To: Members of the Board

From: Office of the Secretary

Attached is a copy of the minutes of the Board of Governors of the Federal Reserve System on the above date.

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

Should you have any question with regard to the minutes, it will be appreciated if you will advise the Secretary's Office. Otherwise, please initial below. If you were present at the meeting, your initials will indicate approval of the minutes. If you were not present, your initials will indicate only that you have seen the minutes.

Chm. Martin

Gov. Mills

Gov. Robertson

Gov. Balderston

Gov. Shepardson

Gov. King

Gov. Mitchell

Minutes of the Board of Governors of the Federal Reserve System on Wednesday, March 20, 1963. The Board met in the Board Room at 10:00 a.m.

PRESENT: Mr. Martin, Chairman

Mr. Balderston, Vice Chairman

Mr. Mills

Mr. Robertson

Mr. Shepardson

Mr. King

Mr. Mitchell

Mr. Sherman, Secretary

Mr. Kenyon, Assistant Secretary

Mr. Fauver, Assistant to the Board

Mr. Hackley, General Counsel

Mr. Farrell, Director, Division of Bank Operations

Mr. Solomon, Director, Division of Examinations

Mr. Johnson, Director, Division of Personnel Administration

Mr. Connell, Controller

Mr. Hexter, Assistant General Counsel

Mr. Shay, Assistant General Counsel

Mr. Kiley, Assistant Director, Division of Bank Operations

Mr. Smith, Assistant Director, Division of Examinations

Mr. Leavitt, Assistant Director, Division of Examinations

Mr. Schaeffer, Chief Federal Reserve Examiner, Division of Examinations

Mr. Mattras, General Assistant, Office of the Secretary

Mr. Potter, Senior Attorney, Legal Division

Mr. Young, Senior Attorney, Legal Division

Discount rates. The establishment without change by the Federal Reserve Bank of Atlanta on March 19, 1963, of the rates on discounts and advances in its existing schedule was approved unanimously, with the understanding that appropriate advice would be sent to that Bank.

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

	Item No
Letter to the Federal Deposit Insurance Corporation regarding the application of Glasgow Savings Bank, Glasgow, Missouri, for continuation of deposit insurance after withdrawal from membership in the Federal Reserve System.	1
Letter to the Federal Reserve Bank of Dallas regarding the sufficiency under section 5 of the Bank Service Corporation Act of assurances furnished to the Bank in connection with the performance of data processing services for Bank of the Mainland, La Marque, Texas, a member State bank, by Central Data Processing, Inc., Texas City, Texas.	2
Letter to The Chase Manhattan Bank, New York, New York, approving the establishment of a branch at 3938 Richmond Avenue, Eltingville, Staten Island.	3
Letter to Camden Trust Company, Camden, New Jersey, approving the establishment of a drive-in facility in the Parkade Building at Roosevelt Plaza near Federal Street.	4
Letter to Bankers Trust Company, New York, New York, approving the establishment of a branch at 99 John Street, Borough of Manhattan.	5
Letter to United California Bank, Los Angeles, California, approving the establishment of a branch at Indio.	6
Letter to Peoples Bank and Trust Company, Cedar Rapids, Iowa, approving the establishment of a branch at U. S. Highway 30 and State Highway 149 West.	7
Letter to Wells Fargo Bank, San Francisco, California, approving the establishment of a branch in Grass Valley.	8

With reference to Item No. 6, it was noted that a letter had been received from Mr. Frank L. King, Chairman of the Board of United California Bank, with respect to the study the bank was making of its capital requirements. The letter indicated, among other things, that the bank was exploring the possibility of issuing debentures. After discussion, it was agreed that the staff would prepare a draft of reply for the Board's consideration.

Report on competitive factors (Wilkes-Barre-Tunkhannock, PennsylVania). There had been distributed a draft of report to the Comptroller
of the Currency on the competitive factors involved in the proposed merger
of The Wyoming National Bank of Tunkhannock, Tunkhannock, Pennsylvania,
into The Wyoming National Bank of Wilkes-Barre, Wilkes-Barre, Pennsylvania.

The report was <u>approved</u> unanimously for transmission to the Comptroller, the conclusion reading as follows:

Consummation of the proposed merger would mark the initial entry of a large Luzerne County bank into Wyoming County. Competition would not be affected other than in the town of Tunkhannock and its immediate vicinity where the entrance of a branch of a substantially larger bank might increase competition for two smaller independent banks.

Report on competitive factors (Litchfield-Camden, Michigan). Then had been distributed a draft of report to the Federal Deposit Insurance Corporation on the competitive factors involved in the proposed consolidation of Litchfield State Savings Bank, Litchfield, Michigan, with The First State Bank of Camden, Camden, Michigan.

The report was <u>approved</u> unanimously for transmission to the Corporation, the conclusion reading as follows:

The consolidation of these two small banks would not have an adverse effect on competition.

Messrs. Shay and Potter then withdrew from the meeting.

Question relating to 1915 resolution. There had been distributed a memorandum from the Legal Division dated March 19, 1963, in connection With a letter dated March 15, 1963, from the Federal Reserve Bank of St. Louis which presented the question whether Dr. J. H. Longwell, Deputy Chairman of the Board of Directors of the Bank and a candidate for the Office of Mayor of Columbia, Missouri, could appropriately continue as a director if elected Mayor. The question involved the 1915 resolution of the Board against service by Federal Reserve Bank directors or officers in Public or political capacities.

The memorandum noted that Dr. Longwell apparently had overlooked the Possible application of the 1915 resolution at the time he became a candidate for Mayor and now felt his candidacy had progressed to a point where he could not withdraw. The office of Mayor was a part-time responsibility, paid no salary, and was described as non-partisan, although the election involved controversial local issues. In the opinion of President Shuford of the St. Louis Reserve Bank, the office was essentially civic rather than political in character.

Mr. Hackley, in summarizing the matter, noted that the 1915 resolution was not based on any statutory provision. However, at times in

the past the Board had been disposed toward the view that the resolution was applicable to an elective public office whether or not it provided financial compensation.

After further comments on the situation presented by the candidacy of Dr. Longwell, Governor Mills expressed the feeling that Dr. Longwell should resign as a director of the Reserve Bank in support of the principle embodied in the 1915 resolution. He noted that the mayoralty contest in Columbia involved controversial issues that could be regarded as having a political flavor at the local level. Considering the possible ramifications, he felt that the Board's stand on cases arising under the 1915 resolution should be firm rather than liberal. Governor Mills also suggested that an exception made in the case of a person already serving as a Class C director might be unfair from the standpoint of people who removed themselves from consideration as directors, when first approached, because of the provisions of the 1915 resolution.

As the discussion proceeded, the essential objectives of the 1915 resolution were commented upon, along with positions taken by the Board in specific instances, and reference was made to difficulties involved in drawing lines of demarcation that would preserve the objectives of the resolution while at the same time permitting reasonable flexibility. The Possibility was suggested of studying the resolution with a view to its amendment in a manner that would lessen the rigidity of its language; it was also suggested, however, that substantially similar results might be achieved through judicious administration.

Chairman Martin expressed the view that the resolution ought not be applied too rigidly and literally unless that was clearly in the public interest. The Chairman noted that the resolution did not reflect a statutory requirement. He felt that the important factor in considering the appointment of directors was to try to find men of stature who could make a positive contribution to the System, and such persons might be expected to have a wide range of interests. It had been quite difficult to locate qualified persons of that type to serve as directors of the Banks and branches, and a rigid rule barring directors from civic functions would further reduce the number of people who would be available and would lend strength to the System. The Chairman also expressed the feeling that the cases arising under the 1915 resolution were not likely to be so numerous as to present undue difficulty.

After further discussion the Board then <u>agreed</u>, Governor Mills dissenting, to interpose no objection to Dr. Longwell's continuing as a director of the St. Louis Bank for the remainder of his term of office if he should be elected Mayor of Columbia, Missouri, and it was understood that advice to such effect would be given to President Shuford.

Messrs. Leavitt and Young then withdrew and Mr. Sprecher, Assistant Director, Division of Personnel Administration, entered the room.

Examination and supervision of Federal Reserve Banks. In a memorandum dated December 4, 1962, Governor Robertson had presented certain proposals for changes in the current procedures for examination and supervision of the Federal Reserve Banks. Pursuant to the understanding at

the meeting on December 20, 1962, there had also been distributed several memoranda and letters containing views with respect to the proposals submitted by Governor Robertson. These included memoranda from the Office of the Controller, dated January 3, 1963; the Division of Bank Operations, dated January 8, 1963; the Division of Personnel Administration, dated January 9, 1963; the Legal Division, dated January 25, 1963; and the Division of Examinations, dated February 5, 1963. There were also letters from Price Waterhouse & Co., dated February 13, 1963; Haskins & Sells, dated February 26, 1963; and Arthur Andersen & Co., dated March 1, 1963. Copies of the aforementioned letters and memoranda have been placed in the Board's files.

To begin the discussion at this meeting, Chairman Martin turned to Mr. Schaeffer, who commented on the present concept of Reserve Bank examinations. He noted that the examiners on the Board's field staff were, as a whole, well experienced and had a good understanding of the peculiarities of Federal Reserve accounting. In his opinion, they were doing a competent job. The staff kept in mind that criticisms of Reserve Bank Operations should be made within a framework of being helpful to the management of the respective Banks. He thought it was well understood by top management that the examiners did not intend to criticize just for the sake of criticism; that instead, their suggestions and recommendations were advanced in an atmosphere of endeavoring to be helpful and acting in the best interests of the Federal Reserve System. In his view, the present examining program rendered effective service to the Reserve Banks, an opinion

that he thought was shared by top management and by the general auditors of the Banks. As to the cost of the examining program, he suggested that the program should be thought of in terms of providing insurance and that cost considerations should be secondary to the objective of providing adequate examinations. He would not care to express a judgment as to whether some other type of examination, by a smaller staff or perhaps by public accountants, could result in as good a job or a better one, but in his opinion the present staff and procedures were providing good and effective examinations.

Mr. Schaeffer then commented briefly on the composition of the Board's field examining staff, noting among other things that the staff presently consisted of some 35 men. With the building up of staff experience, he felt that on a longer range basis it might be possible to operate satisfactorily with a force of 30 or perhaps 25 men, assuming that assistance was obtained from the auditors of particular Banks in making detailed verifications. Mr. Schaeffer also brought out that the examining staff had adopted some of the suggestions of Price Waterhouse & Co., as well as suggestions made earlier by Arthur Andersen & Co. The staff was working in the direction of placing more emphasis on procedural review than in the past, and he thought this was working out well. Steps were being taken to move further in that direction on a gradual basis.

The Chairman then called upon Mr. Solomon, who commented that the Objectives embodied in Governor Robertson's proposals were desirable and Worthwhile. They included the making of examinations with independence

of judgment, imagination, and general effectiveness; reasonable economy; and attention to staffing problems. These were also the basic objectives of the present examining program, so the question was principally one of implementation. Mr. Solomon suggested that caution be exercised in comparing any envisaged new program with a program currently in effect; difficulties might be present in an existing program, but difficulties were likely also to be present in one way or another if a new program was put into operation. In this instance, he felt that the existing program was essentially a good one. The answer was not necessarily to discard it in favor of a new program looked at on an idealized basis.

Turning more specifically to Governor Robertson's proposals, Mr. Solomon pointed out that a key feature appeared to involve the retention of a relatively small force of examiners who would spend much of their time in Washington. The question was whether such a procedure could result in obtaining sufficient first-hand knowledge of the operations of the Federal Reserve Banks. In the letters received from the three public accounting firms, he did not find evidence that any of those firms were willing to say that examiners spending much of their time in Washington could obtain sufficient knowledge of actual operations to discharge the examining function satisfactorily. Even Price Waterhouse seemed to avoid saying that persons spending most of their time outside the Reserve Banks could obtain a full understanding of what went on at the Banks. Regretfully, therefore, he found himself forced to the conclusion that this key feature of the proposal probably was not feasible.

Mr. Solomon went on to say that the Division of Examinations would, of course, attempt to carry out as diligently as possible whatever procedures the Board might decide upon. In its analysis of Governor Robertson's proposal, the Division had attempted to explore the proposal critically for the purpose of affording the Board a careful study on which to base its decision. As the result of its analysis, the Division concluded that the current examining program was generally satisfactory, although further improvements could be made, and that the steps now being taken were in the right direction. In fact, the letters from Arthur Andersen and Haskins & Sells raised some question as to whether the changes might be moving too fast and whether it would be desirable to alter the present program drastically.

Summarizing, Mr. Solomon said that the Division of Examinations proposed to carry further the program of procedural reviews in connection With examinations of the Federal Reserve Banks and that it hoped to make more use of the internal auditing staffs. It was the Division's recommendation that the Board authorize it to continue on such a course, in line With the action taken by the Board some time ago, moving further in the direction of more review and somewhat less verification. This, the pivision felt, was a proper course, and the results were likely to be sound. The Division understood, of course, that it was for the Board to make the ultimate decision.

Question was raised regarding the possibility of overlapping between the work of the Board's staff and the Reserve Bank audit staffs, and Mr.

Schaeffer commented that he believed a course such as Mr. Solomon had recommended would get further away from any sense of duplication.

Essentially, however, he did not believe it was accurate to say that there was in fact a duplication of activities. Audits and examinations are conducted as of particular dates, and in the interim conditions may change. At the present time, with the procedures currently in effect, he thought good complementary use was being made of the audit and examination procedures. The amount of verification in examinations had been definitely reduced. The verification work should not be reduced further simply for the sake of reduction; one must look at the audit program in a Reserve Bank to assure that the coverage being given by the internal auditors was sufficient to warrant such action.

As to procedures followed by the examiners when operating inefficiencies were observed, Mr. Schaeffer said the staff looked behind the scenes to try to ascertain the cause. The cause might be, for example, a lack of proper supervision. If necessary, the staff would bring this to the attention of top management and also to the attention of the board of directors. In addition, questionnaires (work papers) completed by the examiners and containing considerable detail regarding their observations were transmitted to the Division of Examinations in Washington.

Asked how the examining staff could bring observations of Operating inefficiencies to the attention of management without raising Operating inefficiencies, Mr. Solomon commented that this problem existed

generally in performing work of this nature. In many instances, however, good results could be obtained through a certain amount of give and take by means of an approach at lower management levels on an advisory basis, with reports to top management when necessary to get action down the line.

There followed questions directed to Mr. Schaeffer regarding the number of discrepancies in cash and securities detected by the examining staff over the years. Comments in reply indicated that the number of instances had been relatively few. However, the examining function was conceived of as being primarily of value in the prevention of errors, and it should be judged accordingly. Questions also were asked regarding the proportion of time of the examining staff devoted to Verification procedures, and this line of questioning led to a recitation by Mr. Schaeffer concerning the utilization of personnel at the opening and during the course of a recent examination.

The Chairman then turned to Mr. Hackley, who reviewed the memorandum submitted by the Legal Division under date of January 25, 1963. He pointed out that the law provides only that the Board shall order an examination of each Federal Reserve Bank at least once each calendar year. The law was not specific as to the kinds of examining procedures or methods that were to be followed. A fundamental objective of any examination was to make certain that the institution under examination was being soundly operated. The traditional understanding had been that the best means of accomplishing the objective was through

surprise visitation by examiners who took under control and verified all of the bank's assets. However, the Legal Division understood that the approach had changed somewhat over the years, and that the trend was toward relying more on review of operational procedures. It seemed as a legal matter that any examination procedure, in order to comply with the law, must be at least as effective in accomplishing the fundamental objective of examinations as the so-called traditional procedures, but it did not seem that the procedures followed in the past would necessarily have to continue to be followed. The conclusion as to the procedures to be followed must necessarily rest on a matter of judgment as to whether a particular method would be as effective as the traditional approach in accomplishing the desired objective.

Chairman Martin turned next to Mr. Farrell, who summarized the points raised in the memorandum from the Division of Bank Operations dated January 8, 1963. His principal concern was with the possible implication in the proposals under discussion that the examination of the Reserve Banks should encompass so-called operational audits. He hoped that some clear distinction would be drawn between the responsibilities of the Division of Examinations and those of the Division of Bank Operations. In his opinion there was a natural difference of approach. The examiner should approach every record from the point of view that it

Was wrong until he had satisfied himself that it was right. On the other hand, when the Division of Bank Operations reviewed an operation, it

looked for the good as well as the bad. The examiner should be concerned

3/20/63

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Mainly with the security of operations, with cost a minor consideration; when the Division of Bank Operations looked at an operation, its main concern was with cost. The Division would not advocate practices that were risky, but its tendency was to lean to the less costly side. Mr. Farrell also said that when the examiner got into questions of inefficiency there were three possibilities: his ideas might be accepted by management and adopted; his ideas might be questioned but might be accepted by middle-level management rather than to occasion an argument and have the matter taken to top management; or the Reserve Bank might challenge the position taken by the examiner. In the latter case, if the Division of Bank Operations was called in to review the situation, the lines would already have been drawn between the Reserve Bank and the examiner, thus creating a rather difficult problem.

After further discussion, it was agreed that Governor Robertson's proposals would be considered further at the meeting of the Board on Friday, March 22, at which time the Personnel Director and the Controller Would be invited to comment on their memoranda.

The meeting then adjourned.

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

Letter to the Federal Reserve Bank of San Francisco (attached Item No. 9) approving the appointment of Delbert D. Wolfley as assistant

Memoranda from the Division of Administrative Services recommending the following actions relating to the staff of that Division:

Appointments

John C. Chisolm as Cafeteria Laborer, with basic annual salary at the rate of \$3,245, effective the date of entrance upon duty.

Roger M. Painter as Chauffeur, with basic annual salary at the rate of \$4,295, effective the date of entrance upon duty.

Acceptance of resignation

Charles L. Greene, Messenger, effective at the close of business March 30, 1963.

Secretary



OF THE

FEDERAL RESERVE SYSTEM

WASHINGTON 25, D. C.

Item No. 1 3/20/63

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

March 20, 1963

Honorable Erle Cocke, Sr., Chairman, Federal Deposit Insurance Corporation, Washington 25, D. C.

Dear Mr. Cocke:

Reference is made to your letter of March 4, 1963, concerning the application of Glasgow Savings Bank, Glasgow, Missouri, for continuance of deposit insurance after withdrawal from membership in the Federal Reserve System.

Governors believes should be incorporated as conditions to the continuance of deposit insurance have been urged upon or agreed to by the bank.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael, Assistant Secretary.



OF THE

Item No. 2 3/20/63

FEDERAL RESERVE SYSTEM

WASHINGTON 25, D. C.

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BUARD

March 20, 1963

AIR MAIL

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

Dear Mr. Sullivan:

This is in reference to your letter of February 13, 1963, and its enclosures, concerning the sufficiency under section 5 of the Bank Service Corporation Act of assurances furnished to you in connection with the performance of data processing service for Bank of the Mainland, La Marque, Texas, a member State bank, by Central Data Processing, Inc., Texas City, Texas.

From your letter and its enclosures it appears that the letters of assurances received by your bank make no reference to regulation, and indicate only that any records of Bank of the Mainland at the office of Central Data Processing will be available to your examiners.

Section 5 of the Bank Service Corporation Act which, as indicated in your letter, is applicable whether or not the party performing the "bank services" is a "bank service corporation", covers both regulation and examination. Under that section of the law, it is required that both the State member bank involved and the party performing the bank services furnish assurances that the "performance thereof will be subject to regulation and examination" by the Board "to the same extent as if such services were being performed by the bank itself on its own premises". In its Statement concerning the Act (Federal Reserve Bulletin, November 1962, p. 1429), the Board indicated that letters of assurances under the Act should state, in substance, that the bank and the servicing agency have agreed that the performance of the services will be subject to regulation and examination by the Board to the same extent as if the services were being performed by the bank itself on its own premises.

The Board agrees that the assurances supplied by Bank of the Mainland and Central Data Processing, Inc. do not comply with the

Mr. Thomas R. Sullivan

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provisions of section 5 of the Bank Service Corporation Act, and it will be appreciated if you will pursue the matter with a view to obtaining compliance with the law.

The subject of your letter has been discussed informally with representatives of the Federal Deposit Insurance Corporation and the Comptroller of the Currency. For your information, there is enclosed a copy of a Statement issued by the Federal Deposit Insurance Corporation with respect to the Bank Service Corporation Act dated October 24, 1962, and a copy of a letter from the Comptroller of the Currency to the Presidents of All National Banks and All Regional Chief National Bank Examiners concerning the Act dated November 27, 1962. You will note that the provisions with respect to assurances in the Statement of the FDIC are Virtually the same as the Board's Statement. A somewhat different procedure, however, is provided for in the letter of the Comptroller of the Currency.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman, Secretary.

Enclosures



Item No. 3 3/20/63

FEDERAL RESERVE SYSTEM

WASHINGTON 25, D. C.

ADDRESS OFFICIAL CORRESPONDENCE
TO THE SDARD

March 20, 1963

Board of Directors, The Chase Manhattan Bank, New York, New York.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment of a branch at 3938 Richmond Avenue, Eltingville, Staten Island, Richmond County, New York, by The Chase Manhattan Bank, provided the branch is established within one year from the date of this letter.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael, Assistant Secretary.



OF THE

FEDERAL RESERVE SYSTEM

Item No. 4 3/20/63

WASHINGTON 25, D. C.

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

March 20, 1963

Board of Directors, Camden Trust Company, Camden, New Jersey.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment of a drive-in facility by Camden Trust Company, Camden, New Jersey, in the Parkade Building at Roosevelt Plaza near Federal Street in Camden, New Jersey, provided the branch is established within one year from the date of this letter.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael, Assistant Secretary.



OF THE

FEDERAL RESERVE SYSTEM

Item No. 5 3/20/63

WASHINGTON 25, D. C.

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

March 20, 1963

Board of Directors, Bankers Trust Company, New York, New York.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment of a branch at 99 John Street, Borough of Manhattan, New York, New York, by Bankers Trust Company, provided the branch is established within one Year from the date of this letter.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael, Assistant Secretary.



OF THE

FEDERAL RESERVE SYSTEM

Item No. 6 3/20/63

WASHINGTON 25, D. C.

ADDRESS OFFICIAL CORRESPONDENCE

March 20, 1963

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

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment of a branch by United California Bank on the southeast corner of the intersection of Highway 111 and Monroe Avenue, Indio, California, provided the branch is established within one year from the date of this letter.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael, Assistant Secretary.



OF THE

FEDERAL RESERVE SYSTEM

Item No. 7 3/20/63

WASHINGTON 25, D. C.

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

March 20, 1963

Board of Directors, Peoples Bank and Trust Company, Cedar Rapids, Iowa.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment by Peoples Bank and Trust Company, Cedar Rapids, Iowa, of a branch (Parking Lot Office) in May's City Shopping Center at the southwest corner of the intersection of U.S. Highway 30 and State Highway 149 West, Cedar Rapids, Iowa, provided the branch is established within six months from the date of this letter.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael, Assistant Secretary.



Item No. 8 3/20/63

FEDERAL RESERVE SYSTEM

WASHINGTON 25, D. C.

ADDRESS OFFICIAL CORRESPONDENCE

March 20, 1963

Board of Directors, Wells Fargo Bank, San Francisco, California.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment of a branch by Wells Fargo Bank, San Francisco, California, in the city of Grass Valley, California, provided the branch is established within one year from the date of this letter.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael, Assistant Secretary.



Item No. 9 3/20/63

FEDERAL RESERVE SYSTEM

WASHINGTON 25, D. C.

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

March 21, 1963

AIR MAIL

CONFIDENTIAL .- FR

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

Dear Mr. Galvin:

In accordance with the request contained in Vice President Cavan's letter of March 13, 1963, the Board approves the appointment of Delbert D. Wolfley as an assistant examiner for the Federal Reserve Bank of San Francisco. Please advise the effective date of the appointment.

It is noted that Mr. Wolfley is indebted to Hibernia Bank, San Francisco, California, a nonmember bank. Accordingly, the Board's approval of the appointment of Mr. Wolfley is given with the understanding that he will not participate in any examination of that bank until his indebtedness has been liquidated.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael, Assistant Secretary.