, Fred W., Jr., Assistant Vice President, salary approved 12/20 4926
Pierce, John F., Chief Examiner, salary approved 12/20 4926
Post, Everett B., Manager, salary approved 12/20 4926
Pricher, Charles R., Manager, salary approved 12/20 4926
Quackenbush, Lawrence E., Assistant Vice President, reassignment noted Salary approved 1/22 240 12/20 4925
Randall, Michael, Assistant Examiner, appointment approved 6/21 2243, 2260 12/20 4926
Ringen, John F., Manager, salary approved 5/22 1926
Roche, Thomas J., Senior Foreign Exchange Officer, salary approved 12/20 4925
FRBank of New York: (continued)

Staff: (continued)

Rothman, Edwin S., Manager, salary approved
Salary approved

Rouse, Robert G., Vice President and Senior Adviser, salary approved
Salary approved until retirement
Question re increase in salary when due to retire within the year, understanding re

Rozell, Walter H., Jr., Vice President, salary approved

Rushmore, Walter S., Manager, salary approved

Schembri, Lawrence E., Examiner, appointment approved, not to participate in examination of a nonmember bank until indebtedness has been liquidated

Schiff, Frank W., Manager, salary approved

Schott, Francis H., Manager, Foreign Department, arrangements for service in Office of Under Secretary of Treasury for Monetary Affairs for specified period, including leave of absence with pay and understanding re expenses, Board interposes no objection

Schultz, William M., Manager, salary approved

Sloane, Thomas C., Assistant Counsel, salary approved

Small, Kenneth E., Manager, salary approved

Smedley, Frederick L., Assistant Vice President, salary approved

Smith, George C., Manager, salary approved

Sommer, Robert, Assistant Examiner, appointment approved

Spaulding, William S., Jr., appointment as Assistant Examiner approved, not to participate in examination of two banks to which he is indebted

Stafford, N. Dennis, Jr., appointment as Assistant Examiner approved

5/22 1926
12/20 4926
5/22 1926
12/20 4926
12/20 4924
12/20 1926
12/20 4925
12/20 4926
6/27 2394, 2404
12/20 4926
9/21 3610, 3628
12/20 4926
12/20 4926
12/20 4926
12/20 4925
12/20 4926
7/27 2863, 2897
8/17 3135, 3149
9/14 3536, 3546
PRBank of New York: (continued)
Staff: (continued)

Stahl, James I., Examiner, appointment approved, not to participate in examination of a nonmember bank until indebtedness has been liquidated

Stanford, Horace L., Vice President, salary approved

Stanton, Aloysius J., Manager, salary approved

Steenbeck, Eleanor B., Assistant Examiner, appointment approved

Sternlight, Peter D., Manager, salary approved
Salary approved
Salary approved
Salary approved

Stone, Robert W., Assistant Vice President, salary approved
Salary approved
Salary approved

Straub, Warren C., Assistant Examiner, appointment approved not to participate in examination of nonmember banks

Sweeney, John J., Assistant Examiner, appointment approved not to participate in examination of a member bank to which he is indebted

Talbot, Raymond E., Examiner, appointment approved not to participate in examination of indicated nonmember bank until indebtedness has been liquidated

Services to be borrowed to assist Board's Legal Division in preparation of material in connection with proceeding involving Continental Bank and Trust Company, Salt Lake City, Utah, with understanding re salary and travel expenses

Thoman, Robert C., change in assignment noted
Salary approved

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Pages
PRBank of New York: (continued)
Staff: (continued)

Tiebout, Todd G., Vice President and General Counsel, salary approved until retirement 12/20 4924, 4925

Question re increase in salary when due to retire within the year, understanding re 12/20 4864

Timlen, Thomas M., Jr., Secretary and Asst. Counsel, salary approved 12/20 4926

Treiber, William F., First Vice President, salary approved 12/19 4836

Trued, Merlyn N., Assistant Vice President, salary approved 1/22 229, 240

Salary approved 12/20 4925

Waage, Thomas O., Assistant Vice President, reassignment noted 1/22 240

Salary approved 12/20 4925

Woods, Jay W., Examiner, appointment approved, not to participate in examination of a nonmember bank until indebtedness has been liquidated 6/27 2394, 2404

Young, Robert, Jr., Assistant Counsel, salary approved 12/20 4926

FRBank of Philadelphia:
Audit function, internal, possible retention of public accounting firm by Board of Directors of, to review, discussion and understanding Governor Balderston would contact representatives of FRBank of Philadelphia re 7/23 2790

Plan discarded by, noted 9/13 3471

Budget, 1962:
Salaries, employees, across-the-board salary adjustment of 3% not fully provided for in 1962 budget noted, questions raised by Gov. Mitchell 1/2 5, 11

Equipment:
Electronic computers, check and data processing equipment, proposed expenditure based on a desire to limit the use of the equipment to daytime hours only, agreed that Governors King and Mitchell would discuss proposal with President Bopp prior to further Board consideration 10/24 4044
FRBank of Philadelphia: (continued)
Equipment: (continued)
Electronic computers, check and data processing equipment: (continued)
Following review of meeting with representatives of, where question of operating equipment on second-shift basis was discussed, telegram indicating Board interposes no objection approved 10/31 4194, 4212
Examinations, report reviewed, retention of outside public accounting firm for purpose of reviewing the audit function at, plan discarded by, noted 9/13 3470
Salaries:
Employees, Medical Director, Waitress, payment to four part-time employees, approved, unnecessary to request approval for part-time positions each time salary structure is adjusted 1/2 5, 11
Officers, revision in ranges for, approved 12/3 4600, 4607
Staff:
Examiners, special assistant:
Designation of nine individuals approved 3/20 954, 977
(Individual names):
Aff, Edward A., Assistant Vice President, salary approved 12/20 4928
Alderfer, Evan B., Economic Adviser, salary approved 12/20 4928
Anderson, Clay J., Economic Adviser, salary approved 12/20 4928
Barrie, Hugh, Vice President, salary approved 12/20 3611, 3641
Salary approved 12/20 4928
Besse, Jack P., Assistant Cashier, salary approved 12/20 4928
Boop, Gordon C., Examiner, reappointment approved 4/20 1438, 1440
Bopp, Karl R., President, salary approved 12/19 4836
Bunting, John R., Vice President, salary approved 9/21 3611, 3641
Salary approved 12/20 4928
Campbell, Joseph R., Vice President, salary approved 12/20 4928
Case, Barry J., Assistant Examiner, appointment approved, not to participate in examination of Fidelity-Philadelphia Trust Company, as long as his father is connected with the bank in any capacity 5/21 1881, 1895

Case, Joseph M., Chief Examining Officer, salary approved 12/20 4928

Dash, Norman G., Vice President, salary approved 12/20 4928

Dobie, Robert A., Examiner, appointment approved 12/11 4717, 4732

Eastburn, David P., Vice President, salary approved 12/20 4928

Fenner, Zell G., Assistant Vice President, salary approved until retirement 12/20 4928

Goodwin, Murdoch K., Vice President, General Counsel and Assistant Secretary, salary approved 12/20 4928

Haas, Ralph E., Assistant Vice President, salary approved 9/21 3611, 3641, 12/20 4928

Haffner, Herman B., General Auditor, salary approved 12/20 4928

Hilkert, Robert N., First Vice President, salary approved 12/19 4836

James, Jack H., Examining Officer, salary approved 12/20 4928

James, William A., Personnel Officer, salary approved 12/20 4928

Lamond, John P., Assistant Examiner, appointment approved, not to participate in examination of State member bank in Second District to which he is indebted 5/3 1666, 1718

Lavin, George J., Assistant Vice President and Assistant Secretary, salary approved 12/20 4928

Markford, Leonard, Examining Officer, salary approved 12/20 4928

McAneny, Donald J., Examiner, appointment approved 12/11 4717, 4733

Metz, G. William, Examining Officer, salary approved 12/20 4928
PRBank of Richmond:
Banking quarters: Fallout shelter, no objection to acceptance of bid and expenditure on project, including architects' and engineers' fees
Space needs for present and future operations, question re space provided for Board's emergency operations, agreed that a committee of Board's staff explore various aspects of relocation center problem
Disappearance from vault of Treasury certificate of indebtedness which was held as collateral to tax and loan account of nonmember bank, discovered in course of current examination of, reported by Mr. Solomon, General Auditors being contacted by Mr. Solomon
Procedure followed by Board's examiners and by Secret Service to determine presumptive cause for, reviewed by Mr. Smith

FRBank of Philadelphia: (continued)
Staff: (continued)
Moll, Warren R., Assistant Cashier, salary approved
Murdoch, Lawrence C., Jr., Business Economist, salary approved
Salary approved
Murray, Fred A., Director of Plant, salary approved
Nelson, Henry J., Assistant Vice President, salary approved
Roeder, Harry W., Vice President, salary approved
Salary approved
Siekielski, George S., Jr., Assistant Examiner, appointment approved
Sudders, Russell P., Assistant Vice President, salary approved
Salary approved
Vergari, James V., Vice President and Cashier, salary approved
Walsh, William F., Examiner, appointment approved
Wilgus, Richard G., Vice President and Secretary, salary approved

FRBank of Richmond:
Banking quarters:
Fallout shelter, no objection to acceptance of bid and expenditure on project, including architects' and engineers' fees
Space needs for present and future operations, question re space provided for Board's emergency operations, agreed that a committee of Board's staff explore various aspects of relocation center problem
Disappearance from vault of Treasury certificate of indebtedness which was held as collateral to tax and loan account of nonmember bank, discovered in course of current examination of, reported by Mr. Solomon, General Auditors being contacted by Mr. Solomon
Procedure followed by Board's examiners and by Secret Service to determine presumptive cause for, reviewed by Mr. Smith
FRBank of Richmond: (continued)

Emergency plans:

Currency storage, plan to store with twenty-three cash agent banks approved, authorized to incur reasonable expenses incident to, budgetary provision made for anticipated expenditures during 1962

Decision to increase number of cash agent banks to twenty-four noted without objection

Equipment:

Electronic check processing, Burroughs B-270 high-speed, no objection to acquisition of, on rental basis under purchase option

Electronic computer, IBM 1401, decision to purchase rather than rent, noted without objection

Examinations:

Report reviewed, no matters requiring action by Board

Report reviewed, agreed no action warranted by Board, discussion re disappearance of certificate of indebtedness from vault of, and re situation of employee maintaining margin accounts

Margin accounts maintained by employee of, with two brokerage firms reviewed by Mr. Smith, agreed letter to FRBanks calling attention to undesirability of speculative trading in securities be brought to Board for consideration

Salaries:

Officers, revision in ranges for, approved

Staff:

Examiners, special assistant:

Designation of two individuals approved

Designation of three individuals approved

Designation of one individual approved

Designation of one individual approved
FRBank of Richmond:  (continued)
Staff:  (continued)
Examiners, special assistant:  (continued)

| Designation of one individual approved | 5/31  1987, 2003 |
| Designation of ten individuals approved | 5/31  1986, 2002 |
| Designation of twenty-two individuals approved | 6/21  2244, 2262 |
| Designation of five individuals approved | 6/21  2244, 2261 |
| Designation of seven individuals approved | 7/2  2502, 2510 |
| Designation of one individual approved | 7/12  2686, 2698 |
| Designation of one individual approved | 7/17  2731, 2738 |
| Designation of six, approved | 8/22  3175, 3192 |
| Designation of one individual approved | 8/27  3213, 3229 |
| Designation of one individual approved | 9/21  3627, 3648 |
| Designation of one individual approved | 10/1  3743, 3750 |

(Individual names):

**Allin, J. Lander, Jr., Assistant Cashier, salary approved for the period July 1 through December 31, 1962**

| 6/29  2425, 2443 |

**Salary approved**

**Angel, Daniel R., Assistant Examiner, appointment approved not to participate in examination of national bank to which he is indebted**

| 8/28  3248, 3288 |

**Bagwell, Fred L., Assistant Examiner, appointment approved, not to participate in examination of national bank to which he is indebted**

| 10/9  3852, 3861 |

**Beavers, C. B., Assistant Cashier, salary approved**

| 12/20  4932 |

**Black, Robert P., Vice President, salary approved**

| 5/28  1958, 1970 |

**Salary approved**

**Boote, Howard S., Jr., appointment as Assistant Examiner approved, not to participate in examination of a national bank and a state member bank to which he is indebted**

| 8/8  3042, 3051 |

**Bostian, Lloyd Woodson, Jr., Assistant Examiner, appointment approved**

| 8/9  3062, 3066 |
FRBank of Richmond: (continued)
Staff: (continued)

Davis, Wyatt F., Assistant Examiner, appointment approved
Deitrick, J. G., Assistant Vice President, salary approved
Dickerson, J. G., Jr., Vice President, salary approved
Durrill, David C., Assistant Examiner, appointment approved
Farmer, W. S., General Counsel, salary approved
Fishburne, S. P., Assistant Vice President, salary approved
Ford, H. E., Assistant Vice President, salary approved
Friend, J. E., Assistant Cashier, salary approved
Godwin, W. Norwood, Assistant Examiner, appointment approved, not to participate in examination of a nonmember bank to which he is indebted
Harrison, W. B., III, Assistant Vice President, salary approved
Heflin, Aubrey N., First Vice President, salary approved
Henkle, Robert Louis, Assistant Examiner, reappointment approved
Horigan, J. C., Chief Examiner, salary approved
Huffman, Richard C., Assistant Examiner, appointment approved, not to participate in examination of a nonmember bank to which he is indebted and so long as his mother is employed by that bank
Inge, Vernon E., Assistant Examiner, appointment approved
Jennings, Percy W., Examiner, appointment approved
Martin, U. S., Vice President, salary approved
Miller, R. L., Assistant Cashier, salary approved
FRBank of Richmond: (continued)
Staff: (continued)

Myers, Arthur V., Jr., Assistant Cashier:
   Salary approved 1/26 297, 310
   Salary approved 12/20 4932
Nosker, J. L., Vice President, salary approved 12/20 4932
Nowlan, J. M., Vice President and Cashier, salary approved 12/20 4932
Parthemos, James, Assistant Vice President:
   Salary approved for the period July 1 through December 31, 1962
   Salary approved 6/29 2425, 2443
   Salary approved 12/20 4932
Perry, Donald E., Assistant Examiner, appointment approved 8/9 3062, 3065
Pregeant, V. E., III, Assistant Vice President and Secretary, salary approved 12/20 4932
Ratchford, Benjamin U., Vice President and Senior Adviser, salary approved 5/28 1958, 1970
   Salary approved 12/20 4932
Ross, Leonard A., Jr., Examiner, appointment approved 4/5 1226, 1236
Sanders, Raymond E., Jr., Vice President:
   Salary approved for the period July 1 through December 31, 1962
   Salary approved 6/29 2425, 2443
   Salary approved 12/20 4932
Schad, R. P., Assistant General Auditor, salary approved 12/20 4932
Slay, James M., Vice President, death noted 5/28 1962
Snead, G. H., General Auditor, salary approved 12/20 4932
Taylor, Claude R., Assistant Examiner, appointment approved 5/24 1933
Tucker, Aubrey V., Examiner, appointment approved 4/5 1226, 1236
Upshaw, Robert B., Assistant Examiner, appointment approved, not to participate in examination of a national bank to which he is indebted or of a nonmember bank as long as he owns stock or is related to an officer of that institution 2/12 524, 537
FRBank of Richmond: (continued)
Staff: (continued)

Viener, Michael J., Assistant Examiner, appointment approved 5/31 1987, 2007
Viverette, J. F., Assistant Vice President, salary approved 12/20 4932
Wakeham, Wythe B., Assistant Cashier, salary approved 12/20 4932
Watson, K. Brantley, question re possible re-employment as Vice President and Senior Adviser, while remaining consultant to McCormick and Company, Baltimore, Maryland, discussion, Board's views to be transmitted to President Wayne 5/28 1962
Wayne, Edward A., President, salary approved 12/19 4836
Woodside, H. Rush, Jr., Assistant Examiner, appointment approved 8/14 3112, 3122

FRBank of St. Louis:
Borrowings from FRBanks, release of data in statements L.5.3 and L.5.4, as requested for use in doctoral dissertation on member bank borrowing, no objection by Board 2/12 504, 533
Examinations, report reviewed 4/23 1450
FRNotes, no objection to furnishing information on date and place of issue of certain, as requested by Messrs. House, Holmes, Butler and Jewell, of Little Rock, Arkansas, advice to 6/28 2405
Salaries:
Officers, revised salary structure approved 12/11 4714, 4722
Staff:
Officer changes, before appointment of new President, questioned by Governor Mitchell, noted by Governor Robertson that designations were in line with plan of succession 4/30 1527
(Individual names):
Abbott, William J., Adviser, salary approved 12/20 4939
Arlt, Carl T., Assistant Vice President, salary approved 12/20 4939
Bennett, Marvin L., Vice President, salary approved 12/20 4939
Billen, Earl R., Assistant Vice President, salary approved 12/20 4939
Bowsher, Norman N., Assistant Vice President, salary approved 12/20 4939
Brooks, Dr. Arthur C., Physician, retention in active service for one additional year, beyond normal service retirement date, approved 4/18 1387, 1412
Cain, Floyd A., Assistant Examiner, appointment approved, not to participate in examination of two national banks to which he is indebted 7/17 2731, 2740
Chapin, Earl H., Assistant Chief Examiner, salary approved 12/20 4939
Dennison, George W., Assistant Vice President, salary approved 12/20 4939
Dunne, Gerald T., General Counsel and Asst. Secretary, salary approved 12/3 4600, 4616
Approval of salary in over-all letter approving officers' salaries at St. Louis 12/20 4938, 4939
Francis, Darryl R., First Vice President, salary approved 12/19 4836
Geiger, James M., Assistant Vice President, salary approved 12/20 4939
Gilmore, Woodrow W., Planning Officer, salary approved 12/20 4939
Hirshman, George W., General Auditor, salary approved 12/20 4939
Hofer, John J., Assistant Vice President, salary approved 12/20 4939
Isbell, Wilbur H., Chief Examiner, salary approved 4/30 1526, 1551 12/20 4939
Johns, Willis L., Assistant Vice President, salary approved 12/20 4939
Jones, Homer, Vice President, salary approved 12/20 4939
Kaley, Richard O., Assistant Vice President, salary approved 12/20 4939
Koptis, Stephen, Assistant Vice President, salary approved 12/20 4939
FRBank of St. Louis: (continued)
Staff: (continued)

Lewis, Dale M., Vice President, salary approved

Martin, James H., Assistant Examiner, appointment approved, with notation re sale of stock of Mercantile Trust Company, St. Louis, Missouri, and that his wife, employed as a teller in that bank, will sever her connection therewith

Russell, G. Garland, Jr., Assistant Counsel, salary approved

Saltzman, Paul, Assistant Vice President, salary approved

Shuford, Harry A., President, appointment for unexpired portion of five-year term that began March 1, 1961, and salary approved

Salary approved

Walker, William E., Assistant Vice President, salary approved

Weigel, Howard H., Vice President and Secretary, salary approved

Welman, Joseph C., Jr., Assistant Chief Examiner, salary approved, understanding that he will not be involved in any examination or administrative decision involving Bank of Kennett, Missouri, as long as he is a stockholder

Salary approved

Wotawa, Joseph C., Vice President, salary approved

Wyrick, Orville O., Vice President in charge of Bank Examinations Department, appointment and salary approved

Salary approved

FRBank of San Francisco:
Banking quarters, sale of portion of parking lot to City and County of San Francisco in connection with widening of Clay Street, no objection
FRBank of San Francisco: (continued)

Banking quarters, fallout shelters, execution of a fallout shelter license to Federal Government permitting use of certain areas in Bank's service building for fallout shelter purposes, no objection by Board

Clearing account, nonmember, Canadian Imperial Bank of Commerce, nonmember clearing accounts for Portland and Seattle branches of, carried by FRBank of San Francisco, situation discussed in consideration of question re establishment of such account by FRBank of New York for New York City branch of Israel Discount Bank

Further discussion

Disappearance of certain Treasury certificates of indebtedness that were being held in the vault of, for the account of a member bank, situation reported to Board, noted that Mr. Smith had gone to San Francisco for consultation re

Question re informing press re, following receipt of views from Treasury Department and Secret Service, Chairman Martin informed by, that no public release would be made at present

Electronic check processing equipment:

Plans to continue lease, under purchase option, certain National Data Processing high-speed equipment noted without objection

Burroughs B-270, noted without objection the proposed rental, under purchase option, of

Salaries:

Officers:

Consensus that it would be preferable to place San Francisco in the same category as Chicago with respect to

Revised salary structure approved
FRBank of San Francisco: (continued)

Staff:

Examiners, special assistant:

Designation of fourteen individuals, approved
Designation of twelve individuals, approved

Officers, temporary assignment of certain, to Seattle Branch because of vacancy in official staff following death of Mr. Reff, noted

(Individual names):
Abbott, E. L., Assistant Examiner, indebtedness to national bank through acquisition by that bank of his note to original nonbank lender, noted, not permitted to participate in examination of said bank until indebtedness has been liquidated

Ahlf, James, Chief Examiner, to accompany Mr. R. M. Stephenson, Special Assistant, Division of Examinations, to Salt Lake City, Utah, in connection with Continental Bank and Trust Company, Salt Lake City, Utah, matter, authorization re Memorandum re visit to Continental Bank and Trust Co. submitted to Board
Salary approved
Barbonchielli, J. L., Vice President, salary approved
Barrett, T. W., Assistant Cashier, salary approved
Bernstein, E. E., Assistant Cashier, salary approved
Buckley, Charles L., Assistant Examiner, appointment approved, not to participate in examination of a national bank to which he is indebted
FRBank of San Francisco: (continued)
Staff: (continued)

Byers, Jack A., Examiner, appointment approved  
Cavan, Paul W., Vice President, salary approved  
Salary approved  
Cooper, W. L., Assistant General Counsel, salary approved  
DeBries, W. G., Assistant Cashier, salary approved  
Einzig, R. S., Vice President, present at Board meeting during economic review  
Eschler, Stephen L., Assistant Examiner, appointment approved  
Galvin, E. H., salary approved  
Goodfellow, Allen F., Examiner, appointment approved, not to participate in examination of a non-member bank until indebtedness has been liquidated  
Hall, Wayne C., Assistant Examiner, appointment approved, not to participate in examination of a national bank to which he is indebted  
Hartlin, G. D., General Auditor, salary approved  
Hemmings, H. E., First Vice President, present at Board meeting during economic review  
Salary approved  
Hook, W. W., Assistant Examiner, appointment approved, not to participate in examination of two national banks until indebtedness has been liquidated  
Lentz, Francis B., Assistant Examiner, appointment approved  
Little, Feramorz Thomas, Assistant Examiner, appointment approved, not to participate in examination of Walker Bank & Trust Co., Salt Lake City, Utah, as long as his father is employed by that bank  

11/28 4540, 4595  
5/22 1925  
12/20 4947  
12/20 4947  
4/16 1375  
10/30 4158, 4173  
12/20 4947  
5/21 1881, 1897  
3/2 804, 818  
12/20 4947  
3/26 1064  
12/19 4836  
7/11 2636, 2669  
10/17 3947, 3967  
5/31 1987, 2008
Livingston, E. E., Assistant Cashier, salary approved

Salary approved

Lord, Gilbert Alan, Assistant Examiner, appointment approved

Lynn, G. W., Assistant Vice President, salary approved

Maguire, Hugh J., Examiner, appointment approved

Martens, E. J., Cashier, salary approved

Salary approved

Martin, Paul J., Assistant Examiner, appointment approved

Maurer, R., Jr., Assistant Vice President, salary approved

McKendry, R. E., Assistant General Auditor, salary approved

Merritt, A. B., Vice President, salary approved

Mitchell, Sumner C., Jr., Assistant Examiner appointment approved, not to participate in examination of a stated national bank until indebtedness has been liquidated

O'Kane, John A., Vice President and General Counsel, temporary appointment as Superintendent of Banks for State of California, with leave of absence without pay for a period of three months, no objection by Board, advice to FRBank of San Francisco

No objection to additional leave without pay for, to continue in above capacity

Pascual, Armand A., Accountant and Alternate Assistant FRAgent, attendance at Tenth Annual Training Program for the Center for Latin American Monetary Studies approved

Retallick, A. G., Assistant Cashier, temporary assignment to Seattle Branch because of vacancy in official staff following Mr. Reff's death noted

Salary approved
Staff: (continued)

Rockwell, Thomas Everest, Assistant Examiner, appointment approved, not to participate in examination of a stated nonmember bank until indebtedness has been liquidated

Scott, W. F., Assistant General Counsel, salary approved

Speer, William Thomas, Jr., Assistant Examiner, appointment approved, not to participate in examination of a national bank to which he is indebted

Stacey, James W., Assistant Examiner, appointment approved, not to participate in examination of First State Bank of Salina so long as his father is an officer or director thereof

Swan, Eliot J., President, present at Board meeting during economic review

Named by Board as person with whom Mr. Sullivan might get in touch in connection with Continental Bank and Trust Co., Salt Lake City, Utah, matter

Memorandum re proposal for settlement from Mr. Sullivan, Continental Bank and Trust Co., Salt Lake City, Utah, presented to Board by

Salary approved

Varoz, Ross, Assistant Examiner, appointment approved

Virta, George, Alternate Assistant FRAgent, appointment approved

Voss, Robert Charles, Jr., Assistant Examiner, appointment approved

Watkins, Roy J., Assistant Examiner, appointment approved, not to participate in examination of nonmember banks and national bank to which he is indebted

4/18 1401, 1421
9/21 3611, 3642
12/20 4947
8/9 3062, 3067
12/11 4717, 4737
3/26 1064
4/16 1375
8/9 3054
8/27 3197
12/19 4836
8/27 3213, 3230
4/2 1103, 1121
12/3 4601, 4617
5/10 1785, 1806
FRBank of San Francisco: (continued)
Staff: (continued)
Wells, E. A., Assistant Cashier, salary approved
Whitworth, C. H., Administrative Assistant, salary approved
Williams, J. B., Assistant Cashier, temporary assignment to Seattle Branch because of a vacancy in official staff following Mr. Reff's death, noted
Salary approved

FRBanks:
Accounting procedures:
Formula for computing charges to reimbursable fiscal agency units, for use of floor space in Bank-owned buildings, furniture and equipment, and functional expense distributions for retirement and other benefits, actions of Presidents' Conference concerning changes in Accounting Manual re, approved by Board, advice to Chairman of Presidents' Conference with copies to all Federal Reserve Bank Presidents

Accounts, (over and short), Mr. Smith to review, to make sure no trend suggesting laxity at any FRBank could be detected

Articles of Association of, request from Comptroller of the Currency to Federal Reserve Banks for copies of, telegram to FRBanks from Board with respect to, approved, no reference to Articles of Association contained in FRAct, noted

Assessments:
Expenses of Board for second half of 1962 6/22 2269
First half of 1963 12/19 4809
Audit function, internal, retention of public accounting firms by FRBanks to study, in connection with resolution adopted by Chairmans' Conference, understanding re
Audit function, internal: (continued)

Recommendations of Price Waterhouse and Co., re examining procedures and techniques of Board's field examining staff referred to in connection with

Plan discarded by FRBank of Philadelphia, but adopted by FRBanks of New York and Chicago, noted

Inquiries by Governor Balderston, in consideration of Reserve Banks first half of 1963 budgets, re staff increase and upgrading in the examination function and, understanding that this strengthening was desired by Board

Authority to purchase Government securities direct from Treasury:

Bill proposed by Treasury to extend for two years, report to Budget Bureau approved

S. 3291, a bill to amend sec. 14(b) of FRAct to extend, favorable report to Chairman Robertson of Senate Banking and Currency Committee approved

H.R. 11654, a bill to amend section 14(b) of FRAct to extend for two years the, favorable report to Congressman Spence, Chairman of Committee on Banking and Currency, approved

S. 3291, enrolled bill to amend section 14 (b) of FRAct, to extend for two years, report sent to Budget Bureau

Bank merger applications, proposed procedure for expediting action on, understood letter be prepared to all FRBank Presidents with respect to, and re possible bolstering of staff resources connected with
FRBanks: (continued)

Banking quarters, building projects, each FRBank President to meet once a year with Board's Committee on Organization and Building Plans for purpose of considering any sizable building projects, advice to FRBanks

Banking structure and competition, proposed program for analysis of, discussion re possibility of Reserve Banks undertaking projects relating to the program, general agreement that Presidents should be kept informed

Branch bank applications of State member banks, sample of effective branch presentation for use by, to be sent to FRBanks in light of proposed procedure for presenting applications to Board

Budgets, 1961, experience reports reviewed, agreed reports would not be distributed to FRBanks since this would be the last of such reports

Earnings and expenses:
Reports submitted to boards of directors of, form indicating no breakdown as to source questioned by Governor King, understood that Governor King would discuss matter with Mr. Farrell re desirability of more detailed monthly income statements

1962, profit and loss accounts, no objection to year-end entries, respective FRBanks to be advised

Emergency plans:
Regulations Numbers 1 and 2 relating to "Operations of FRBanks" and "Use of Secured Notes to Transfer Credits," approved to be automatically effective in the event of an attack, transmitted to the Presidents of all FRBanks
FRBanks: (continued)

Employees:
Recruitment and placement of prospective employees of Board and FRBanks, suggestion re program on more coordinated basis

Equipment:
Electronic, check processing and computers:
No objection to rental under purchase option, Burroughs B-270 at the FRBank of Chicago and IBM 1401 at the Detroit Branch

Plans of FRBank of San Francisco to continue lease, under purchase option, certain National Data Processing high-speed equipment, noted without objection

Burroughs B-270, noted without objection the proposed rental, under purchase option, by the FRBank of San Francisco, of

Computer, Ferranti-Packard, noted without objection the proposed rental of, under purchase option, by the FRBank of New York, of a second

IBM data processing system, supported by National Cash Register encoding equipment, no objection to rental, under purchase option, by FRBank of Kansas City

IBM 1401 general purpose, no objection to purchase of, by FRBank of New York

Noted without objection decision of FRBank of Richmond to purchase rather than rent

IBM 1620, contract for lease of, entered into by FRBank of Boston, for use of Research Department, reported to Board for information, discussion re question of Bank installing a second computer for particular use of its research staff, consensus no reply necessary

2/6 1962 437
1/5 48, 56
2/15 566, 584
3/16 913, 942
3/16 913, 941
4/19 1423, 1433
4/23 1442, 1451
5/4 1722, 1728
5/17 1857
FRBanks: (continued)

Equipment: (continued)

Electronic, check processing and computers: (continued)

NCR 310, no objection to rental of, proposed by FRBank of Boston 5/24 1929, 1938

IBM 1401, proposal of FRBank of Atlanta to purchase, noted by Board without objection 6/29 2430, 2455

No objection to rental by FRBank of Cleveland, with purchase option, of National Cash Register equipment at head office, and Burroughs B-270 equipment at Cincinnati and Pittsburgh branches 7/17 2729, 2733

Burroughs B-270 high-speed, no objection to the acquisition of, on a rental basis under purchase option 7/24 2815, 2830

Proposed expenditure by FRBank of Philadelphia based on a desire to limit the use of the equipment to daytime hours only, agreed that Governors King and Mitchell would discuss proposal with President Bopp prior to further Board consideration 10/24 4044

No objection to rental, with purchase option, by FRBank of Chicago, of second complement of Burroughs B-270 10/25 4064, 4078

Rental of Burroughs B-270 by the FRBank of Minneapolis, Board interposes no objection 11/21 4446, 4459

Proposed expenditure by FRBank of Philadelphia, following discussion re meeting with representatives of FRBank where question of operating equipment on second-shift basis was discussed, telegram indicating Board interposes no objection, approved 10/31 4194, 4212

Installation of, failure to reduce number of employees in check collection function, noted by Governor Mills, explanation by Mr. Farrell 12/19 4831
FRBanks: (continued)

Equipment: (continued)

Electronic, check processing and computers: (continued)

Purchase by FRBank of New York of IBM 1410 that Bank had been renting, no objection by Board

Examination departments:

Sullivan, Thomas R., appointment as officer in charge of Examination Department with Title of Vice President, and salary approved

Examination function and auditing function, increase in FRBank staff and upgrading in, inquiries by Gov. Balderston re, understood that this strengthening was desired by Board, raised in consideration of FRBank budgets for first half of 1963

Examinations:

Biographical data on persons newly appointed to FRAgent's function, omission from Chief Examiner's confidential memorandum on management submitted in supplement to report of, authorized

Expenditures, since release of examination reports to House Banking and Currency Committee, absence of criticism of FRBank expenditures noted

Procedures:

Recommendation that Price Waterhouse & Co. be retained for 1962, and for consultation in connection with transition to approved recommended procedures, advice to Price Waterhouse

Techniques used by Board's Division of Examinations in examining FRBanks, review by Price Waterhouse & Co., letter approved
Examinations: (continued)
Procedures: (continued)

Report re study conducted by Price Waterhouse & Co., during an examination of the FRBank of Atlanta, discussion stressed need to put recommended procedures into effect as promptly as possible.

Techniques recommended by Price Waterhouse & Co., discussed in connection with question of retention of public accounting firms by directors of FRBanks to review internal audit function at Federal Reserve Banks.

Certain changes in procedure proposed by Governor Robertson, Governor Mitchell's views re impact from expense standpoint if adopted, noted in consideration of 1963 Board budget.

Changes proposed by Governor Robertson re reduction in field examining staff, designing of audit control and review programs, and use of internal audits, supplemented by surprise visits; interested divisions to submit memoranda of views, and views of Haskins & Sells to be requested, in preparation for further consideration by Board.

Legal authority of Board to abbreviate examinations questioned by Gov. Mills.

Fiscal agency operations:
Accounting procedures, new formula for computing charges to reimbursable fiscal agency units, for use of floor space in Bank-owned buildings, actions of the Presidents' Conference concerning changes in the Accounting Manual, approved by Board, advice to Chairman of Presidents' Conference with copies to all FRBank Presidents.
FRBanks: (continued)
Fiscal agency operations: (continued)

Automation of, stated principles as a basis for negotiations with the Treasury Department re, adopted in a policy statement by the Presidents' Conference, noted with no objection, result of FRBank of Cleveland's request to process Federal taxes on its computer, increasing Treasury costs

Food stamp program, amendment to Agreement with Department of Agriculture re, approved by Presidents' Conference, no objection by Board to execution of amended agreement

Visits to FRBanks by audit representatives of Agriculture Department to examine coupons received from local banks, memorandum from Messrs. Hackley and Farrell with respect to, approved, advice to Chairmen of Presidents' Conference Subcommittees on Collections and Counsel on Collections

Postal money orders, processing of, amended agreement between FRBanks and Postmaster General, with respect to, as approved by Presidents' Conference, made necessary by pre-punch program initiated by Post Office Department, Board interposes no objection to execution of agreement

Tax receipts, processed by FRBanks as fiscal agents for the Treasury Department, inadequate coverage by Board's examination program noted in report of study by Price Waterhouse & Co.

Foreign accounts with foreign banks, amendment to Regulation N re opening and maintenance of, and authorizing FOMC to supervise and direct relations with foreign banks insofar as they relate to open market transactions conducted thru accounts with such banks, approved, Gov. Robertson dissenting
FRBanks: (continued)

Foreign currency holdings of, matter of reporting, consideration deferred 2/13 541

Reporting on Form F.R. 34, question of time lag in publishing such information in FRBulletin and in weekly press statements issued by Board and, letter to FRBanks approved 2/16 602, 625

Functional cost data of the FRBanks for 1961, suggestion by Governor Mills for a discussion of these data by the Division of Bank Operations, understood that such a presentation would be arranged 2/16 609

Furniture and equipment:
Accounting procedures, usage charges for Bank-owned actions of the Presidents' Conference concerning changes in the Accounting Manual re, approved by Board, advice to Chairman of Presidents' Conference with copies to all FRBank Presidents 3/16 912, 937

Hospitalization plans, inclusion of "student definition" clause in, Presidents' Conference views re, and Board's position, discussed in consideration of request from FRBank of Atlanta with respect to 3/8 842

Insurance:
Draft of letter to FRBanks reviewing comments made by the Presidents' Conference and the Conference of Chairmen, re expenditures with respect to, staff requested to prepare new draft in light of Board's discussion, Governor Mills expressed concern re unwarranted invasion of the Federal Reserve Banks authority to determine their own insurance program 2/14 549
FRBanks: (continued)

Insurance: (continued)

Revised draft of letter to FRBanks approved, no objection to discontinuance of certain insurance coverage or to arrangement for sharing losses 2/19 628, 644

Fire and other risks, proposed agreement between two or more banks, recommended by Insurance Committee and accepted by Presidents' Conference, approved by Board, with indication consummation not dependent upon participation by all FRBanks, advice to Chairman of Presidents' Conference 10/17 3941, 3966

Membership dues and contributions:

Payment of dues in Kansas City Club by Federal Reserve Bank of Kansas City on behalf of nonresident directors discontinued, reported by Governor Balderston, no objection to proposed reply 1/3 20, 29

Decision by FRBank of Kansas City not to contribute to Kansas City Downtown Committee, in light of Board's letters re membership dues and contributions, Board did not disagree with decision 2/14 556

Proposed plan of FRBank of Kansas City for closing out contingency fund, memorandum from Division of Examinations reviewing, approved 6/8 2086, 2104

No provision in the new budget procedure for information on expenditures re, staff opinion that such expenditures were well stabilized at a nonobjectionable level 12/19 4833

Officers and employees:

Outside business interests of, question re making exception to Board's general policy re, in connection with question raised by FRBank of Kansas City re service of an officer as director of a corporation, Board's views 4/24 1463
FRBanks: (continued)

Officers and employees: (continued)

Service as consultant or employee of an outside firm while serving as, question raised by FRBank of Richmond re possible re-employment of K. Brantley Watson as Vice President and Senior Adviser while remaining consultant to McCormick and Company, Baltimore, Maryland, Board's views to be transmitted to President Wayne

Operating efficiency of unit in Division of Bank Operations to review and report its findings to Board suggested by Governor Mitchell in connection with proposed use of internal and administrative audits at FRBanks in connection with examination and supervision of Presidents, question re extending invitations to attend forthcoming annual meeting of International Bank for Reconstruction and Development and International Monetary Fund to, raised by Governor Mitchell

Procedures:

Bank holding company and bank merger applications, procedures for processing, expediting, submission of memoranda to Board, use of reasonably standardized format, maintenance of high standards of accuracy, and presentation of factors both pro and con, letter to FRBanks

Bank merger applications, FRBanks requested to forward to Board letters sent by banks to their stockholders explaining the basis of proposed stock exchange or purchase price transactions in connection with proposed mergers
FRBanks: (continued)

Procedures: (continued)

Branch bank applications of State member banks received by, Board's opinion such applications should be processed promptly and transmitted to Board, letter to all FRBanks to be prepared

Letter to FRBanks approved

Board approval of, will include approval of one 6 months' extension of time to establish, Federal Reserve Banks authorized to so advise applicants under specified conditions, advice to all FRBanks, letter to FRBank of New York approved

Wire to Presidents of all FRBanks indicating six month extension applies to all outstanding authorizations for which no extension has thus far been given

Research Departments:

Rowe, J. Z., Director of Research, FRBank of Dallas, salary approved following discussion and review of situation by Governor Shepardson with President Irons

Responsibilities of:

Governor Mills expressed concern re unwarranted invasion of the FRBanks authority to determine their own insurance program

Question as to how much the Board should interfere with management decisions of the Reserve Banks in fixing salaries, referred to by Governor Mitchell

Internal audit function at FRBanks, possible retention by FRBank directors of public accounting firms to review internal audit function
FRBanks: (continued)
Responsibilities of: (continued)
Officer salary administration on the local level, and Board's position re overall administration, discussed in connection with consideration of possible increase in range of Group A Director responsibilities in connection with officer salary administration discussed in connection with proposed plan for salaries of Presidents and First Vice Presidents, Governor Mills' view that plan would delegate more authority to directors than was contemplated by law
Salaries:
SEE: Salaries:
FRBanks
Staff, suggestion re discussion with FRBank Presidents re possibility of obtaining additional staff assistance from the Reserve Banks for expediting the processing of bank merger and bank holding company applications, referred to Gov. Shepardson and Mr. Solomon for consideration re possible preliminary discussion with Presidents attending tomorrow's FOMC meeting
Stock, issuance and cancellation of, proposed revision to Regulation I dealing with, to conform to style of the Code of Federal Regulations, sent to FRBanks with request for comments, question re sending copy of draft revision to Comptroller of the Currency, agreed to await receipt of comments from FRBanks
Suggestions from FRBanks reviewed, draft of revised Regulation to be published in Federal Register for comments
Revised Regulation I entitled "Issue and Cancellation of Capital Stock of Federal Reserve Banks" approved for issuance, copy published in Federal Register
FRBanks: (continued)

Stock trading account, case of research employee of the FRBank of Boston operating a, for speculative purposes, understood that a draft letter to the FRBank Presidents containing a specific reference to trading in margin accounts should be prepared for consideration when all Board members were present.

FRBanks and Branches:

Staff, recruitment of, reimbursement of expenses incurred in transfers from a Federal Reserve Bank or Branch to the Board, involving moving of household goods and possible temporary storage, transportation for employee and immediate family, and per diem allowance in lieu of subsistence while in a travel status, policy approved.

FRBulletin:

Advances under section 13 of FRAcT, interpretation indicating that promissory notes evidencing loans by member banks to farmers which are insured by Farmers Home Administration are considered eligible for, to be published in.

Bank for International Settlements, interpretation re status of, for purposes of coverage under amendment to sec. 19, FRAcT, which removed limitations on rates of interest paid on official foreign time deposits, to be published in.

Bank Service Corporation Act and Bank Holding Company Act of 1956, interpretation re applicability of, in certain situations, approved, to be published in.

Banking statistics, collection of, suggestion re publishing in, article re rationale involved in sampling techniques.
FRBulletin: (continued)

Consolidated condition statement for banks and the monetary system and assets and liabilities of all banks in the United States, proposed revision of tables published in, staff to develop memorandum re, and Governor Balderston to confer with staff in connection with

Federal Open Market Committee, termination of three operating policy statements by, noted that the original idea of publishing an explanatory article in, had been dropped

Industrial production index, revision from 1957 base to 1957-59 base, article describing revision to be published in

Regulation J, amendment to section 210.2(a) specifying that nonmember clearing accounts are available to "nonmember banks and trust companies" rather than to "nonmember State banks and trust companies" to be published in

Regulation O, Board agreed unanimously to regard Vice Chairman of the Austin National Bank, Austin, Texas, as an executive officer under provisions of, S-letter informing all FRBanks, to be published in the

Regulation T:

Interpretation under, re time allowed for payment for mutual fund shares purchased in a special cash account, to be published in

Interpretation under, as to whether a transaction involving an extension of credit by a securities dealer to a corporation in connection with the retirement of some of the corporation's stock would be considered in violation of, to be published in

Reserve cities, termination of designation of Topeka and Wichita, Kansas, as reserve cities, notice to be published in
Small business investment companies, investments by bank holding companies in, interpretation of sec. 4(c)(4), Bank Holding Company Act and sec. 302(b), Small Business Investment Act, approved, to be published in 12/11 4714, 4727

Time deposits of European Investment Bank, interpretation that exemption of foreign time deposits from interest rate limitations does not apply to, approved, to be published in 12/20 4853, 4920

Date and place of issue of certain, no objection for FRBank of St. Louis to furnish information re, to Messrs. House, Holmes, Butler and Jewell, Little Rock, Arkansas 6/28 2405

Exhibit by International Bank for Reconstruction and Development of currency of member countries, use of marked specimen of each denomination of, to be provided by Bureau of Engraving and Printing for inclusion in, no objection by Board, Mr. Farrell to advise Mr. Howell, Treasury Department 5/10 1783

Issuance by FRBanks of one dollar denomination authorized in draft bill, submitted by the Treasury, to repeal certain legislation relating to the purchase of silver, Board views to Bureau of the Budget re 2/5 410, 428

S. 2885, a bill relating to the repeal of certain legislation re the purchase of silver, report to Senator Robertson, Chairman of the Committee on Banking and Currency, approved, reference made to the issuance of two dollar FRNotes 2/27 746, 759

Printing order for fiscal year ending June 30, 1963, placed with Bureau of Engraving and Printing 6/28 2405, 2410
FRnotes: (continued)

Shipment by direct air flight, proposal of Post Office Department to extend to field officials authority to use direct commercial air flights for dispatching Federal Reserve shipments of negotiable securities and, letter to FRBanks requesting comments

Letter to Post Office Department with respect to, approved

FRSystem:

Librarians who would be attending annual meetings of the Special Libraries Association, luncheon for, approved

Motion picture:

Expenditure by FRBanks for, approved by Presidents' Conference, no objection by Board, advice to Chairman Bryant, Presidents' Conference, with copies to FRBanks

Report of Presidents' Conference Committee on Bank and Public Relations re, agreement re advising Chairman of Conference and suggesting meeting of Governor Mitchell with the Committee

No objection to proceeding with photographic work with understanding re possible script changes, advice to Chairman Fulton approved following report by Governor Mitchell

Memorandum from Governor Mitchell indicating script reviewed with Miss Burr, consultant, agreement re discussions to be held with President Wayne, member of Committee on Bank and Public Relations and with Mr. Bunting, Chairman of Subcommittee on Bank and Public Relations

Meeting with Messrs. Wayne and Bunting reported by Governor Mitchell, agreement re procedure with respect to script and filming as outlined by Governor Mitchell
FRSystem: (continued)
Motion picture: (continued)
Report by Governor Mitchell re status of script, agreement re further procedure to be followed by Board

Publications:
SEE: Publications:
Recruitment and placement of prospective employees of Board and FRBanks, suggestion re program on more coordinated basis

Transfer of employees within the System, question whether reimbursements made for costs incurred in connection with, are subject to income tax and withholding requirements as wages, letter to Internal Revenue System requesting decision

Federal savings and loan associations:
SEE: Savings and loan associations:

Federal Telecommunications System:
Development of new system, advice to General Services Administration that Mr. Kelleher is Board official with whom GSA may coordinate in connection with

Fees:
Consultants, staff reports re fees paid to, discussion re value of, decision to continue

Employee Training and Development Program:
Economic Statistics, advanced, confirming arrangements with Professor Edwin S. Mills to conduct a course in, consisting of twenty to thirty sessions with a fee of $100 for each session

French, conversational, arrangements with Dr. Claude Yves Meade to conduct a course in, with compensation in the amount of $450 for each of two semesters, approved

Introduction to Mathematical Economics, arrangements with Dr. Richard A. Good to conduct a course in, with compensation in the amount of $1,250 for each of two semesters, approved
Fiduciary activities:
National Association of Supervisors of State Banks, annual convention, Bretton Woods, New Hampshire, on September 17-20, 1962, permission granted to Frederic Solomon and two other officials of the Division of Examinations to attend, travel expenses and registration fees allowed 7/30 2899

Fiduciary activities:
Nominees, multiple bank stock holdings in the name of, preparation by staff of memorandum on, based on data collected in chain banking survey, no objection to proposal 12/10 4688

Fiduciary powers:
Exercise of such powers in any other State or Commonwealth other than the one in which the bank is located, reply to inquiry from national bank in New York with respect to execution of fiduciary appointments in Commonwealth of Mass., approved 7/27 2856, 2866

Guardian of an infant's property, acceptance of appointment as, by a national bank while one of its directors acts as guardian of the infant's person, question re any violation of Regulation F in connection with, reply approved 7/27 2856, 2866

National banks:
Draft bill submitted by the Treasury to transfer from the Board to the Comptroller of the Currency authority re, including operation of common trust funds, favorable report to the Bureau of the Budget 6/26 2334, 2369

Request by Mr. Knight, General Counsel of the Treasury, for Board's views re, Mr. Hackley authorized to indicate no objection with respect to 7/3 2533
Fiduciary powers: (continued)
National banks: (continued)
H.R. 12577, bill to place authority over trust powers of national banks in the Comptroller of the Currency, rather than the Board, report to Chairman Spence, House Banking and Currency Committee, approved 8/13 3078, 3095

Mr. Solomon designated to testify on behalf of Board before Subcommittee No. 1, House Banking and Currency Committee 8/13 3079

Report to Chairman Robertson, Senate Banking and Currency Committee, approved 8/29 3315, 3323

Enrolled bill to place authority over trust powers of national banks in the Comptroller of the Currency, report sent to Budget Bureau 9/19 3583, 3603

Agreement re availability and transfer of Board's records and pending applications to Comptroller of the Currency upon signing of letter to Comptroller inviting discussion on staff level approved 9/25 3662, 3667

Transferring from the Board to the Comptroller of the Currency authority to regulate the exercise of, section 11(k) of the FRAct repealed, regulation similar to Regulation F promulgated by the Comptroller, advice to FRBanks 10/1 3740

Issuance of press statement authorized 10/1 3742, 3749

Termination of Regulation F effective as of September 28, 1962, in light of passage of Public Law 87-722 transferring from the Board to the Comptroller of the Currency authority to regulate the exercise of, similar regulation issued by Comptroller, published in the Federal Register, advice to Presidents of all FRBanks 10/3 3757, 3792
Fiduciary powers: (continued)

National banks: (continued)

Board's records re, agreement that folders for each national bank currently exercising fiduciary powers, and certain files maintained by Legal Division, be transferred to Comptroller of the Currency, decision deferred re transferring material in Board's general files relating to both State and national banks pending further review, letter to Comptroller approved

State member banks, effect of termination of Reg. F on, examination of trust departments of, question raised by Gov. Mills

(Individual banks):

American National Bank of Fort Lauderdale, Fla., granted permission to exercise

American National Bank of Rapid City, South Dakota, granted permission to exercise

Bank of the Commonwealth, Detroit, Michigan, granted permission to exercise, under condition of membership numbered one

Birmingham-Bloomfield Bank, Birmingham, Michigan, granted permission to exercise under condition of membership numbered one

Blakely Bank and Trust Company, Ranson, West Virginia, granted permission to exercise

Central National Bank of San Angelo, Texas, granted permission to exercise

Central National Bank, Canajoharie, New York, inquiry as to whether bank is permitted to execute fiduciary appointments in the Commonwealth of Mass., and whether it would be violating any portion of Regulation F by accepting appointment as guardian of an infant's property while one of its directors acts as guardian of the infant's person, reply approved
Fiduciary powers: (continued)

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Mount Vernon National Bank and Trust Company of Fairfax County, Annandale, Va., granted permission to exercise

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Southern National Bank of Houston, Texas, application for full trust powers discussed, question of lack of recent examination report in light of reported changes in, matter of imminent transfer of regulatory authority over trust powers to Comptroller of the Currency noted, application approved

Traverse City State Bank, Traverse City, Mich., granted permission to exercise

Washington County National Bank of Abingdon, Virginia, supplemental application for, approved

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Consumer credit, H.R. 9619, Title II, a bill to require the disclosure of finance charges in the extension of credit, report to Congressman Dawson, Chairman of the Committee on Government Operations

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Financing corporations and banking corporations, need for two kinds, referred to by Governor Robertson in case where consent was granted to Manufacturers Hanover International Banking Corporation, New York, New York, to purchase shares of Corporacion Financiera de Colombiana de Desarrollo Industrial, Bogota, Colombia

Governor Mitchell indicated that he hoped to distribute a memorandum on major issues involved in Regulation K study to assist in determining policy questions in this area

Financing corporations' investments in foreign company which in turn owns stock in commercial bank, consent granted with condition that foreign company dispose of its holdings of stock in a commercial bank

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Permission granted to Chase Manhattan Bank to increase its investment in, or in Chase Manhattan Overseas Banking Corporation (being organized to acquire assets and assume liabilities of CMOC) and for investment by, or CMOBC in Chase Manhattan Bank (South Africa) Ltd., previous authorizations involving CMOC extended to CMOBC

Problems involving loan arrangements between Banco Lar, Brazilian banking corporation partially owned by, and also involving Chase Manhattan Overseas Banking Corp., noted in consideration of H.R. 12501, a bill dealing with such problems

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  Preliminary permit to organize, transmitted to First Pennsylvania Banking and Trust Co., Philadelphia, Pennsylvania
  Final permit issued
  Noted without objection certain investments in U.S. Government obligations made by
  Granted general consent for acquisition of stock in generally designated types of corporations, subject to certain restrictions
  Application to purchase shares of Discount Bank Investment Corp Ltd., Tel Aviv, Israel, Board reluctant to grant consent
    Consent granted upon condition that Discount Bank Investment Corp., Ltd., dispose of its holdings of stock of Mercantile Bank of Israel Ltd., within a specified time

First Pennsylvania Overseas Finance Corporation, Philadelphia, Pennsylvania:
  Extension of termination date of outstanding general consent to purchase and hold stock in generally designated types of corporations, to June 30, 1963, approved

Gallatin Company, Inc., New York, New York:
  Consent granted to change location of Principal Office from 70 Broadway, to 350 Park Avenue, New York City
Foreign banking corporations: (continued)

International Banking Corporation, New York, New York:

Consent granted to The Bank of Monrovia, Liberia, to establish a branch at Buchanan, Grand Bassa County, Republic of Liberia, advice to 3/7 829, 834

Questions raised in examination of, re certain transactions, discussion re possible letter relating to, decided to take no action in light of current study of Regulation K 4/27 1505

Consent granted to purchase additional capital stock of The First National City Bank of New York (South Africa) Ltd., Johannesburg, Union of South Africa 6/29 2425, 2440

Consent granted to purchase stock of a French holding company, subject to certain conditions 12/10 4686, 4697

Consent granted to an advance to First National City Bank of New York (South Africa) Ltd. in an amount sufficient to cover its estimated capital impairment as of Dec. 31, 1962, and retroactively, to similar advances made in December 1960 and December 1961, advice to 12/12 4739, 4751

Irving International Banking Corporation:


Final permit issued 6/21 2243

Irving International Financing Corporation:

Preliminary permit to organize transmitted to Irving Trust Company, New York City 5/31 1980, 1999

Final permit issued 6/21 2242

Manufacturers Hanover International Banking Corporation:

Preliminary permit to organize, transmitted to Manufacturers Hanover Trust Company, New York, New York 2/9 479, 493

Final permit to commence business issued 3/9 866
Foreign banking corporations: (continued)

Manufacturers Hanover International Banking Corporation: (continued)

Noted without objection, purchase of bankers acceptances from funds paid by Manufacturers Hanover Trust Co. for capital stock of

Manufacturers Hanover International Finance Corporation:

Preliminary permit to organize, transmitted to Manufacturers Hanover Trust Co., New York, New York

Final permit to commence business issued

Noted without objection, purchase of bankers acceptances from funds paid by Manufacturers Hanover Trust Co. for capital stock of

Application for permission to purchase shares of Corporation Financiera de Colombiana de Desarrollo Industrial, Bogota, Colombia, action deferred pending study of question of Edge Act financing corporations purchasing shares in institutions conducting banking operations

Additional information requesting shares to be purchased by Manufacturers Hanover International Banking Corporation, or letter granting consent for shares to be held by banking corporation, approved

Morgan Guaranty International Banking Corporation, New York, New York:

Consent granted to purchase shares of Societe Ivoirienne de Banque, Abidjan, Republic of Ivory Coast

Consent granted to purchase shares of China Development Corp., Taipei, Taiwan, China

Consent granted to purchase shares of Union Gabonaise de Banque, Libreville, Republic of Gabon, a banking corporation in formation
Foreign banking corporations: (continued)

Morgan Guaranty International Banking Corporation, New York, New York: (continued)

Consent granted to purchase shares of Banque d'Escompte et de Credit a l'Industrie en Tunisie, conditions stated

Consent granted to purchase additional shares of Trust Corporation of Bahamas Ltd., Nassau, N.P., Bahama Islands, with stated conditions

Consent granted to purchase shares of Societe Camerounaise de Banque, Yaounde, Republic of Cameroun

Morgan Guaranty International Finance Corporation, New York, New York:

Consent granted for the purchase of shares of Peruano-Suiza de Fomento e Inversiones Sociedad Anonima, Lima, Peru

Consent granted to purchase shares of Cooperation Financiere Internationale pour le Developpement de l'Afrique, a French corporation in formation

Consent granted to participate in underwriting of additional common stock of Compania Fundidora de Fierro y Acero de Monterrey, S.A., a Mexican corporation

Consent granted to purchase shares of Societe Nationale d'Investissement, Brussels, Belgium, conditions stated

Consent granted to Morgan & Cie., S.A., a general investment banking firm to be located in Paris, following decision not to require Morgan & Cie to change its name and to operate in offices separate from Paris Branch of Morgan Guaranty Trust Company

Consent granted to amend Articles of Association to allow an increase in capital stock
Foreign banking corporations: (continued)

Morgan Guaranty International Finance Corporation,
New York, New York: (continued)

Extension of termination date of outstanding general consent to purchase and hold stock in generally designated types of corporations, to June 30, 1963, approved

Philadelphia International Investment Corporation,
Philadelphia, Pennsylvania:
Consent granted to purchase additional stock of Mitsubishi Chemical Industries, Ltd., Tokyo, Japan

Question re appropriateness of investment in stock of foreign industrial concern with shares listed on a stock exchange in foreign country, by an Edge Act corporation

Consent granted to purchase stock of a proposed Bahamian subsidiary "New World Development Corp. Ltd."

Application to purchase shares of Discount Bank Investment Corp. Ltd., Tel Aviv, Israel, Board reluctant to grant consent

Letter granting consent re, upon condition that Discount Bank Investment Corp. Ltd., dispose of its holdings of stock of Mercantile Bank of Israel Ltd., within a specified time, approved

Extension of termination date of outstanding general consent (amended to include wholly-owned subsidiary New World Development Corporation Ltd.) to purchase and hold stock in generally designated types of corporations, to June 30, 1963, approved

Western Bancorporation International Bank, New York, New York:
Final permit to commence business transmitted to
Foreign Banking Operations Act:

Proposed draft bill repealing sections 25 and 25(a) of FRAct and forming a new, transferring to Comptroller of the Currency authority re foreign branches of national banks, investments by national banks in stock of foreign banking corporations and chartering and regulation of foreign banking corporations, staff instructed to draft a letter to Secretary of the Treasury strongly opposing.

Letter to Treasury Secretary Dillon approved and delivered personally by Chairman Martin, copy sent to Comptroller of the Currency.

Foreign banks:

Branches in the United States:

Question re eligibility of, admission to membership in FRSystem to carry a nonmember clearing account with the FRBank of New York, and to establish an account with the FRBank of New York under section 14(e), FRAct, matter to be discussed with Presidents of FRBanks of New York and San Francisco, in connection with question raised by Israel Discount Bank re its New York City branch.

Discussion with Messrs. Hayes and Swan, Mr. Shay to contact Counsel for FRBank of New York for further consideration.

Board's view that section 13, FRAct, would not preclude an FRBank from opening and maintaining a nonmember clearing account for, advice to FRBank of New York indicating decision re Israel Discount Bank, Ltd., New York City branch is within discretion of an FRBank.
Foreign banks: (continued)
Branches in the United States: (continued)
Letter from FRBank of New York containing
counsels doubts re legal author-
ity with respect to, matter to
be considered further
Board's position reaffirmed that nonmember
clearing accounts can be opened
at discretion of FRBank, discus-
sion re doubts of counsel at
FRBank of New York re legal au-
thority to open such accounts
European central banks, Mr. Katz authorized to
visit two, in connection with
his trip to Switzerland
Foreign central banks, appropriate informa-
tion re Board's action reducing re-
serve requirements of member
banks to be sent to, in leading
countries
Latin American central banks, Governor Robertson
accompanied by Reed J. Irvine to
visit certain
Nonmember clearing accounts with FRBanks:
Question whether foreign commercial bank
or its branch could be considered
a nonmember bank for purpose of
opening and maintaining, under
section 13, FRAct, Board's views
sent to FRBank of New York
Letter from FRBank of New York containing
counsel's doubts re legal autho-
rity with respect to, matter to
be considered further
Board's opinion reaffirmed that such ac-
counts can be opened at discre-
tion of FRBank
(Individual banks):
Austrian National Bank, Vienna, Austria:
Opening and maintenance of foreign currency
account of FRBank of New York
with, approved, advice to Pres-
idents of all FRBanks
Foreign banks: (continued)

Banca d'America e d'Italia, Milan Italy:
Consent granted to Bank of America, New
York, New York, for, to increase
its investment in the capital
stock of Banca per Finanziamenti
a Medio Termine, Milan, Italy 2/23 707, 710

Consent granted to increase its investment
in United Overseas Financial
Corporation, Geneva, Switzerland,
advice to Bank of America, New
York, New York 4/3 1127, 1160

Consent granted to establish an agency at
the former location of its branch
at Corso Italia 98, Catania,
Italy, advice to Bank of America 5/24 1929, 1934

Consent granted Bank of America to the
establishment by, of Branches in
Salerno, Taranto and Arenzano;
and agencies in Milan, Rome,
and Turin and Bologna 10/9 3845, 3853

Consent granted retroactively to purchase
stock of Ente Finanziario Inter-
bancario, Rome, and of Medio
Credito Regionale Lombardia,
Milan, advice to Bank of America 11/26 4491, 4507

Opening and maintenance of account of FRBank
of New York with, approved, pay-
able in foreign currency
2/13 540, 546

Inquiry from FRBank of New York re
Board consent re opening account,
and re approval of action of
Bank's directors with respect
to, no objection to telegram to
FRBank of New York 2/16 606

Banca per Finanziamenti a Medio Termine, Milan,
Italy, consent granted to Bank
of America, New York, New York,
for Banca d'America e d'Italia,
Milan, Italy; to increase its
investment in 2/23 707, 710

Banco de Espana, opening of account by FRBank
of New York, approved 1/29 316, 330

Banco de Guatemala, application to FRBank of New
York for loan on gold approved 10/12 3920, 3931
Foreign banks: (continued)

Banco Mercantil y Agricola, Caracas, Venezuela, consent granted Chase Manhattan Overseas Corporation, New York, New York, to invest in shares of

Banco de la Republica de Colombia:
Request to FRBank of New York for a six months loan on gold, discussion in light of Board policy under which loans on gold would not be made for more than three months unless justified by exceptional circumstances, Mr. Sammons authorized to inform the FRBank of New York that the Board would be prepared to approve, indication that a request for a three-month renewal on present gold loan would be made

Six months loan by FRBank of New York approved, and extension for three months of existing loan approved

Banco de la Republica, Bogota, Colombia:
Request for assistance with organizational matters, letter re availability of John A. MacDonald, Assistant Cashier of FRBank of Minneapolis, for assignment, approved

Three-month loan on gold up to $10 million by FRBank of New York, approved, with understanding re repayment and renewal of loan, and re payment of outstanding loan

Southern Arizona Bank and Trust Company, National Bank of Washington, and First National Bank of Oregon authorized to accept drafts or bills of exchange drawn by, for purpose of furnishing dollar exchange

Banco Hipotecario Lar Brasileiro, S. A., Rio de Janeiro, Brazil, permission granted to Chase Manhattan Bank, New York, New York, for Chase Manhattan Overseas Corporation, New York, N. Y., to invest in the stock of
Foreign banks: (continued)

Banco Shaw Sociedad Anonima Argentian, Buenos Aires, Argentina, permission granted to Continental International Banking Corporation, New York, New York, to purchase and hold stock of

Bank of Canada, continued maintenance of account of FRBank of New York with, approved 2/2 395, 398

Bank of England:
Continued maintenance of account of FRBank of New York with, approved 2/13 540, 546
Visit by Mr. Katz to, in connection with trip to Organization for Economic Cooperation and Development meeting in Paris, authorized 4/2 1111
Mr. Gehman authorized to confer with officials of, on his return trip from the Conference of European Statisticians Working Group on Industrial Statistics in Geneva, Switzerland 5/9 1762
Arthur Hersey, Adviser, Division of International Finance authorized to visit 6/11 2126
Report by Mr. Young re certain conversations in London with officials of the British Treasury and 7/25 2846
Mr. Young, Adviser to Board and Director of Division of International Finance authorized to travel to London, England, to confer with officials of the British Treasury and the, travel expenses on an actual expense basis including official entertainment 12/5 4634

Bank of France:
Continued maintenance of account of FRBank of New York with, approved 2/13 540, 546
Visit by Mr. Katz to, in connection with trip to Organization for Economic Cooperation and Development meeting in Paris, authorized 4/2 1111
Foreign banks: (continued)

Bank of Indonesia:

Application to FRBank of New York for 90-day loan on gold, approved 1/5 49, 57

Renewal of outstanding loan on gold approved, advice to FRBank of New York 4/13 1363, 1369

Bank for International Settlements, appropriate to designate as a foreign bank with which an account of the FRBank of New York might be opened and maintained with 6/1 2017

Bank of Liberia, Inc., Monrovia, Liberia:

Letter to Chemical International Banking Corporation re its investment in, approved 5/15 1827, 1833

Consent granted to establish a mobile banking unit in Liberia, advice to Chemical International Banking Corporation, New York, New York 6/27 2372, 2395

Bank of Monrovia, Liberia, consent granted to the establishment of a branch at Buchanan, Grand Bassa County, Republic of Liberia, advice to International Banking Corporation, New York, New York 3/7 829, 834

Banque Centrale de Syrie, opening of account by FRBank of New York, approved 9/10 3405, 3416

Banque d'Escompte et de Credit a l'Industrie en Tunisie, consent granted to Morgan Guaranty International Banking Corporation, New York, New York, to purchase shares of 7/11 2571, 2637

Banque Nationale Suisse:

Opening and maintenance of account of Federal Reserve Bank of New York with, approved, payable in foreign currency 2/13 540, 546

Inquiry from FRBank of New York re Board consent re opening account, and re approval of action of Bank's directors with respect to, no objection to telegram to FRBank of New York 2/16 606
Foreign banks: (continued)

Canadian Imperial Bank of Commerce:
Nonmember clearing accounts for Portland and Seattle branches of, carried by FRBank of San Francisco, situation discussed in consideration of question re establishment of such an account by the FRBank of New York for New York City Branch of Israel Discount Bank

Further discussion

Central Bank of the Philippines:
Loan on gold by FRBank of New York approved
Three-month extension of loan on gold approved, advice to FRBank of New York

Central banks of England, Germany and the Netherlands, authorization for Arthur Hersey, Adviser, Division of International Finance to visit, in connection with his trip to Paris to attend, the meeting of Working Party 3 of the Economic Policy Committee of the Organization for Economic Cooperation and Development

Central Bank of Venezuela, stopover by Mr. Sammons for purpose of advising, on certain statistical problems related to work of Department of National Accounts, approved, with understanding re expense

Chase Manhattan Bank (South Africa) Limited, Johannesburg, South Africa:
Granted extension of time within which to establish a branch at Norwich House, Smith Street, Durban, Republic of South Africa, advice to Chase Manhattan Overseas Corporation, New York, New York

Permission granted to Chase Manhattan Bank, New York, New York, for Chase Manhattan Overseas Corporation to invest in shares of
Foreign banks: (continued)

Chase Manhattan Bank (South Africa) Limited, Johannesburg, South Africa: (continued)

Permission granted Chase Manhattan Overseas Banking Corporation to increase its investment in, advice to Chase Manhattan Bank, New York, New York 9/19 3582, 3589

Deutsche Bundesbank, opening and maintenance of account of FRBank of New York with, approved 2/13 540, 546

Inquiry from FRBank of New York re Board consent re opening of account, and re approval of action of Bank's directors with respect to, no objection to telegram to FRBank of New York 2/16 606

de Nederlandsche Bank, opening and maintenance of account of FRBank of New York with, approved payable in foreign currency 2/13 540, 546

Inquiry from FRBank of New York re Board consent re opening of account, and re approval of action of Bank's directors with respect to, no objection to telegram to FRBank of New York 2/16 606

European Investment Bank, time deposits of, exemption of foreign time deposits from interest rate limitations determined not to be applicable to, interpretation to be published in Federal Register and FRBulletin 12/20 4853, 4920

First National City Bank of New York (South Africa) Ltd., Johannesburg, Union of South Africa:

Consent granted to International Banking Corporation, New York, New York, to purchase additional capital stock of 6/29 2425, 2440

Consent granted International Banking Corporation to make stated advances to 12/12 4739, 4751
Foreign banks: (continued)

German Federal Bank, visit by Mr. Katz to, in connection with trip to Organization for Economic Cooperation and Development meeting in Paris, authorized 4/2 1111

Israel Discount Bank, Ltd., Tel Aviv, Israel:
Question whether New York City branch of, is eligible for admission to membership in FRSystem to carry a nonmember clearing account with FRBank of New York and to establish an account with the FRBank of New York under section 14(e), FRAct, matter to be discussed with Presidents of FRBanks of New York and San Francisco, advice to Mr. Schwartz, Vice President of 7/12 2676, 2697

Discussion with Messrs. Hayes and Swan, Mr. Shay to contact Counsel for Federal Reserve Bank of New York for further consideration 7/31 2902

Board's view that section 13, FRAct, would not preclude the FRBank of New York from opening and maintaining a nonmember clearing account for, advice to FRBank of New York indicating matter is within the discretion of an FRBank 9/27 3684, 3701

Letter from FRBank of New York containing Counsel's doubts re legal authority with respect to, matter to be considered further 10/25 4075

Board's position reaffirmed, that nonmember clearing accounts can be opened at the discretion of the FRBank, Chairman Martin to discuss matter with President Hayes 10/29 4123

Mercantile Bank of Israel Ltd., divestment of stock by Discount Bank Investment Corporation, Ltd., Tel Aviv, Israel in, as condition upon granting consent to Philadelphia International Investment Corp., First Pennsylvania Overseas Finance Corp., both of Philadelphia, and Continental International Finance Corporation, Chicago, Ill., to purchase shares of Discount Bank Investment Corp., letters to corporations approved 12/5 4620, 4641-43
Foreign banks: (continued)

National Bank of Belgium:
Opening and maintenance of account of FRBank of New York with, approved payable in foreign currency

Proposed reciprocal swap arrangement between FRSsystem and, proposal re placing System franc holdings in interest-bearing time deposit with Societe Nationale de Credit a l'Industrie, rather than Bank for International Settlements, question re designation of Societe Nationale as foreign bank under Regulation N, and re certain policy matters, staff to explore matter further

Further discussion, understood Mr. Young to discuss matter with Special Manager of System Open Market Account

National Bank of Haiti:
Request for loan on gold received by FRBank of New York from, matter reported to Board to determine whether there were any preliminary questions

Loan on gold approved, advice to FRBank of New York

Reserve Bank of Australia:
Governor Coombs of, to visit Board's offices, luncheon scheduled, and suggestion re dinner at Board's building with available Board members and appropriate staff, approved

Governor Coombs and Mr. McSharry of, present at Board meeting during economic review

Societe Nationale de Credit a l'Industrie, Brussels, Belgium:
Question re designation as foreign bank under Regulation N for purpose of effectuating proposed reciprocal swap arrangement between National Bank of Belgium and FRSsystem involving deposit of System francs in, staff to explore matter further

2/13 540, 546

6/5 2050

6/8 2092

8/15 3125

8/20 3176

10/9 3851

10/22 4031

6/5 2050
Foreign banks: (continued)

Societe Nationale de Credit a l'Industrie, Brussels, Belgium: (continued)

Further discussion re question of designation as a foreign bank, memorandum from Mr. Young re history, resources and activities of, and re attitude of National Bank of Belgium re, in light of reservations of Board, matter to be discussed by Mr. Young with Special Manager of System Open Market Account

Opening and maintenance of account of Federal Reserve Bank of New York with, approved in light of willingness of National Bank of Belgium to guarantee the Federal Reserve balances with, due to reciprocal swap arrangement between National Bank of Belgium and FRSystem, advice to Presidents of all FRBanks

Sumitomo Bank Ltd., of Osaka, Japan:
Request by the Sumitomo Bank of California, San Francisco, California, subsidiary of, for authority to accept commercial drafts or bills of exchange up to 100% of capital and surplus agreed to defer action until staff checked further with the FRBank of San Francisco

Review of additional information, increased acceptance powers granted Sumitomo Bank of California, under specified conditions

Swiss National Bank:
Intention of Board and Comptroller of the Currency with respect to the examining requirement and submission of reports, as authorized in section 25(6) of the FRAct, in connection with the proposed establishment of a branch in Geneva, Switzerland by the First National City Bank, New York, New York, questioned by
Foreign banks: (continued)

Swiss National Bank: (continued)

Letter to President Schwegler of, approved, Governor Mitchell to advise President Hayes

Inclined not to permit the opening of proposed Geneva branch of First National City Bank, New York, New York, if any agency of another government retained right to examine the branch, conversation with Max Ikle reported by Governor Mitchell

Union Gabonaise de Banque, Libreville, Republic of Gabon, permission granted to Morgan Guaranty International Banking Corporation, New York, New York, to purchase shares of

Foreign currency operations:

FRSystem operations:

Report by Messrs. Young and Coombs on discussions with representatives of Treasury Department, questions re relationships of System operations with those of Treasury's Stabilization Fund, copies of documents being prepared as a result of discussions with the Treasury, to be distributed to members of the Board

Discussion re proposed procedure outlined in memoranda by Mr. Hackley including draft of proposed amendment to Regulation N, and memorandum from Mr. Young submitting revised papers re proposed FOMC authorization re open market transactions in foreign currencies including authorization dealing with administrative procedures, agreed to continue discussion of procedures and consider proposed guidelines for
Foreign currency operations: (continued)
FRSystem operations: (continued)

Question re making such operations subject to supervision by Board rather than by FOMC, memorandum from Mr. Hackley re, understood matter to be considered further, discussion re possible selection of FRBank of New York officer entitled "Manager of System Foreign Currency Account"

Memorandum from Mr. Young re, relationship between Board and directors of FRBanks discussed, Mr. Young's memorandum to be made available at tomorrow's meeting of FOMC

Amendment to Regulation N to regulate opening and maintenance of accounts of FRBanks with foreign banks, and to provide that certain actions of FRBanks with foreign banks shall be authorized and directed by FOMC to extent necessary to execute conduct of open market operations through such foreign accounts, approved, Governor Robertson dissenting, advice to FRBanks

Maintenance of existing accounts and opening and maintenance of new accounts with certain foreign banks by the FRBank of New York approved, pursuant to section 214.5, Regulation N, as amended, advice to FRBanks, banks involved: Bank of Canada, Bank of England, Bank of France, National Bank of Belgium, Deutsche Bundesbank, Banca d'Italia, de Nederlandsche Bank, and Banque Nationale Suisse

Reporting of foreign currency holdings of FRBanks on Form FR 34, question of time lag in publishing such information in the FRBulletin and weekly press statements issued by Board and FRBanks, letter to FRBanks approved
Foreign currency operations: (continued)
FRSystem operations: (continued)

Opening and maintaining foreign currency accounts, inquiry from FRBank of New York re Board consent and re question of Board approval of certain actions of Bank's directors, no objection to sending telegram to FRBank of New York

Applicability of "Statement of Procedure with Respect to Foreign Relationships of FRBanks" to such operations, clarifying telegram to all FRBanks approved

Review of recently authorized program of, by Chairman Martin at joint meeting with FAC, speech by President Hayes of FRBank of New York and testimony by Chairman Martin at hearings on President's Economic Report referred to

Discussion of System foreign currency transactions noted, with documentation placed in files of Federal Open Market Committee

Designation of Bank for International Settlements as foreign bank under Regulation N, and opening and maintenance by FRBank of New York of account with, approved, advice to Presidents of all FRBanks

Proposed reciprocal swap arrangement between National Bank of Belgium and Federal Reserve System, proposal replacing System franc holdings in interest-bearing time deposit with Societe Nationale de Credit a l'Industrie, rather than Bank for International Settlements, question re designation of Societe Nationale as foreign bank under Regulation N, and re certain policy matters, staff to explore matter further
Foreign currency operations: (continued)
FRSystem operations: (continued)

Proposed reciprocal swap arrangement: (continued)
Question raised as to whether such arrangements might be made without interest being paid by either side, staff to explore matter 6/5 2055

Further discussion, understood matter of designation of Societe Nationale to be discussed by Mr. Young with Special Manager of System Open Market Account, in light of Board's reservation 6/8 2092

Designation under Regulation N, of opening and maintenance of account of FRBank of New York with Societe Nationale de Credit a l'Industrie, Brussels, Belgium, approved, advice to Presidents of all FRBanks 6/15 2176, 2182

Designation of Austrian National Bank, Vienna, Austria, as foreign bank under Regulation N, and opening and maintenance by Federal Reserve Bank of New York of account with, approved, advice to Presidents of all FRBanks 10/3 3752, 3767

Foreign exchange:
Dealers in, question of commissions and earnings of, along with element of risk, suggestion by Chairman Martin that matter be studied 2/16 605

Report by Mr. Young on developments in gold markets and, following Cuban crisis 10/25 4064

Foreign exchange market:
FRSystem dealings in, suggestion re Board members visiting FRBank of New York and New York commercial banks to study facilities available in connection with 2/16 605

Foreign governments:
Time deposits of:
H.R. 12080, enrolled bill to permit domestic banks to pay interest on time deposits of foreign governments at rates differing from those applicable to domestic depositors, report sent to Budget Bureau 10/5 3815, 3834
Foreign governments: (continued)

Time deposits of: (continued)

H.R. 12080: (continued)

Approved by President as Public Law 87-827, amending section 19, FRAct, Board's Regulation Q amended in conformity with

Foreign missions:

British Guiana, survey mission to, participation by Reed Irvine, as requested by Agency for International Development, authorized

Ecuador, services of Mr. Sammons to be made available in connection with technical assistance mission to, as requested by Inter-American Development Bank, with understanding re salary contributions to Retirement System, group life and health insurance, and travel expenses

Foreign relationships of FRSystem:

Australia, visit to Board by Governor Coombs, Reserve Bank of Australia, scheduled luncheon noted, suggestion re dinner at Board's Building with available Board members and appropriate staff, approved

Bank for International Settlements:

Meeting of central bank economists to be held in Basle, Switzerland, March 10-12, 1962, attendance by Mr. Hersey, Adviser, Division of International Finance authorized, attendance of an additional representative of the FRSystem to be designated by the FRBank of New York

Possibility of formal arrangement for Federal Reserve System membership on board of directors of, question re member of Board of Governors serving as director, Chairman Martin to attend May meeting to obtain more information for Board consideration
Foreign relationships of FRSystem: (continued)

Eurodollar, meeting of experts to discuss, sponsored by Bank for International Settlements, agreement and understanding re FRSystem participation in FRBank of New York, foreign travel program for personnel of Bank for 1962 noted without objection 7/27 2862

International Banking Summer School to be held in Moscow, July 1962, names of Paul Gekker, Division of International Finance and George Garvy, FRBank of New York, submitted to American Bankers Association as FRSystem candidates to attend. Acceptance by School noted, travel by Mr. Gekker to Russia, Sweden, Norway and Denmark authorized 2/12 525, 535

(Individual names):
Aufdenkamp, Jo Ann, Librarian, FRBank of Chicago, leave of absence without pay to accept assignment with Klein & Saks as library consultant to National Planning Council, Government of Liberia, Board interposes no objection 11/8 4295, 4308

Garvy, George, Adviser, FRBank of New York, nomination as candidate to attend International Banking Summer School to be held in Moscow, accepted by School 5/10 1782

Gehman, Clayton, Chief, Business Conditions Section, Division of Research and Statistics, authorized to attend meeting of Conference of European Statisticians Working Group on Industrial Statistics, in Geneva, Switzerland, with understanding re expenses, request received from Budget Bureau that he serve as U. S. representative noted 4/20 1437

Authorized to stop in London to confer with officials of Bank of England on his return trip 5/9 1762
Foreign relationships of FRSystem: (continued)

Gekker, Paul, Economist, Division of International Finance, travel to Moscow to attend International Banking Summer School, visit to Leningrad, and visits to central banks of Sweden, Norway, and Denmark authorized 5/10 1782

Hart, Janet, formerly of the Board's staff, presently residing in Mexico City, designated as an ad hoc representative of the Board to attend this year's sessions of Center for Latin American Monetary Studies 4/16 1377

Hersey, Arthur, Adviser, Division of International Finance, authorization to attend the meeting of Working Party 3 of the Economic Policy Committee of the Organization for Economic Cooperation and Development, July 17-18, 1962, also authorized to visit central banks in England, Germany and the Netherlands 6/11 2126

Irons, Watrous H., President, FRBank of Dallas, Mr. Ralph C. Wood authorized to accompany Governor Mitchell and, to Europe to attend annual meeting of Bank for International Settlements and to visit a number of European central banks 5/9 1762

Irvine, Reed, Chief, Latin America, Asia, and Africa Section, Division of International Finance, participation in survey mission to British Guiana as requested by Agency for International Development, authorized 2/9 480, 499

Travel to accompany Governor Robertson to visit central banks of certain Latin American countries authorized 7/27 2859

Authorized on same per diem basis as would be applicable in the case of a member of the Board 9/10 3408
Foreign relationships of FRSystem: (continued)

Katz, Samuel I., Associate Adviser, Division of International Finance, attendance at meeting of Working Party 3, Organization for Economic Cooperation and Development in Paris, April 16-17, and visits to certain European central banks, and possible visits to other institutions, authorized 4/2 1111

Travel to Switzerland to attend meeting of central bank officers at Bank for International Settlements for discussion of Euro-dollar market and to visit two European central banks, authorized 9/19 3586

MacDonald, John A., Assistant Cashier, FRBank of Minneapolis, request by Banco de la Republica, Bogota, Colombia, for assistance with organizational matters, letter re availability of, and plans with respect to, approved 6/20 2221, 2237

Maroni, Yves, Economist, Division of International Finance, possible representative at Seventh Operational Meeting of the Center for Latin American Monetary Studies, to be held in Mexico City, Sept. 3-14, 1962 3/16 912, 936

Travel to Mexico City to represent Board at Seventh Operational Meeting of the Center for Latin American Monetary Studies and to visit Guatemala, El Salvador, and Honduras, authorized 6/25 2303

Mitchell, George W., trip to Europe to attend annual meeting of Bank for International Settlements and to visit number of European central banks, Mr. Ralph C. Wood authorized to accompany President Irons and 5/9 1762

Intention to attend Conference on Inflation and Growth to be held in Rio de Janeiro, Brazil, in January 1963 noted 12/20 4872
Foreign relationships of FRSystem: (continued)

Pascual, Armand A., FRBank of San Francisco, attendance at Tenth Annual Training Program of the Center for Latin American Monetary Studies approved 2/26 713, 725

Reynolds, John E., trip to Paris to attend meetings of Working Party 2, Economic Policy Committee, Organization for Economic Cooperation and Development, payment of expenses on actual necessary transportation expense basis and per diem, authorized 10/19 4019

Robertson, J. L., to visit central banks of certain Latin American countries, travel by Reed J. Irvine to accompany, authorized 7/27 2859

Sammons, Robert L., Adviser, Division of International Finance, to lecture on the FRSystem at the Tenth Regular Training Program of the Center for Latin American Monetary Studies 2/21 678, 695

Request by Inter-American Development Bank for services of, to be made available for technical assistance mission to Ecuador, approved, with understanding re salary, contributions to Retirement System, group life and health insurance and travel 2/26 720, 732

Travel to Mexico City to lecture at Center for Latin American Monetary Studies authorized 6/21 2243

Rio de Janeiro, Brazil, to attend Conference on Inflation and Growth in Latin America authorized, subject to concurrence by State Department 12/7 4676

Thomas, Woodlief, appointment as Consultant in the Board Members' Offices for the period July 16-20, 1962, in order to appear at hearings of The Royal Canadian Commission on Banking and Finance, approved, with understanding re compensation, transportation expenses and per diem 6/27 2392
Foreign relationships of FRSystem: (continued)

Wood, Ralph C., Associate Adviser, Division of International Finance, travel to Paris to attend meeting of Working Party 3, Economic Policy Committee, Organization for Economic Cooperation and Development, January 13-18, 1962, on an actual expense basis, authorized

Additional meeting on February 19-22, 1962, travel authorized on actual expense basis

Authorized to accompany Governor Mitchell and President Irons on trip to Europe to attend annual meeting of Bank for International Settlements and to visit a number of European central banks

Travel to Paris for meetings of Economic Policy Committee, Organization for Economic Cooperation and Development, and Working Party 3, authorized

Young, Ralph A., Adviser to the Board and Director, Division of International Finance, travel to Paris to attend meeting of Working Party 3, Economic Policy Committee, Organization for Economic Cooperation and Development, January 13-18, 1962, on an actual expense basis including official entertainment, authorized

Additional meeting on February 19-22, 1962, travel authorized on actual expense basis including official entertainment

To Basle, Switzerland, to attend meeting of Bank for International Settlements, on actual expense basis, including official entertainment, authorized
Foreign relationships of FRSystem: (continued)

Young, Ralph A.: (continued)

To Paris for period May 27-31, 1962, to
attend meeting of Working
Party 3 of Economic Policy Com-
mittee of Organization for Eco-
nomic Cooperation and Develop-
ment, with reimbursement on
actual expense basis including
official entertainment, autho-
rized

Report on attendance at June meeting in
Paris of Economic Policy Com-
mittee of Organization for
Economic Cooperation and De-
velopment and a July meeting
of Working Party 3 of the Organ-
ization; also re certain con-
versations in London with of-
ficials of the British Treasury
and Bank of England

Authorized to travel to London, England on
December 14, 1962 to confer with
the British Treasury and the
Bank of England following a meet-
ing in Paris of the Working Party
3 of the Organization for Economic
Cooperation and Development,
travel expenses on an actual ex-
pense basis including official
entertainment

Forest Service, United States:

Timber resources, privately-owned, request for
suggestion of person to be named
to committee to study, received
from, no objection to mentioning
former President Earhart, Federal
Reserve Bank of San Francisco

Forms:

"Assets and Liabilities of All Banks in the United
States and a Consolidated Condi-
tion Statement for Banks and the
Monetary System," G.7, revision
of, and of related tables pub-
lished in the FRBulletin, proposed
by Division of Research and Statis-
tics, agreed staff develop memo-
randum, re and that Gov. Balderston
confer with staff in connection
with
Forms: (continued)

Bank automation survey, proposed questionnaire form for use in conducting, information copies sent to FRBanks with request for advice of number of forms needed 2/21 679, 697

Borrowings from FRBanks, Forms L.5.3. and L.5.4., release of 1961 data in statements, as requested for use in doctoral dissertation on borrowings of member banks, no objection by Board, advice to FRBank of St. Louis 2/12 504, 533

Branch bank deposit data:
- Proposed form to expand the collection of, sent to Comptroller of the Currency and FDIC with request for comments, for possible use in June, 1962 in place of the regular deposits-by-counties form 4/13 1363, 1372
- Sample form for use in collection of, including reports of deposits by cities, of all member banks, pursuant to decision by Board and FDIC, sent to FRBanks 5/24 1930, 1949

Budgets, FRBank reporting forms:
- Simplified form attached to memorandum by Mr. Farrell recommending that the Presidents' Conference be asked to comment on revised procedure, letter to Chairman of the Presidents' Conference approved with copies to Presidents of FRBanks 4/11 1341, 1356
  - Adopted by Presidents' Conference, approved by Board, telegram and letter to FRBanks 6/27 2373, 2400-01

Chain banking through indirect controls:
- Draft of schedule to obtain information, requested by Congressman Patman, Chairman of House Select Committee on Small Business, transmitted to Budget Bureau with request for Budget Bureau number 4/11 1339, 1355
Forms: (continued)

Chain banking through indirect controls: (continued)

Understanding re further advice to Budget
Bureau re proposed form to be
used in connection with survey 5/2 1614

Form for use in survey re, sent to member
banks and bank holding companies,
with copies to FRBanks 5/28 1963, 1975-77

Condition reports:

Revised form for use by national banks
eliminating certain banking
data, proposed by Comptroller
of the Currency, Board's view
that data is of such value it
could be obtained from national
banks on separate report, if
necessary, draft letter to
Comptroller to be prepared 4/27 1508

Governor Mills to advise FDIC of
Board's views, and to inform
Budget Bureau of proposal 4/27 1511

Further discussion, agreed that the
staff prepare, for further
consideration, a revised draft
reply to the Comptroller of the
Currency 4/30 1536

Proposal discussed with FAC at joint
meeting, Board subsequently in-
formed Comptroller had decided
to retain form presently used 5/1 1601

Board's position that breakdown of
loans, deposits, and other data
now on reverse side of report
necessary, and that under sec-
tion 11(a), FRAAct, Board would
ask national banks to submit
separate reports, letter to
Comptroller re, approved, with
copies to Budget Bureau and
FDIC 5/2 1611, 1656

Forms for next call sent to all FRBanks
for use by State member banks
and their affiliates, Form
F.R. 105e-2, discontinuance noted 6/7 2070, 2083
Forms: (continued)

Condition reports: (continued)

Forms for next call sent to all FRBanks for use by State member banks and their affiliates

Forms for next call sent to all FRBanks

Credit union report forms:

Proposed additional items to be included in, to obtain information re deposits and withdrawals of shares during month, and outstanding shares at end of month, approved by Board

Endorsed by Budget Bureau, approved by System Research Advisory Committee, and discussed with Chairman of Presidents' Conference Research and Statistics Committee

E.5, staff to explore possibility of obtaining midyear income and dividends reports from a limited sample survey of members on a simplified form containing items used in the semiannual press statement (E.5), letter to Presidents of all FRBanks requesting views

F.R. 34, holdings of foreign currencies of Federal Reserve Banks to be reported on, letter re manner of reporting sent to FRBanks

F.R. 105, Schedule J, proposed supplement for use in obtaining information re holdings of securities of States and political subdivisions, and re loans for purchasing or carrying securities, letter to Federal Reserve Banks indicating proposal under consideration, letters to Comptroller of the Currency and FDIC, and letter to Budget Bureau submitting draft, approved

Not to be used at forthcoming call, advice to FRBanks, position of Comptroller of the Currency and FDIC noted
Forms: (continued)

F.R. 105e, 105e-1, 105-3-2, copies sent to all Federal Reserve Banks for use by State member banks and their affiliates at next call

F.R. 105e-2, discontinued, advice to Federal Reserve Banks

F.R. 220, 220a, copies sent to all Federal Reserve Banks for use by State member banks and their affiliates at next call

F.R. 508, to be used in survey of common trust funds for 1962, proposed revisions in, submitted to Budget Bureau for approval, with understanding similar letter to be sent to Presidents of Federal Reserve Banks

F.R. 716, Federal funds series report form, revised form sent to Federal Reserve Banks with indication re submission to Budget Bureau

F.R. 728:
Unregulated lenders' reports, request for access to by Securities and Exchange Commission, question re staff supplying information without specific Board approval, request granted

Status of proposed revised form and reporting program reviewed

Development of list of unregulated lenders in connection with proposed supplement to initial response with more detailed periodic reporting, understanding with respect to

F.R. Y-1, and F.R. Y-2, application forms under Bank Holding Company Act of 1956, proposed revision tentatively adopted by Board, notice to be published in Federal Register for comments
Forms: (continued)

F.R. Y-1, and F.R. Y-2: (continued)

Proposed drafts sent to Presidents of Federal Reserve Banks for comments, with letters to Comptroller of the Currency, Department of Justice, Association of Registered Bank Holding Companies, notice to be transmitted to Federal Register

G.7., "Assets and Liabilities of All Banks in the United States and a Consolidated Condition Statement for Banks and the Monetary System," revision of, and of related tables published in FRBulletin, proposed by Division of Research and Statistics, agreed staff develop memorandum re, and that Governor Balderston confer with staff in connection with

Income and dividends reports:

Staff to explore possibility of obtaining midyear reports from a limited sample survey of member banks on a simplified form containing items used in the semiannual press statement (E.5), letter to Presidents of all FRBanks requesting views

Forms to be sent to all FRBanks for reports for the calendar year 1962

K.3, "Changes in State Bank Membership", agreed to publish suspensions from membership in the FRSystem in the Board's press statement, considered in connection with information received from the FRBank of Dallas re the closing of First State Bank, Premont, Texas

L.5.3. and L.5.4., statements "Borrowings from FRBanks", release of 1961 data in, by FRBank of St. Louis as requested for use in doctoral dissertations on member bank borrowings, no objection by Board
Forms: (continued)

Time certificate of deposit, proposed form for use by Mohawk National Bank, Schenectady, New York, reply approved 5/15 1826, 1830

Unregulated lenders:
Reports on F.R. 728 requested by Securities and Exchange Commission, staff to supply information without specific Board approval 2/21 680, 698
Development of list for supplement with more detailed reporting re

Fuller Company, George A., contractors:
Contract for installation of fallout shelter facilities in Board's garage, authorized 9/12 3433
Secretary authorized to execute on behalf of Board 9/28 3727

"G"

Gas Natural Colombiana, S.A., Barranquilla, Colombia, consent granted to Chemical International Finance, Ltd., New York, N. Y., to purchase and hold shares of 10/24 4042, 4050

General Services Administration:
Agreement with, under which FRSystem would be afforded economies of multiple group communication tariffs offered by American Telephone and Telegraph Company approved, advice to Chairman of Presidents' Conference 10/25 4064, 4077

Federal Telecommunications System, Mr. Kelleher designated as Board's official with whom GSA can coordinate in connection with development of a new, advice to

Typewriters, electric, eligibility standards re purchase of, discussed in consideration of proposal re purchase of electric typewriters by Board 4/27 1511 4/24 1458
Gold:

Earmarked, held in custody by FRBank of New York for foreign central banks, proposed revised procedure for examination of, involving test checking, no objection 1/3 22

Loans on, request to FRBank of New York for a six months loan on gold by Banco de la Republica de Colombia, discussion in light of Board policy under which loans would not be made for more than three months unless justified by exceptional circumstances, Mr. Sammons authorized to inform the FRBank of New York that the Board would be prepared to approve 2/23 703

FRSystem procedures to be reviewed, suggestion that Board discuss with President Hayes, FRBank of New York, with respect to 8/14 3110, 3112

Understanding reached with staff of FRBank of New York re advising Board of prospective loans prior to presentation to the Board of Directors, reported by Mr. Young 8/15 3125

Reserves against FRnotes, proposed legislation to authorize issuance of FRnotes to replace supply of silver certificates, Board favors gradual replacement to moderate any effect on the statutory minimum gold certificate reserve, report to Bureau of the Budget 2/5 411, 428

Vault facilities for earmarked:

Proposed building alterations by FRBank of New York to provide, in view of existing questions, agreed to explore further and obtain views of FRBank of New York before reaching a decision, possibility of taxation upon foreign central banks if gold was held under earmark in States other than New York 12/5 4625
Gold: (continued)

Vault facilities for earmarked: (continued)
Discussion with Mr. Hayes, President of FRBank of New York re, suggestion by Governor Robertson that the New York Bank review a previous emergency planning study referring to the possibility of using vault facilities at West Point

First half of 1963 budget accepted with the understanding that current expenses in the budget period would not include cost of expanding

Gold markets:
Report by Mr. Young on developments in foreign exchange and, following the Cuban crisis

Good, Richard A., Dr., to conduct two 18-week semesters in a course entitled "Introduction to Mathematical Economics", with understanding re compensation, in connection with Board's Employee Training and Development Program

Government securities:
Authority of FRBanks to purchase direct from Treasury:
Bill proposed by Treasury to extend for two years, report to Budget Bureau approved

S. 3291, a bill to amend section 14(b) of the FRAct to extend, favorable report to Chairman Robertson of the Senate Banking and Currency Committee approved

H.R. 11654, a bill to amend section 14(b) of the FRAct to extend, favorable report to Congressman Spence, Chairman of the Committee on Banking and Currency, approved

S. 3291, enrolled bill to amend sec. 14(b), FRAct, to extend for two years, report sent to Budget Bureau
Government securities: (continued)

Disappearance of Treasury certificates of indebtedness:
FRBank of San Francisco, held in vault of, for the account of a member bank, disappearance reported to Board, noted that Mr. Smith had gone to San Francisco for consultation re 8/15 3126

Question re informing press re, after receipt of views from the Treasury Department and Secret Service, Chairman Martin was informed by the Bank that no public release would be made at present 9/6 3366

FRBank of Richmond, being held in vault of, for collateral to tax and loan account of a nonmember bank, disappearance discovered in course of current examination of FRBank of Richmond, reported by Mr. Solomon, General Auditors being contacted 8/27 3212

Procedures followed by Board's examiners and by Secret Service to determine presumptive cause for, reviewed by Mr. Smith 11/19 4378

Open market operations of FRSystem, possible publication of statistical data, including operations for the account of the Treasury, relating more directly to dealer operations, understood matter would be discussed by Mr. Thomas with Mr. Roosa or Mr. Daane, Treasury Department 2/15 571

Open market transactions of FRSystem, Annual Report Table No. 5 re, recommendation re expansion to include monthly data for outright transactions in Government securities for certain maturity groupings, approved 2/15 571

Refunding, advance by Treasury, terms announced, Treasury to include a statement relating to the value at which banks would be allowed to carry on their books securities subscribed to by them in connection with the refunding, advice to be sent to FRBank Examination Depts., discussed during money market review 2/16 597
Government securities: (continued)

Telegraphic transfer of, uniform System policy recharges for "JAPNU wires" recommended by the Subcommittee on Fiscal Agency Operations and approved by the Presidents' Conference, no objection by Board. Understood that no charge would be made to member banks but that a charge would be made to the Treasury on a leased wire cost basis.

Greatamerica Corporation:
Stock of First Western Bank and Trust Company, Los Angeles, California, proposed sale by Western Bancorporation to, specific transaction does not require Board approval, advice to Covington and Burling.

Certain variation in terms of sale does not alter Board's conclusion no approval or action of Board required, advice to Covington & Burling.

Grier, Barron K., attorney, Washington, D.C., granted permission in the matter of Continental Bank and Trust Company, Salt Lake City, Utah, to file a reply to "Statement of Board Counsel in Response to Demand for Particulars" and in reply to Board Counsel's "Memorandum in Reply to Respondent's Motion to Produce", advice to Guthmann, Harry, Professor of Finance, Northwestern University, letter received from, re certain material in proxy statement distributed by General Bancshares Corporation in connection with proposed acquisition of Commercial Bank of St. Louis County and Lindbergh Bank, relating to certain transactions of officers and directors and re price set for shares of the two banks, discussion.
Harbeson, Janet,
Hart, Harbeson Hough Livingston & Larson, Philadelphia, Pennsylvania (successor to Paul P. Cret, Architect) to be requested by Governor Shepardson to review plans for possible addition to Board's building, on lot on north side of C Street
Conference with, reported by Governor Shepardson Mr. Harbeson authorized to proceed with review of plans for possible annex to Board's building, with understanding re total cost of review
Agreement to be cleared with Board before execution
Concurrence in Governor Shepardson's understanding re authorization to negotiate a new contract with architects
Governor Shepardson authorized to proceed with final details of contract, upon completion the Secretary authorized to execute it on behalf of the Board

Hart, Janet, formerly of Board's staff, presently residing in Mexico City, designated as an ad hoc representative of Board to attend this year's sessions of Center for Latin American Monetary Studies

Haskins & Sells:
Audit of Board's accounts for 1962, selection of, to conduct, advice to Audit function, internal, at FRBank of New York, noted that review of, was to be made by Review made by, question re adequacy of procedures in auditing System Open Market Account, reply by Mr. Smith
Haskins & Sells: (continued)
Examination and supervision of FRBanks, procedural changes in, to be submitted to, for views in preparation for further consideration by the Board, as suggested by Governor Robertson

Headquarters:
Starr, Donald O., Assistant FRExaminer, change in official headquarters from Washington, D. C., to El Paso, Texas, approved
Tyndall, Linwood N., Assistant FRExaminer, official headquarters changed from Washington, D. C., to Jacksonville, Florida, effective immediately
Westmoreland, Robert N., Jr., Assistant FRExaminer, change in official headquarters from New Orleans, La., to Washington, D. C., effective immediately

Hearings:
Bank holding company cases:
Marine Midland Corporation, Buffalo, New York:
Question re statutory requirement of Bank Holding Company Act of 1956 to hold hearing on, in light of receipt by Board of adverse recommendation from Comptroller of the Currency after expiration of 30-day period provided by law
Wisconsin Bankshares Corporation, Milwaukee, Wisconsin:
Question re statutory requirement of Bank Holding Company Act of 1956 to hold hearing on, in light of receipt by Board of adverse recommendation from Wisconsin Commissioner of Banks after expiration of 30-day period provided by law
Hearings: (continued)

Bank merger and bank holding company applications to be made available for public inspection in cases where public oral presentations, or public hearings are ordered, except such portions where disclosure would not be in the public interest, amendment to Board's Rules of Procedure re, approved, Gov. Mills dissenting

Continental Bank and Trust Company, Salt Lake City, Utah:

Show Cause Hearing:
Order continuing date of, said hearing to be private, approved, Governor Robertson not participating, David F. Doyle, Sr., Hearing Examiner, National Labor Relations Board, designated Hearing Examiner

Proceeding before the Board, services of Raymond E. Talbot, examining staff, FRBank of New York, to be borrowed by Board's Legal Division to assist in preparation of material in connection with

Requests by counsel for, that Show Cause Hearing be made open to public and that the place of hearing be changed from Salt Lake City Branch to some other building in Salt Lake City, reply to both questions approved

Order making Show Cause Hearing open to public approved and issued

Request that forthcoming Show Cause Hearing be held elsewhere than FRBranch building at Salt Lake City, letter denying request approved

Proceeding before Board, "Motion to Dismiss and Demand for Final Order" filed by counsel for, noted by Mr. Hackley
Hearings: (continued)
Continental Bank and Trust Company, Salt Lake City, Utah: (continued)
Show Cause Hearing: (continued)
Permission granted for filing of comments on a "Memorandum in Opposition to Respondent's Motion to Dismiss and Demand for Final Order"

Due to lack of quorum resulting from abstention of Governor Robertson in all matters re litigation with, action ratified, Governor Robertson not participating

Order continuing date of, from July 23 to September 10, 1962, issuance approved, Governor Robertson attending discussion but not participating

Proceeding before the Board, plans of Mr. O'Connell, Board Counsel, to travel to San Francisco to confer with witnesses who are to appear, reviewed, agreement re

Respondent's motion to dismiss, denied by order of Board

Procedure re, discussed, receipt of Continental's Acceptance of Stipulation noted

Agreement re proceeding with respect to, letter to Continental re stipulation of record approved

Question re procedures re, in light of developments as reported by Mr. O'Connell from Salt Lake City, understanding re notifying Messrs. Powell and Chase of possibilities

Order continuing date for, issued following discussion and telephone conversation with Mr. O'Connell in Salt Lake City

Scheduled to commence October 29, 1962, instructions to Mr. Doyle, Hearing Examiner, with respect to, in light of formal acceptance of previously submitted plan by Mr. Sullivan terminating capital adequacy proceeding
Hearings: (continued)
Continental Bank and Trust Company: (continued)
Show Cause Hearing: (continued)
Press release issued re termination of proceeding

First Oklahoma Bancorporation, Oklahoma City, Oklahoma, application for formation of bank holding company, pros and cons discussed re possibility of holding oral presentation or public hearing with respect to, agreed matter to be considered further at another meeting

Agreed to hold public hearing, Governor Mills dissenting, staff to make necessary arrangements, notice of Order for Hearing issued

Application for approval of acquisition of shares of First National Bank and Trust Company of Oklahoma City, Oklahoma, and Idabel National Bank, Idabel, Oklahoma, arrangements re hearing reported, anticipated that C. W. Schneider would serve as Hearing Examiner, Mr. O'Connell as Board Counsel, assisted by Mr. Leedy, General Counsel and Secretary, FRBank of Kansas City

Charles W. Schneider selected by Civil Service Commission to conduct formal hearing, and designated by Board as Hearing Examiner, report by Mr. O'Connell re certain motion filed in case, understood Mr. O'Connell to proceed in his discretion

Order denying motion to extend date for hearing and motion for special permission to appeal adverse ruling of trial examiner, approved

Renewal of motion that certain protesting banks be admitted as parties in hearing re, contained in telegram from counsel for protesting banks, reply denying motion for certain reasons, approved
Hearings: (continued)

First Oklahoma Bancorporation: (continued)
Order for public oral argument issued
Order denying motion re postponement of oral argument, reopening of hearing record or remanding proceeding and record to hearing examiner

First Wisconsin Bankshares Corporation, Milwaukee, Wisconsin, application to acquire stock of Merchants & Savings Bank, Janesville, Wisconsin, procedural question in light of statutory requirements to hold hearing since adverse recommendation received from Wisconsin Commissioner of Banks not received by Board until after expiration of 30-day period provided by law, agreed to order an oral presentation before Board

Hearing Examiners:
Doyle, David F., Senior Hearing Examiner, National Labor Relations Board, designated Hearing Examiner in Continental Bank and Trust Co., Salt Lake City, Utah, Show Cause Hearing ordered by Board

London, David, Hearing Examiner, National Labor Relations Board, selected by Civil Service Commission to serve as Hearing Examiner in hearing re application of Trans-Nebraska Co., Lincoln, Nebraska, to become bank holding company

Ringer, William R., of National Labor Relations Board, designated to conduct hearing in connection with request by Virginia Commonwealth Corporation, Richmond, Virginia, for determination pursuant to section 4(c)(6) of Bank Holding Company Act re activities of Virginia Standard Corporation, and State-Wide Insurance Corporation, Inc.
Hearings: (continued)

Hearing Examiners: (continued)

Schneider, Charles W., Hearing Examiner, National Labor Relations Board, anticipated service as Hearing Examiner in hearing re application of First Oklahoma Bancorporation, Inc., Oklahoma City, Okla., for approval and acquisition of shares of First National Bank and Trust Company of Oklahoma City, and Idabel National Bank, Idabel, Okla., reported

Selected by Civil Service Commission to conduct formal hearing, and designated by Board to serve as Hearing Examiner

Selected by Civil Service Commission to serve in connection with public hearing re application of Marine Corporation, Milwaukee, Wisconsin, to acquire stock of Beloit State Bank, Beloit, Wis.

House Banking and Currency Committee:

Question re hearings by, on bills re composition of, Board of Directors of FDIC and placing of authority for approval of branches of State member banks, Board questioned by National Association of Supervisors of State Banks re possible objection to, agreed unnecessary to reply

H.R. 7796, bill to amend section 24, FRAct, to liberalize lending limitations on real estate and construction loans by national banks, reply to letter from Comptroller of the Currency commenting on Chairman Martin's testimony before the

H.R. 10162, a bill to amend Bretton Woods Agreements Act authorizing U. S. to participate in loans to International Monetary Fund, discussion re draft statement to be presented by Chairman Martin in connection with hearings by, understood that revised draft would be prepared satisfactory to the Chairman
Hearings: (continued)
House Banking and Currency Committee: (continued)
H.R. 12501, a bill to amend section 23A, FRA. Act, information from the Budget Bureau that hearing would be held tomorrow re, incorrect
H.R. 12577, bill to place authority over trust powers of national banks in Comptroller of the Currency, rather than Board, Mr. Solomon designated to represent Board in testifying before, draft of statement distributed
H.R. 12825, bill to amend section 5155, Revised Statutes relating to bank branches which may be retained upon conversion, consolidation, or merger, where continuing or acquiring bank would be a national bank, Mr. Solomon designated to testify on behalf of Board at hearings before, draft of statement distributed
S. 1005, a bill providing for repeal of present legal restrictions on funds available for construction of FRB Branch Bank buildings, draft statement to be given by Vice Chairman Balderston before the, to be revised and presented in final form satisfactory to Governor Balderston
Statement to be presented by Chairman Martin on S. 1771, relating to foreign branches of national banks, H.R. 8874, relating to bank service corporations, and H.R. 7796, relating to real estate loans by national banks, to be revised in form satisfactory to Chm. Martin
Testimony of Mr. Solomon on behalf of Board before Subcommittee of, with respect to two banking bills, comments by Mr. Solomon re
Hearings: (continued)

Joint Economic Committee:

Hearings on Economic Report of President, 1962, draft of testimony by Chairman Martin to be revised in light of discussion and suggestions

Subcommittee on Economic Statistics, of the, hearings on measurement of productive capacity, Mr. Frank de Leeuw, of Board's research staff authorized to participate

Subcommittee on Economic Stabilization, Automation, and Energy Resources of the statement to be presented by Chairman Martin before, on subject of credit conditions and inventory investment, reviewed, agreed statement be revised in form satisfactory to Chairman Martin

Marine Corporation, Milwaukee, Wisconsin, application to acquire stock of Beloit State Bank, Beloit, Wisconsin, adverse recommendation received from Wisconsin Commissioner of Banks, issuance of order for public hearing authorized, staff to proceed with arrangements for hearing, letter notifying of time and place of hearing sent to

Charles W. Schneider selected by Civil Service Commission to serve as Hearing Examiner in connection with

Marine Midland Corporation, Buffalo, New York, application to acquire stock of Security National Bank of Long Island, Huntington, New York, procedural question in light of statutory requirement to hold hearing since adverse recommendation of Comptroller of the Currency not received by Board until after expiration of 30-day period provided by law, agreement re procedure re possible oral presentation, Governor Robertson's reservations having been noted
Hearings: (continued)

Milwaukee, Wisconsin, possible establishment of branch of FRBank of Chicago at, question re holding "public hearing" in connection with, agreed to hold meeting in Board Room on certain basis

Oral presentations in connection with bank merger applications of Chase Manhattan Bank, and Chemical Bank New York Trust Company, both of New York City no objection to granting right to appear and make statements to those requesting such privilege after expiration date of time stipulated, names of persons granted permission to appear at, not to be published but to be furnished in response to legitimate inquiries, also in case of Whitney Holding Corp., New Orleans, La.

Following discussion, amendment to Board's Rules of Procedure re, approved, Governor Mills dissenting

Transcripts, errata sheets for transcripts of oral presentations to be prepared and filed with official documents concerning applications of Chase Manhattan Bank, Chemical Bank New York Trust Company, Whitney Holding Corporation and United California Bank

(Individual banks):

Asbury Park and Ocean Grove Bank, Asbury Park, New Jersey, application to merge with The Central Jersey Bank and Trust Company, Freehold, New Jersey, with second bank retaining its title, official staff, and main office location, relinquishing only its charter, and to operate branches at present ten offices of the Freehold bank, agreed that both banks would be afforded an opportunity for
Hearings: (continued)

Oral presentations: (continued)

Asbury Park and Ocean Grove Bank, Asbury Park, N. J.: (continued)

Oral presentation arranged for May 25, 1962, order issued

Comments re scheduled oral presentation

Chase Manhattan Bank, New York, New York, application to merge with Hempstead Bank, New York, request that certain portions of application be kept confidential in connection with, no objection

Reply from, to Comptroller of the Currency's letter to Board recommending against approval of application, included in brief supplementing oral presentation, understood errata sheets for transcript of oral presentation to be prepared and filed with official documents

Review of, application denied with Governors Mills and King dissenting

Chemical Bank New York Trust Company, New York, New York:
Application to merge with Long Island Trust Co., Garden City, New York, request that certain portions of application be kept confidential in connection with, no objection

Application requested by Chairman Celler of House Judiciary Committee, furnished by applicant bank with confidential material deleted, no objection to granting right to appear and make statements to those requesting

Understood errata sheets for transcript of oral presentation of, to be prepared and filed with official documents
Hearings: (continued)
Oral presentations: (continued)
Chemical Bank New York Trust Company: (continued)

After review of, application denied with Governors Mills and King dissenting 4/6 1244

Dauphin Deposit Trust Company, Harrisburg, Pennsylvania:
Application to merge with First National Bank of Mount Holly Springs, Pa., possibility of oral presentation discussed, agreement against, prior to announcement of Board's decision to deny 7/3 2521

Reply to Martin P. Snyder, Counsel for, re request for reconsideration of Board's denial of the bank's application to merge with The First National Bank of Mount Holly Springs, Pa., and opportunity to present the matter orally before the Board, indicating that vote for denial by five members with one dissent provides no support to a petition for reconsideration 10/24 4042, 4060

First Bancorporation of Florida, Inc., Orlando, Florida, application to become a bank holding company by acquisition of stock of certain Florida banks, agreed that no oral presentation would be held 6/25 2295-97

First Oklahoma Bancorporation, Oklahoma City, Oklahoma, application for the formation of a bank holding company, pros and cons discussed re the possibility of holding an oral presentation or a public hearing with respect to, agreed matter to be considered further at another meeting 3/16 914
Hearings: (continued)

Oral presentations: (continued)

First Virginia Corporation, Arlington, Va.,
applications to acquire stock of
Farmers and Merchants National
Bank of Winchester, Va., Southern
Bank of Norfolk, Va., and Peoples
Bank, Mount Jackson, Va., ques-
tion re holding oral presenta-
tion in light of questions re
two classes of common stock of,
agreed matter to be considered
when a full Board was present

Agreed to arrange meeting

First Wisconsin Bankshares Corporation,
Milwaukee, Wisconsin, applica-
tion to acquire stock of Mer-
chants & Savings Bank, Janes-
ville, Wisconsin, agreed to
order an oral presentation
before the Board, order issued

Comments by Mr. O'Connell re arrange-
ments for oral presentation
tomorrow

Marine Midland Corporation, Buffalo, New
York:
Application to acquire stock of
Security National Bank of Long
Island, Huntington, New York,
agreement re procedure to be
followed in connection with
possible oral presentation, in
light of unfavorable recommenda-
tion received from Comptroller
of the Currency after expira-
tion of 30-day period provided
by law

Order for public oral presentation
issued, suitable date noted

Letter advising names of parties
granted permission to appear
at, and re private presentation
to Board of certain information
Hearings: (continued)

Oral presentations: (continued)

Marine Midland Corporation: (continued)
Request for permission to appear at oral presentation denied, views in writing will be given consideration, advice to Sidney Friedman, New York, New York
Telegram to Sidney Friedman reaffirming Board's denial of request to appear at oral presentation
Request from counsel for access to certain testimony presented at oral presentation before Board, reply approved

United California Bank, Los Angeles, California:
Application to merge Southwest Bank, Inglewood, California, into, arrangements for private oral presentation made
Proceeding heard re, stenographic report made with the understanding that a copy of the transcript would be placed in the Board's files
Errata sheets for transcript to be prepared and filed
Application to merge with The First National Bank of Vista, California, agreed that an opportunity for a public oral presentation should be accorded, arranged for May 25, 1962, order issued
Comments re scheduled oral presentation and re certain actions taken in accordance with usual procedures
Oral presentation discussed, application denied, Chairman Martin and Governor Shepardson voting to approve
Hearings: (continued)

Oral presentations: (continued)
Whitney Holding Corporation, New Orleans, Louisiana:

Application to become a bank holding company, names of persons granted permission to appear at, not to be published but to be furnished in response to legitimate inquiries

Oral presentation held, stenographic record of proceeding made, copy of transcript placed in Board's files

Request for comments by Mr. Saxon, Comptroller of the Currency, on views expressed at the public oral presentation

Errata sheets for transcript of oral presentation to be prepared and filed with official documents

Productive capacity, measurement of, held by Subcommittee on Economic Statistics of the Joint Economic Committee, Mr. Frank de Leeuw, of the Board's research staff authorized to participate

Royal Canadian Commission on Banking and Finance, appointment of Woodlief Thomas as Consultant in the Board Members' Offices for period July 16-20, 1962 in order to appear at hearings of the, approved

Saxon, James J., hearings on nomination to become Comptroller of the Currency, certain comments re burden of membership in FRSystem on smaller national banks made by

Senate Banking and Currency Committee:
H.R. 7796, bill to amend section 24, FRAct, to liberalize lending limitations on real estate and construction loans by national banks, understanding re statement to be made by Mr. Solomon, on behalf of Board at
Hearings: (continued)

Senate Banking and Currency Committee: (continued)

H.R. 8874, a bill to authorize certain banks to invest in bank service corporations, understanding re statement to be made by Mr. Solomon, on behalf of Board, at

H.R. 12577, a bill to place authority over trust powers of national bank in Comptroller of the Currency, understanding re statement to be made by Mr. Solomon, on behalf of Board, at

H.R. 12899, a bill to amend section 5155, Revised Statutes, relating to bank branches which may be retained upon conversion, consolidation, or merger, understanding re statement to be made by Mr. Solomon, on behalf of Board, at

Trans-Nebraska Co., Lincoln, Nebraska:
Application for prior approval of formation of a bank holding company through acquisition of stock of Martell State Bank, Martell, Nebraska, Sioux National Bank, Harrison, Nebraska, and Crawford State Bank, Crawford, Nebraska, agreed formal public hearing be held, Legal Division to make arrangements, order issued

David London, Hearing Examiner, National Labor Relations Board, selected by Civil Service Commission as Hearing Examiner in the hearing re

Request for continuance of date for hearing re, denied, advice to Joseph V. Johnson, Tecumseh, Nebraska

Virginia Commonwealth Corporation, Richmond, Va., request for determination pursuant to sec. 4(c)(6) of Bank Holding Company Act re activities of Virginia Standard Corp., and State-Wide Insurance Corp., Inc., nonbanking subsidiaries of, Notice of Request and Order for Hearing approved
Hearings: (continued)
Virginia Commonwealth Corporation: (continued)
Mr. Ringer of the National Labor Relations Board designated as Hearing Examiner

Holding company affiliates:
Chain banking through indirect controls, survey requested by Congressman Patman, Chairman, House Small Business Committee, for data from all member banks re, draft letter to all domestic registered bank holding companies and holding company affiliates holding voting permits requesting information with respect to, distributed to Board

Letter transmitting forms for use in obtaining information, and instructions, sent to each holding company affiliate holding a general voting permit

Financial reporting procedure of First Virginia Corporation indicated change in, agreed that representatives of First Virginia Corporation and SEC be invited to meet with representatives of Legal and Examining Divisions prior to further consideration by Board

Board's views re change in, advice to First Virginia Corporation

One bank cases:
Legislative proposal by Legal Division, with proposed draft amendment to section 3(a)(1), Bank Holding Company Act of 1956, relating to, discussed, certain loopholes noted by Mr. Solomon, proposal to be redrafted

Revised draft of proposed amendment to section 3(a)(1) accepted for use in connection with legislative proposals Board might submit to this session of Congress
Holding company affiliates: (continued)

One bank cases: (continued)

Proposed amendments relating to, contained in draft bill to amend the Bank Holding Company Act of 1956, submitted by Board to Senate and House Banking and Currency Committees

Situation where two brothers control two banks through different companies and thus combine small loan activities with banking operations, doubt expressed by Governor Robertson that such a situation would appropriately fall under Board's rule re, basis for determinations under section 301 indicated by Mr. Thompson

Readily marketable assets, reserves of, required under section 5144(c), Revised Statutes:

Question re amount considered to constitute 1961 net earnings of Marine Midland Corporation, Buffalo, New York, for purposes of determining amount of, reply to FRBank of New York approved

Question re including ownership of organization operating under sec. 25(A), FRAct, in the determination of aggregate par value of "bank" stock controlled by a holding company affiliate in the computing of, reply to FRBank of San Francisco re Western Bancorporation

Statutory liability, as used in section 61(c), Title 12, U.S. Code, question whether the liability attached to assessments for impairment of capital is included in, reply to inquiry from John A. Moore, Denver, Colorado, approved
Holding company affiliates: (continued)

(Individual names):


Comments by Governor Mills re apparent use of banks as agencies for activities unrelated to the banking business resulting in near practices of subterfuge

Intension of, to acquire stock of Capitol Bank of Chicago, a new nonmember in process of organization, would not be cause for rescinding determinations

Anderson, J. Emil, & Son, Inc., Chicago, Illinois, determined not to be holding company affiliate of Evanston Trust and Savings Bank, Evanston, Ill., except for purposes of sec. 23A of the FRAct

Vote unanimous but certain reservations expressed, ownership of bank shares by officers of the applicant corporation noted and view expressed by Governor Shepardson

Atico Financial Corporation, Miami, Florida, determined not to be a holding company affiliate of Mercantile National Bank of Miami Beach, Florida, except for purposes of section 23A

Bosch Brewing Co., Houghton, Michigan, determined not to be a holding company affiliate of Commercial Bank of L'Anse, Michigan, except for purposes of sec. 23A

Brookwood, Inc., Tishomingo, Oklahoma, determined not to be holding co. affiliate of First National Bank of Wynnewood, Oklahoma, except for purposes of sec. 23A
Holding company affiliates: (continued)

Capitol Dairy Co., Chicago, Illinois:
SEE: Holding Company Affiliates:
"A" Standard Small Loan Corp.

Central Wisconsin Bankshares, Inc., Wausau, Wisconsin, authorization for issuance of general voting permit covering stock in First American State Bank, Wausau, Wisconsin, issuance to be made upon banks admission to membership in the FRS System 3/16 913, 940


Community Holding Company, Knoxville, Iowa, determined not to be a holding company affiliate of the Community National Bank and Trust Co. of Knoxville, Iowa, except for purposes of section 23A 11/14 4312, 4333


Financial General Corporation, New York, New York:
Issuance of limited voting permits to vote stock of Shenandoah Valley National Bank of Winchester, Va., and American National Bank of Silver Spring, Md., authorized 1/8 62, 76-77

Exempt from the requirements of the Bank Holding Company Act in light of registration under Investment Company Act of 1940, possible amendment repealing exemption, letter to Senator Robertson, Chairman of the Committee on Banking and Currency 4/9 1283, 1300
Holding company affiliates: (continued)

Financial General Corporation, N. Y., N. Y.: (continued)


First Bank and Trust Co. of South Bend, Indiana, determined not to be a holding company affiliate of The First National Bank of Rochester, Indiana except for the purposes of section 23A


First McKinley Corporation, Glenwood Springs, Colorado, determined not to be a holding company affiliate except for the purposes of section 23A in connection with the ownership of stock of First National Bank of Glenwood Springs, Colorado

First Virginia Corporation, Arlington, Va.:

Change in financial reporting procedure as reflected by a preliminary prospectus filed with the Securities and Exchange Commission, agreed that representatives of, and the Securities and Exchange Commission be invited to meet with representatives of the Legal and Examinations Divisions prior to further consideration by the Board

Indicated change in financial reporting procedure, review of meeting with representatives of, and of meeting with representatives of Securities and Exchange Commission, Board's views re such change sent to
Holding company affiliates: (continued)

Fitzgerald Insurance Agency, Inc., Yuma, Colo., determined not to be a holding company affiliate of the Farmers State Bank of Yuma, Colo., except for purposes of sec. 23A of the FRAct

Hi-Vi, Inc., Miami, Florida, determined not to be a holding company affiliate of Miami National Bank, Miami, Florida, except for purposes of section 23A

Investors Financial Corporation, New York, New York, issuance of general voting permit to vote stock of National Bank of Harrisonburg, Va., authorized

Jamcor, Inc., Hewlett Bay Park, New York, determined not to be a holding company affiliate of American Trust Co. of New York, New York, except for purposes of section 23A of the FRAct

Lakeside Corporation, Gary, Indiana, determined not to be a holding company affiliate of Gary Trust and Savings Bank, Gary, Indiana, except for purposes of section 23A

Lenroc, Inc., Minneapolis, Minnesota, determined not to be a holding company affiliate of Fidelity Bank and Trust Co., Minneapolis, Minn., except for purposes of sec. 23A

Marine Midland Corporation, Buffalo, New York, question of amount considered to constitute 1961 net earnings for purposes of determining amount of reserve of readily marketable assets required pursuant to sec. 5144(c), Revised Statutes, reply to FRBank of New York approved
Holding company affiliates: (continued)

Marine Corporation, Milwaukee, Wisconsin:
Issuance of a general voting permit to vote the stock of Wisconsin State Bank, Milwaukee, Wisconsin, and National Manufacturers Bank of Neenah, Wisconsin, authorized

Issuance of general voting permit to vote stock of Marine National Bank of Waukesha, Wisconsin, authorized

Miami Agency, Inc., Shawnee Mission, Kansas, determined not to be a holding company affiliate of Miami County National Bank, Paola, Kansas, except for purposes of section 23A

Morris Plan Corporation, New York, New York:
Issuance of limited voting permits to vote stock of Shenandoah Valley National Bank of Winchester, Va., and American National Bank of Silver Spring, Maryland, authorized

Issuance of general voting permit to vote stock of American National Bank of Silver Spring, Maryland, Shenandoah Valley National Bank of Winchester, Va., and National Bank of Harrisonburg, Va., authorized

NCB Company of Waco, Texas, determined not to be a holding company affiliate of National City Bank of Waco, Texas, except for purposes of sec. 23A

Nichols Investment Corporation, Terre Haute, Indiana, determined not to be a holding company affiliate of Farmers and Merchants Bank of Monticello, Indiana, except for purposes of section 23A, Governor Robertson dissenting, discussion re control, by two brothers, who in turn control certain other companies which combine small loan activities with banking operations
Holding company affiliates: (continued)

North Virginia Shares, Inc., New York, New York:
Issuance of limited voting permit to vote shares of Shenandoah Valley National Bank of Winchester, Va., authorized

Issuance of general voting permit to vote stock of Shenandoah Valley National Bank of Winchester, Va., authorized

Potomac Securities Corporation, Silver Spring, Maryland:
Issuance of limited voting permit to vote stock of American National Bank of Silver Spring, Maryland, authorized

Issuance of general voting permit to vote stock of American National Bank of Silver Spring, Md., authorized

St. Joe Paper Company, Jacksonville, Florida, determined not to be a holding company affiliate of Jacksonville National Bank, Jacksonville, Fla., except for purposes of sec. 23A

Western Bancorporation, Los Angeles:
Limited voting permit issued to vote the stock of Southern Arizona Bank and Trust Company, Tucson, Arizona, subject to stated conditions, advice to FRBank of San Francisco

Issuance of general voting permit to vote stock of Southern Arizona Bank and Trust Company, Tucson, Arizona, authorized

Question by, re including ownership of an organization operating under section 25(A), FRAc't, in the determination of aggregate par value of "bank" stocks controlled by a holding company affiliate in computing reserves required under section 5144, Revised Statutes, reply to FRBank of San Francisco, approved
Holding company affiliates: (continued)
Whitney Holding Corporation, New Orleans, La.:
Issuance of limited voting permit to vote
stock of Crescent City National
Bank, New Orleans, La., and
Whitney National Bank in Jefferson Parish, La., authorized
Determined not to be a holding company af-
fliate of Whitney National Bank
of New Orleans except for purposes
of section 23A, and voting permit
not needed

Holidays:
December 24, 1962, to be considered a holiday for
purposes of compensation and leave,
in line with Executive Order No. 11064

Holland, Spessard L., Senator:
Consumer buying intentions survey conducted by
Bureau of the Census, request by
Bureau of the Budget for Board's interim financial support for the quarterly July 1962 survey re,
approved subject to clearance with the House and Senate Appropriations Subcommittees, advice
to Chairman of the Subcommittee on Department of Commerce and certain Related Agencies of the Committee on Appropriations
No objection from Appropriations Subcommittees letter to Bureau of the Budget authorizing payment

Home Loan Bank Board:
Mortgage interest rates, collection of informa-
tion on, to be combined with in-
formation collected by FDIC, no
objection to inclusion in state-
tments by FDIC indicating Board's support of the proposal

Home Owners' Loan Act:
Legislation:
Draft bill to amend Federal Home Loan Bank
Act and, submitted by Federal
Home Loan Bank Board, following discussion, understood letter re-
port to Budget Bureau be redrafted
Home Owners' Loan Act: (continued)
Legislation: (continued)
Draft bill: (continued)

Unfavorable report transmitted to Bureau of the Budget
3/16 913, 944

Revised draft bill to amend Federal Home Loan Bank Act and, permitting broader authority for Federal savings and loan associations to engage in the financing of multiples dwelling units, comments re, transmitted to Bureau of the Budget
7/11 2571, 2638

H.R. 13044, enrolled bill consisting of amendments to the Federal Home Loan Bank Act, and the, liberalizing the authority of the Federal savings and loan association to lend on multi-unit residential properties, report to Bureau of the Budget indicating no objection
10/3 3752, 3766

Hospitalization:
FRBank of Atlanta, inclusion of "student definition" clause in basic hospitalization plan of, approved by Board, advice to, with copy to all FRBanks
3/8 841, 853

"Student definition" clause, inclusion in FRBank hospitalization plans, views of Presidents' Conference re, and Board's position, discussed in consideration of request from FRBank of Atlanta
3/8 842

House, Holmes, Butler & Jewell, Little Rock, Arkansas, no objection for FRBank of St. Louis to furnish information re date and place of issue of certain FRnotes, to
6/28 2405

Housing:
Developments in area of construction and:
Topic for discussion with FAC
Views of FAC re recent rise in housing
starts, FHA and VA applications, and appraisal requests, expressed in joint meeting with Board
4/13 1363, 1370
5/1 1590
Housing: (continued)

Legislation:

Home Owners' Loan Act and Federal Home Loan Bank Act, draft bill to amend, submitted by Federal Home Loan Bank Board, following discussion, understood report to Budget Bureau be redrafted

Unfavorable report transmitted to Bureau of the Budget

H.R. 13044, enrolled bill consisting of amendments to the Home Owners Act and the Federal Home Loan Bank liberalizing the authority of the Federal savings and loan associations to lend on multi-unit residential properties, report to Bureau of the Budget indicating no objection

Housing Act of 1949, draft bill to amend Title V of, providing an alternate method of financing rural housing loans and for other purposes, proposed by Department of Agriculture permitting that Department to obtain funds without relying entirely on Treasury borrowing, report to Bureau of the Budget

Revised draft bill to amend Title V to provide for insuring rural housing loans, proposed by Department of Agriculture, report sent to Budget Bureau

Market:

Appraisal of current strength of, and high proportion of multi-family housing starts, topic for discussion with FAC

Extent to which multi-family housing starts appear to be solidly based or mainly speculative varieties, funds are available for full financing of multi-family units, views re, expressed at joint meeting with FAC
Housing Act of 1949:

Title V:
Draft bill to amend, providing an alternate method of financing rural housing loans and for other purposes, proposed by Department of Agriculture permitting that Department to obtain funds without relying entirely on Treasury borrowing, report to Bureau of the Budget

Title V:
Revised draft bill to amend, to provide for insuring rural housing loans, proposed by Department of Agriculture, report sent to Budget Bureau

Imports:
Edge Act corporations financing imports into the United States, question re appropriateness, discussed in connection with consideration of stock purchase of Chemical International Finance and reference to letter from the Comptroller of the Currency re proposed investment of Boston Overseas Financial Corporation

Further discussion
Impresora Mexicana, S.A. de C.V., Mexico, D.F., consent granted to Chemical International Finance, Ltd., New York, N. Y., to purchase and hold shares of

Income and dividends reports:
National banks, decision by Comptroller of the Currency to eliminate midyear reports of, decision not to collect the June 30, 1962 income and dividends reports from State member banks, staff to explore possibility of obtaining midyear reports from a limited sample of member banks on a simplified form, advice to Presidents of all FRBanks requesting views
Income and dividends reports: (continued)
National banks: (continued)

Letter to Office of Statistical Standards, Bureau of the Budget, requesting views re, submitting decision to discontinue comparable reports from State member banks, and willingness to participate in an integrated program for collection of such data, copies of letter to Comptroller of the Currency, FDIC, and FRBank Presidents, matter to be reconsidered in spring of 1963

State member banks:

Elimination of midyear, in light of action by Comptroller of the Currency to eliminate midyear reports of national banks, staff to explore possibility of obtaining midyear reports from a limited sample survey of member banks on a simplified form containing items used in the semiannual press statement E.5, advice to Presidents of all FRBanks requesting views

Letter to Office of Statistical Standards, Bureau of the Budget, requesting views re, and stating willingness to participate in an integrated program for collection of such data, copies of letter to Comptroller of the Currency, FDIC, and FRBank Presidents, matter to be reconsidered in spring of 1963

Forms to be sent to all FRBanks for reports for the calendar year 1962

Indebtedness and outside business activities:
FRBank of Boston:

Stock trading account operated by research employee of, for speculative purposes, understood draft letter to FRBank Presidents containing specific reference to trading in margin accounts be prepared for consideration with full Board
Indebtedness and outside business activities: (continued)

FRBank of Richmond:

Margin accounts maintained by employee of, with two brokerage firms, situation reviewed by Mr. Smith, agreed that draft letter to FRBanks calling attention to undesirability of speculative trading in securities be brought to Board for consideration 11/19 4378

FRBank employees:

Margin accounts maintained by, for speculative purposes, letter to FRBanks containing specific reference to situation to be prepared for consideration when full Board present 3/22 1025

Draft of letter to FRBanks calling attention to undesirability of speculative trading in securities by, to be circulated to Board for consideration 11/19 4379

Officer of FRBank, service as director of corporation, question re making exception to Board’s general policy re outside business interests of FRBank officers and employees, in connection with question raised by FRBank of Kansas City, Board’s views re 4/24 1463

(Individual names):

Abbott, E. L., Assistant Examiner, FRBank of San Francisco, indebtedness to a national bank through the acquisition by that bank of his note to the original nonbank lender, noted, not permitted to participate in the examination of said bank until indebtedness has been liquidated 7/2 2503, 2512

Angel, Daniel R., Assistant Examiner, FRBank of Richmond, appointment approved, not to participate in examination of a national bank to which he is indebted 8/28 3248, 3288
Indebtedness and outside business activities: (continued)

Bagwell, Fred L., Assistant Examiner, FRBank of Richmond, appointment approved, not to participate in examination of a national bank to which he is indebted 10/9

Bellotti, Louis M., Assistant Examiner, FRBank of New York, appointment approved, not to participate in examination of a State member bank and a non-member bank to which he is indebted 8/8

Bennett, Darrell Merlin, Assistant Examiner, FRBank of Atlanta, appointment approved, not to participate in examination of a nonmember bank to which he is indebted 1/3

Bergel, Carl W., Assistant Examiner, FRBank of New York, appointment approved, not to participate in examination of a nonmember bank to which he is indebted 8/8

Bernahl, Gaylord, Examiner, FRBank of Chicago, appointment approved, not to participate in examination of a nonmember bank to which he is indebted 8/8

Bird, Rodney T., Assistant Examiner, FRBank of New York, appointment approved, not to participate in examination of a nonmember bank to which he is indebted 5/14

Black, Franklin J., Examiner, FRBank of Chicago, appointment approved, not to participate in examination of a certain nonmember bank until indebtedness has been liquidated 6/4

Boote, Howard S., Jr., Assistant Examiner, FRBank of Richmond, appointment approved, not to participate in examination of a national bank and a State member bank to which he is indebted 8/8
Indebtedness and outside business activities: (continued)

Buckley, Charles L., Assistant Examiner, FRBank of San Francisco, appointment approved, not to participate in examination of a national bank to which he is indebted 3/20 954, 976

Cain, Floyd A., Assistant Examiner, FRBank of St. Louis, appointment approved, not to participate in examination of two national banks to which he is indebted 7/17 2731, 2740

Candito, Nicholas A., Assistant Examiner, FRBank of New York, appointment approved, not to participate in examination of a State member bank to which he is indebted 2/21 691, 701

Chang, Victor, Assistant Examiner, FRBank of New York, appointment approved, not to participate in the examination of a State member bank until indebtedness has been liquidated 2/23 708

Clark, Joseph A., Examiner, FRBank of New York, appointment approved, not to participate in examination of a certain nonmember bank until indebtedness has been liquidated 6/27 2394, 2404

Crane, Edward E., Assistant Examiner, FRBank of Boston, appointment approved, not to participate in examination of a national bank to which he is indebted 3/2 804, 817

Demoney, N. Edwin, Jr., Examiner, FRBank of Chicago, appointment approved, not to participate in examination of a certain nonmember bank until indebtedness has been liquidated 12/14 4785, 4786

Dodd, Harold P., Examiner, FRBank of Dallas, appointment approved, not to participate in examination of a certain nonmember bank until indebtedness has been liquidated 5/22 1912, 1927

DuVernay, Jay Brian, Assistant Examiner, FRBank of Cleveland, appointment approved, not to participate in examination of a nonmember bank to which he is indebted 5/31 1987, 2009
Indebtedness and outside business activities: (continued)

Farber, Robert H., Jr., Assistant Examiner, FRBank of Cleveland, appointment approved, not to participate in examination of two national banks until indebtedness has been liquidated

Gallucci, Eugene A., Assistant Examiner, FRBank of New York, appointment approved, not to participate in the examination of a nonmember bank until indebtedness has been liquidated

Godwin, W. Norwood, Assistant Examiner, FRBank of Richmond, appointment approved, not to participate in examination of a nonmember bank to which he is indebted

Goggins, John J., Assistant Examiner, FRBank of New York, appointment approved, not to participate in examination of a State member bank to which he is indebted

Goodfellow, Allen F., Examiner, FRBank of San Francisco, appointment approved, not to participate in the examination of a given nonmember bank until indebtedness has been liquidated

Graveman, Harry K., Examiner, FRBank of New York, appointment approved, not to participate in examination of a certain nonmember bank until indebtedness has been liquidated

Gronquist, C. Robert, Assistant Examiner, FRBank of New York, appointment approved, not to participate in the examination of a certain national bank

Hall, Wayne C., Assistant Examiner, FRBank of San Francisco, appointment approved, not to participate in examination of a national bank to which he is indebted

Hancox, George R., Assistant Examiner, FRBank of Cleveland, appointment approved, not to participate in examination of a national bank to which he is indebted
Indebtedness and outside business activities: (continued)

Hannigan, Edmond P., Assistant Examiner, FRBank of New York, appointment approved, not to participate in examination of a national bank to which he is indebted 8/8 3042, 3050

Heffernan, Thomas R., Examiner for the FRBank of New York, appointment approved, not to participate in examination of a nonmember bank until indebtedness has been liquidated 6/27 2394, 2404

Hickory, Gary R., Assistant Examiner, FRBank of Chicago, appointment approved, not to participate in examination of a State member bank so long as he owns stock in that bank 12/7 4677, 4684

Hines, Gerald F., Examiner, FRBank of Chicago, appointment approved, not to participate in examination of a nonmember bank to which he is indebted 5/14 1819, 1825

Hook, W. W., Assistant Examiner, FRBank of San Francisco, appointment approved, not to participate in the examination of two national banks until indebtedness has been liquidated 7/11 2636, 2669

Huffman, Richard C., Assistant Examiner, FRBank of Richmond, appointment approved, not to participate in examination of a nonmember bank to which he is indebted 10/10 3876, 3884

Jones, Robert William, Assistant Examiner, FRBank of Boston, appointment approved, not to participate in examination of a State member bank, a national bank and a nonmember bank so long as his indebtedness thereto remains unliquidated 11/26 4506, 4516

Kranik, Eugene C., Examiner, FRBank of New York, appointment approved, not to participate in examination of a nonmember bank until indebtedness has been liquidated 6/27 2394, 2404
Indebtedness and outside business activities: (continued)

Lamond, John P., Assistant Examiner, FRBank of Philadelphia, appointment approved, not to participate in examination of a State member bank to which he is indebted 5/3 1666, 1718

Leedy, William H., General Counsel and Secretary, FRBank of Kansas City, service as director of a corporation for remainder of year, question re making exception to Board's general policy re outside business interests of FRBank officers and employees, Governor Robertson to discuss matter with President Clay 4/24 1463

Lippert, John D., Assistant Examiner, FRBank of Chicago, appointment approved, not to participate in examination of a national bank to which he is indebted 2/6 438, 440

Loff, Roger A., Assistant Examiner, FRBank of New York, appointment approved, not to participate in examination of a nonmember bank to which he is indebted 8/17 3135, 3149

Matera, Pasquale A., Assistant Examiner, FRBank of New York, appointment approved, not to participate in examination of a State member bank to which he is indebted 3/28 1086, 1101

Mitchell, Sumner C., Jr., Assistant Examiner, FRBank of San Francisco, appointment approved, not to participate in the examination of a stated national bank until indebtedness has been liquidated 11/5 4243, 4252

Morris, Norman, Assistant Examiner, FRBank of Boston, appointment approved, not to participate in examination of a nonmember bank to which he is indebted 10/10 3876, 3883

Mulligan, Michael M., Examiner, FRBank of New York, reappointment approved, not to participate in the examination of First National Bank of Wilkes-Barre, Pa., because of indebtedness 2/14 558
Indebtedness and outside business activities: (continued)

O'Connor, John J., Assistant Examiner, FRBank of Boston, appointment approved, not to participate in examination of a national bank to which he is indebted

Palmer, Donald W., Examiner, FRBank of Minneapolis, appointment approved, not to participate in examination of a non-member bank to which he is indebted

Pappas, Chris J., Examiner, FRBank of Chicago, appointment approved, not to participate in examination of a non-member bank to which he is indebted

Piskos, James A., Assistant Examiner, FRBank of Chicago, appointment approved, not to participate in the examination of an indicated national bank until indebtedness has been liquidated

Pollock, Melvin W., Assistant Examiner, FRBank of Dallas, appointment approved, not to participate in examination of a national bank to which he is indebted

Rockwell, Thomas Everest, Assistant Examiner, FRBank of San Francisco, appointment approved, not to participate in the examination of a stated nonmember bank until indebtedness has been liquidated

Ruddy, William E., Assistant Examiner, FRBank of Chicago, appointment approved, not to participate in examination of a State member bank so long as he is indebted to that bank or owns stock therein

Schembri, Lawrence E., Examiner, FRBank of New York, appointment approved, not to participate in examination of a nonmember bank until indebtedness has been liquidated
Indebtedness and outside business activities: (continued)

Saltz, Richard J., Assistant Examiner, FRBank of Chicago, appointment approved, not to participate in examination of a State member bank to which he is indebted  
2/6 438, 441

Spaulding, William S., Jr., Assistant Examiner, FRBank of New York, appointment approved, not to participate in examination of two banks in which he is indebted  
8/17 3149, 3135

Speer, William Thomas, Jr., Assistant Examiner, FRBank of San Francisco, appointment approved, not to participate in examination of a national bank to which he is indebted  
8/9 3062, 3067

Stahl, James J., Examiner for the FRBank of New York, appointment approved, not to participate in examination of a nonmember bank until indebtedness has been liquidated  
6/27 2394, 2404

Straub, Warren C., Assistant Examiner, FRBank of New York, appointment approved, not to participate in examination of a nonmember bank  
4/11 1350, 1360

Sweeney, John J., Assistant Examiner, FRBank of New York, appointment approved, not to participate in examination of a member bank to which he is indebted  
8/17 3135, 3149

Talbot, Raymond E., Examiner, FRBank of New York, appointment approved, not to participate in examination of indicated nonmember bank until indebtedness has been liquidated  
5/21 1881, 1894

Tomson, O. Jay, Examiner, FRBank of Chicago, appointment approved, not to participate in examination of a nonmember bank to which he is indebted  
5/24 1933, 1955

Trinklein, John P., Assistant Examiner, FRBank of Chicago, appointment approved, not to participate in the examination of one nonmember bank and one national bank  
4/11 1350, 1361
Indebtedness and outside business activities: (continued)

Upshaw, Robert B., Assistant Examiner, FRBank of Richmond, appointment approved, not to participate in examination of a national bank to which he is indebted or of a nonmember bank as long as he owns stock thereof.

Watkins, Roy J., Assistant Examiner, FRBank of San Francisco, appointment approved, not to participate in examination of a nonmember bank and a national bank to which he is indebted.

Watson, K. Brantley, possible re-employment by FRBank of Richmond as Vice President and Senior Adviser, while remaining consultant to McCormick and Company, Baltimore, Md., question re such dual service, Board's views to be transmitted to President Wayne.

Welman, Joseph C., Jr., Assistant Chief Examiner, FRBank of St. Louis, appointment approved, understanding not to be involved in any examination or administrative decision involving the Bank of Kennett, Mo., as long as ownership of stock is held.

Woods, Jay W., Examiner, FRBank of New York, appointment approved, not to participate in examination of a nonmember bank until indebtedness has been liquidated.

Independent Bankers Association:
Visit to Board by Government Fiscal Policy Committee of the, agreement re extending invitation, question re including plans for luncheon, matter to be discussed with Treasury Department.

Index of industrial production:
Revision from 1957 base to 1957-59 base, recommendations re printing of pamphlet with respect to, cost and distribution, overexpenditure in Board's budget in connection with, approved.
Index of industrial production: (continued)
Revision: (continued)
Article describing the revision to be published in FRBulletin

Industrial production chart book:
Charge for, to be eliminated effective with release of certain new data

Information:
Articles of Association of FRBanks, copies requested by Comptroller of the Currency, telegram to FRBanks from Board with respect to, approved

Bank Holding Company Act, applications under, request for confidential treatment of Exhibit E(3) concerning character of management with respect to proposed application of Marine Midland Corporation, Buffalo, New York, to acquire stock of Security National Bank of Long Island, Huntington, New York, advice to Phillips, Mahoney, Lytle, Yorkey & Letchworth

Bank merger applications:
Request by counsel for The Chase Manhattan Bank and Chemical Bank New York Trust Company, that certain portions of, be kept confidential in connection with scheduled oral presentations, no objection, applications furnished to Chairman Celler of the House Judiciary Committee by applicant banks with confidential material deleted, names of persons granted permission to appear at oral presentations not to be published but to be furnished in response to legitimate inquiries, also in the case of Whitney Holding Corporation, New Orleans, Louisiana

Public inspection of bank holding company applications and, where a public hearing or public oral presentation is ordered, except such portions that Board finds disclosure would not be in public interest, following discussion, amendment to Board's Rules of Procedure re, approved, Gov. Mills dissenting
Information: (continued)

Bank merger applications: (continued)

Announcement of Board's decisions re, question re immediate announcement, with order and statement to follow, or withholding announcement until order and statement can be prepared, raised in connection with four major cases under consideration, consensus no announcement to be made until order and statement are issued

Question re release to public of copy of application in case where no public hearing was held, understanding re, in light of availability of application through other channels

Banking structure, changes in, revised draft of report prepared by Board's staff for Senate Select Committee on Small Business, reviewed, following certain changes and Governor Mills' exception having been noted, approved for transmittal to Senator Sparkman

Copies of report to be furnished participants in seminar on competition in banking

Borrowings from FRBanks, release of 1961 data in statements L.5.3 and L.5.4 by FRBank of St. Louis, as requested for use in doctoral dissertation on member bank borrowings, no objection by Board

Branch banks:

Collection and possible publication of data with respect to, staff to prepare a recommendation that might be explored with the other bank supervisory agencies and the Bureau of the Budget
Information: (continued)
Branch banks: (continued)
Deposit data, inquiry re confidentiality of certain unpublished information in reports of, received from President, First National Bank of San Jose, California, question re use of reports and Board's authority to collect, reply approved, with edited copies to be sent to FRBanks, Budget Bureau, and Comptroller of the Currency 7/25 2843, 2848

Chain banking survey:
Inquiries received from respondents as to whether reports in connection with, would be kept confidential, understand reports would be made available to the House Select Committee on Small Business if requested, consensus re Board's response to such questions 5/31 1985

Inquiry as to law under which information is required to be submitted, and the protection provided a bank against legal action by shareholder who might resent release of confidential information, received from First National Bank of Sayreville, New Jersey, discussion including reference to subpoena power of Small Business Committee, understood revised draft of reply to be prepared 6/8 2089

Reply to First National Bank of Sayreville, New Jersey approved, copies of reply to be sent to the FRBanks, understanding that questionnaires submitted with confidential proviso, be returned 6/13 2142, 2156

Request for information with respect to survey re, sent to member banks and bank holding companies not responding to previous request, reply to Congressman Patman re outcome of 7/24 2817, 2840-41
Information: (continued)

Chain banking survey: (continued)
Reports from bank holding companies and member banks submitted in connection with, sent to Congressman Patman pursuant to his request 9/12 3439, 3442

Access to reports obtained by Board from Valley National Bank and Arizona Bank, Phoenix, Arizona, in connection with, requested by Justice Department, majority of Board decided to deny request 11/16 4356

Chase Manhattan Bank, New York, New York, loan made to Electronics Instrument Company of America in connection with financing of oil property now owned by Lowe Petroleum Corporation, request from Internal Revenue Service for information from examiner's work papers re amount and name of endorser of loan, release of information, FRBank approved, Governors Mills and King dissenting 6/22 2265, 2273

Condition reports:
Milwaukee County, State member bank in, request by Department of Justice for use of earnings and dividends and, for years 1956 through 1961 for certain, in pending case involving Bank Stock Corporation of Milwaukee, letter agreeing to make reports available approved, with Governor Mills dissenting 4/18 1388, 1419

Morgan Guaranty Trust Company of New York, New York, letter to Department of Justice granting its request that representatives of the Antitrust Division be permitted to examine, in light of an investigation on possible violations of the antitrust laws, explanation re Governor Mills' approval 6/29 2426, 2451
Information: (continued)
Condition reports: (continued)

Departmental sales figures, in dollars, for department stores in Milwaukee, Wisconsin, requested by Justice Department, agreement that release of data would risk disclosure of individual store sales in violation of understanding with reporting stores, request must be declined, advice to FRBank of Chicago

Disappearance of certain Treasury certificates from FRBank of San Francisco, question re informing press re, following receipt of views from Treasury Dept. and Secret Service, Chairman Martin advised by Bank that no release would be made at present

Distribution of Bank Deposits by Counties and Standard Metropolitan Areas, duplicate punched cards covering data as of June 1960 and June 1962 contained in, requested by Business Equipment Manufacturers Association, request approved, on reimbursable basis, with certain understanding

Earnings and dividends reports and condition reports for years 1956 through 1961 of certain State member banks in Milwaukee County, requested by Department of Justice for use in pending case involving Bank Stock Corporation of Milwaukee, letter agreeing to make reports available approved, with Governor Mills dissenting

Examination reports:
Bank of Belmont Shore, Long Beach, Calif., (now Coast Bank), request from attorney for 1958 report for use in litigation, Board will not make report available, reply to FRBank of San Francisco including recommended procedure in event subpoena duces tecum is served
Information: (continued)
Examination reports: (continued)
Bankers Trust Company, New York, New York, request on behalf of Internal Revenue Service for access to excerpts from certain reports of, reply indicating request should come directly from Internal Revenue

Continental Bank and Trust Company, Salt Lake City, Utah, motion of, as respondent in administrative proceeding before the Board, for production of confidential sections of certain examination reports of, denied

Irving Trust Company, New York, New York, production of reports of examination of, ordered in suit of Trans World Airlines, Inc., against Howard R. Hughes and Hughes Tool Co., (in which Irving Trust is also defendant), Board declines to authorize such production, advice to counsel for, with request that Board be advised if Special Master or Court requires production

In light of request by Special Master, Board authorized with stated restrictions the production of reports of examination of Confidential portions of, authorized with noted restrictions, ordered by Special Master in suit of Trans World Airlines, Inc., v. Hughes, et al, advice to Winthrop, Stimson, Putman and Roberts

Panhandle State Bank of Borger, Texas, (Former State member bank), request from attorney for page of 1953 report, and request from Internal Revenue Service agent to study entire report, for use in pending tax suit, both requests denied, Governor Mitchell dissenting
Information: (continued)
Examiner's work papers, information from, re amount and name of endorser of loan made by Chase Manhattan Bank, New York, New York, to Electronics Instrument Company of America in connection with financing of oil property now owned by Lowe Petroleum Corporation, requested by Internal Revenue Service, release of information approved, Governors Mills and King dissenting

Federal Open Market Committee minutes:
Question re making 1961 minutes available for public inspection in light of possible release of Joint Economic Committee staff document based on review of

Possible publication of, from 1950 to some fairly current date, understood Chairman Martin to take matter up with the FOMC, question re preparing commentary on the published minutes

FRnotes, no objection for FRBank of St. Louis to furnish information re date and place of issue of certain, to House, Holmes, Butler and Jewell, Little Rock, Arkansas

Foreign currency holdings of FRBanks, question re making such information publicly available in FRBulletin and in weekly press statements issued by Board and FRBanks understanding with respect to

Marine Midland Corporation, Buffalo, New York, application re acquisition of shares of Security National Bank of Long Island, Huntington, New York, understanding re procedure re request from attorney for, for access to all correspondence addressed to Board with respect to application

Letter advising approved
Information: (continued)

Mortgage interest rates, collection of information by FDIC with respect to, no objection to inclusion in statements indicating Board's support of the proposal, advice to FDIC

Reports on competitive factors:

Access to public reports submitted to Board by other bank supervisory agencies and Department of Justice, on proposed mergers, discussion re circumstances under which Board would release

Agreement to continue practice of referring requests for reports received by Board from Federal supervisory agencies and Justice Department, to originating agencies, agreement following report of procedures instituted by Comptroller of the Currency

Request by Justice Department for receipt of Board's, at same time as received by deciding agencies, decision to comply with request

Deposit Guaranty Bank and Trust Company, Jackson, Mississippi:

Report on proposed merger with Bank of Hazlehurst, Mississippi, submitted to Board by Justice Dept., transmitted upon request to W. S. Henley, Jackson, Miss., attorney for

Report received by Board from Justice Department on proposed merger with Rankin County Bank, Brandon, Mississippi, requested by, in light of possible reapplication for permission to effect merger, agreed to furnish, it having been ascertained Justice would not object
Information: (continued)

Reports on competitive factors: (continued)

United California Bank, Los Angeles, Calif.: Application to merge Southwest Bank, Inglewood, California, into, request from, for copies of reports submitted to Board by other Federal supervisory agencies and Department of Justice, granted, pending check with agencies involved 1/22 230

Proposed merger with First National Bank of Vista, California, request from, for reports submitted to Board by FDIC and Justice Department re, denied, Governors Robertson and Mitchell dissenting 4/2 1104, 1124

Requests for reproduction of punched cards containing banking data, not of a confidential nature, staff authorized to comply with such requests on reimbursable basis, with certain understandings 8/14 3105

Rules of Organization and Procedure re disclosure of unpublished information, copy of Board's, with letter of explanation indicating changes in administrative practices and procedures made during 1961 and 1962, sent to Senator Carroll as requested 10/30 4143, 4162

Security Trust Company, St. Louis, Missouri, inquiry from reporter for St. Louis Post Dispatch as to whether bank had withdrawn from membership in FRSSystem, understanding re procedure Mr. Molony should follow in replying 6/22 2270

Shareholders of banks, reporting of individual names, staff to consider from a legal standpoint question re, in connection with request by Congressman Patman Chairman of the House Select Committee on Small Business, for a survey of member banks re chain banking through indirect controls 3/12 875
Information: (continued)

Unregulated lenders reports on F.R. 728, request for access to, by Securities and Exchange Commission, question re staff supplying information without specific Board approval in light of Rules of Procedure, request granted, advice to SEC

Walker Bank and Trust Company, Salt Lake City, Utah, copy of application to merge with First National Bank of Price, Utah, requested by John D. Rice, stockholder of, question re release of application in case where no public hearing was held, understanding re reply

Whitney Holding Corporation, New Orleans, La., letter containing recommendation of Comptroller of the Currency Gidney re application to become a bank holding company, made available to attorney for three banks petitioning for reconsideration of Board's order approving application, understanding not to furnish letter from Mr. Saxon

Suit filed in U.S. Circuit Court of Appeals for New Orleans District to vacate Board's decision re application to become a bank holding company, request from attorney that certain parts of application be treated as confidential and omitted from appeal record, Board obliged to place complete record in hands of Justice Department, advice to attorney

Suit filed in U.S. Circuit Court of Appeals for New Orleans District, inquiry from Justice Department re Board's position in connection with proposal of attorney for, re treatment of certain exhibits in the case of, reply approved