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Minutes for June 19, 1963

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

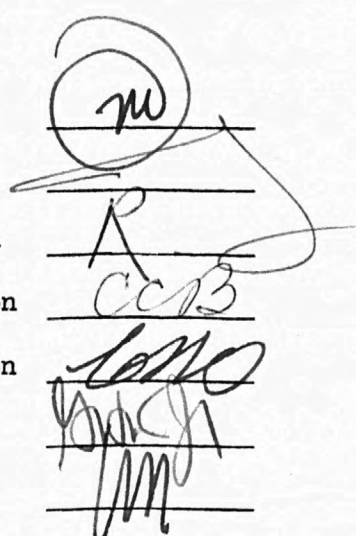
Gov. Robertson

Gov. Balderston

Gov. Shepardson

Gov. King

Gov. Mitchell

Handwritten initials and signatures for each board member. The initials are: Martin (M), Mills (M), Robertson (R), Balderston (CCB), Shepardson (SS), King (K), and Mitchell (M). A large, stylized signature is also present, possibly for the Secretary.

Minutes of the Board of Governors of the Federal Reserve System on Wednesday, June 19, 1963. The Board met in the Board Room at 10:00 a.m.

PRESENT: Mr. Martin, Chairman
Mr. Balderston, Vice Chairman
Mr. Shepardson
Mr. Mitchell

Mr. Sherman, Secretary
Mr. Kenyon, Assistant Secretary
Mr. Molony, Assistant to the Board
Mr. Cardon, Legislative Counsel
Mr. Fauver, Assistant to the Board
Mr. Noyes, Director, Division of Research and Statistics
Mr. Farrell, Director, Division of Bank Operations
Mr. Solomon, Director, Division of Examinations
Mr. Hexter, Assistant General Counsel
Mr. O'Connell, Assistant General Counsel
Mr. Dembitz, Associate Adviser, Division of Research and Statistics
Mr. Daniels, Assistant Director, Division of Bank Operations
Mr. Leavitt, Assistant Director, Division of Examinations
Mr. Mattras, General Assistant, Office of the Secretary

Ratification of actions. Actions taken by the available members of the Board at the meeting held on June 17, 1963, as recorded in the minutes of that meeting, were ratified by unanimous vote.

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

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Item No.

Letter to Hightstown Trust Company, East Windsor Township, New Jersey, approving the establishment of a branch at 114 Main Street concurrent with the removal of its head office operations from that location to a location in the vicinity of Hights-town-Princeton Road and U. S. Route 130 in East Windsor Township, and the abandonment of branch operations at that address.

1

Letter to Merchants Trust & Savings Bank, Kenner, Louisiana, waiving the requirement of six months notice of withdrawal from membership in the Federal Reserve System.

2

Letter to Everman National Bank of Fort Worth, Fort Worth, Texas, granting its request for permission to maintain reduced reserves.

3

Report on competitive factors (Columbus, Ohio). 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 Northern Savings Bank, Columbus, Ohio, into The Huntington National Bank of Columbus, Columbus, Ohio.

The report was approved unanimously for transmission to the Comptroller; the conclusion read as follows:

The Northern Savings Bank with approximately 50 per cent of its deposits in public funds has apparently served primarily a small business and residential area located about 3-1/2 miles from downtown Columbus, whereas The Huntington National Bank of Columbus, the second largest bank in Franklin County, serves generally the entire county. The banks have had a close correspondent relationship, and it appears that only slight competition has existed between the two institutions.

It is not believed that the proposed transaction would have serious adverse competitive effects on other banks operating in Franklin County.

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Report on competitive factors (Manistee-Kaleva, Michigan). There had been distributed a draft of report to the Comptroller of the Currency on the competitive factors involved in the proposed consolidation of Security National Bank of Manistee, Manistee, Michigan, and Kaleva State Bank, Kaleva, Michigan.

The report was approved unanimously for transmission to the Comptroller; the conclusion read as follows:

The effect of the proposed consolidation of these closely related banks on competition would not be adverse.

Form of Federal Reserve note (Item No. 4). There had been distributed a letter dated June 17, 1963, from Secretary of the Treasury Dillon inviting the Board's views as to the form and tenor of the \$1 Federal Reserve note that was authorized by recent legislation. A preliminary design of the face of the note was attached.

The letter called attention to the apparent desirability of excluding portions of certain legends now appearing on Federal Reserve notes. Following the words "The United States of America" (above the portrait) the Treasury contemplated eliminating (below the portrait) the words "will pay to the bearer on demand (denomination) dollars." It was also suggested that the legend to the left of the portrait retain the words "This note is legal tender for all debts, public and private" but exclude "and is redeemable in lawful money at the United States Treasury, or at any Federal Reserve Bank." As an alternative, there could be a substitution such as "and is an obligation of the United States" or "and is lawful money of the United States."

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The letter pointed out that the suggested changes would eliminate questions that had arisen from time to time due to the present wording of the legends, which questions would become accentuated with the departure of silver certificates from circulation. It was contemplated that the proposed revised language would be used immediately on the new \$1 notes and that, as new plates were required over the next five or ten years, the legends would be changed in the same manner on notes of other denominations.

After discussion, there was general agreement with the exclusions contemplated by the Treasury. It was the consensus that the legend to the left of the portrait would be sufficient if it read: "This note is legal tender for all debts, public and private." It was understood that the Secretary of the Treasury would be advised of these views on the part of the Board. A copy of the letter subsequently sent to the Secretary on the Treasury pursuant to this understanding is attached as Item No. 4.

Mr. Daniels then withdrew from the meeting.

Functional expense surveys. Mr. Farrell reported that there was some indication, in connection with the current review by staff members of the House Banking and Currency Committee of the working papers compiled in connection with the 1962 examination of the Federal Reserve Bank of Richmond, that the Committee staff might be interested in having information on the expense surveys conducted by the staff of the Division of Bank Operations, which the Committee staff understood to be in the area of "management surveys."

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After discussion of the nature and results of the surveys, during which reference was made to the manner in which preliminary findings were translated into conclusions by the Division of Bank Operations, Chairman Martin expressed the view that the general principle of full disclosure should be regarded as applicable and Mr. Farrell should proceed on that basis, with the understanding, of course, that he could come back to the Board for further guidance to whatever extent might seem necessary in the light of developments. There was general agreement with the position taken by the Chairman.

Report on S. 1642 (Item No. 5). There was distributed a revised draft of letter to Chairman Robertson of the Senate Banking and Currency Committee reporting on S. 1642, a bill to amend the Securities Act of 1933 and the Securities Exchange Act of 1934. The revised draft had been prepared pursuant to the understanding at the meeting on June 17.

The letter would indicate that the Board was in agreement with the purpose of the proposed new section 12(g) of the Securities Exchange Act, which would provide for stockholders of corporations whose securities are widely held, but not registered on an exchange, the information and safeguards that the Act requires to be furnished with respect to securities that are so registered. The view also would be expressed that the application of such provisions to stocks of banks, as well as stocks of other corporations, was in the public interest. However, the letter would indicate that the Board doubted the advisability of including in the

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bill authority for the Securities and Exchange Commission to delegate, upon request, its powers, functions, and duties with regard to bank securities to the Federal bank regulatory agencies; namely, the Comptroller of the Currency as to national banks, the Board as to State member banks, and the Federal Deposit Insurance Corporation as to insured nonmember banks. The letter would transmit a memorandum commenting on a number of technical problems raised by the inclusion of such authority in the bill.

Since Chairman Martin was scheduled to testify on the bill on Monday, June 24, the revised draft letter did not go into detail concerning the reasons for the views expressed therein, on the theory that this would be left for the Chairman's testimony.

Following discussion, unanimous approval was given to the transmittal of a letter and a memorandum in form attached to these minutes under Item No. 5. A similar letter was sent to Chairman Harris of the House Committee on Interstate and Foreign Commerce reporting, in response to his request, on H.R. 6789, a companion bill to S. 1642. It was understood that Chairman Martin's statement to the Senate Committee would be drafted in terms of amplifying the views expressed in the letter to Chairman Robertson.

All members of the staff then withdrew and the Board went into executive session.

Leased space. Following the meeting the Secretary was informed that during the executive session the Board authorized Governor Shepardson to negotiate with the Federal Deposit Insurance Corporation for additional

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rental space in that Corporation's building in the amount of approximately 3,000 square feet, on terms similar to those contained in the contract executed between the Board and the Corporation as of August 23, 1962.

The meeting then adjourned.

Secretary's Notes: On June 18, 1963,
Governor Shepardson approved on behalf
of the Board the following items:

Memorandum from the Division of Bank Operations recommending an increase in the basic annual salary of Karen Ditta Cava from \$4,250 to \$4,565, with a change in title from Clerk-Stenographer to Secretary, effective June 23, 1963.

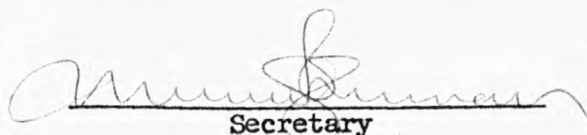
Letter to the Federal Reserve Bank of Cleveland (attached Item No. 6) approving the appointment of Peter Charles Bogardus as assistant examiner.

Letter to the Federal Reserve Bank of Chicago (attached Item No. 7) approving the reappointment of Richard M. Lang as assistant examiner.

Governor Shepardson today approved on
behalf of the Board the following
items:

Memorandum from the Division of Research and Statistics recommending the appointment of Kathryn Ann Morisse as Economist in that Division, with basic annual salary at the rate of \$6,675, effective the date of entrance upon duty.

Memorandum from James T. Jones, Messenger, Division of Administrative Services, requesting permission to work part-time in managing American Gas Stations.


Secretary

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

Item No. 1
6/19/63

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

June 19, 1963

Board of Directors,
Hightstown Trust Company,
East Windsor Township, New Jersey.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment by Hightstown Trust Company, East Windsor Township, New Jersey, of a branch at 114 Main Street, Hightstown, New Jersey, concurrent with removal of the head office to a location in the vicinity of the intersection of Hightstown-Princeton Road and U. S. Route 130 in East Windsor Township, Mercer County, New Jersey, and the abandonment of branch operations at that location.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.



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

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Item No. 2
6/19/63

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

June 19, 1963

Board of Directors,
Merchants Trust & Savings Bank,
Kenner, Louisiana.

Gentlemen:

The Federal Reserve Bank of Atlanta has forwarded to the Board of Governors Vice President Fontenot's letter dated May 8, 1963, together with the accompanying resolution dated May 7, 1963, signifying your intention to withdraw from membership in the Federal Reserve System and requesting waiver of the six months' notice of such withdrawal.

The Board of Governors waives the requirement of six months' notice of withdrawal. Under the provisions of Section 208.10(c) of the Board's Regulation H, your institution may accomplish termination of its membership at any time within eight months from the date that notice of intention to withdraw from membership was given. Upon surrender to the Federal Reserve Bank of Atlanta of the Federal Reserve Bank stock issued to your institution, such stock will be canceled and appropriate refund will be made thereon.

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

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.

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

Item No. 3
6/19/63

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD



June 19, 1963

Board of Directors,
Everman National Bank of Fort Worth,
Fort Worth, Texas.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of Dallas, the Board of Governors, acting under the provisions of Section 19 of the Federal Reserve Act, grants permission to the Everman National Bank of Fort Worth to maintain the same reserves against deposits as are required to be maintained by nonreserve city banks, effective as of the date it opens for business.

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

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

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BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

Item No. 4
6/19/63

OFFICE OF THE CHAIRMAN
June 21, 1963

The Honorable Douglas Dillon,
Secretary of the Treasury,
Washington 25, D. C.

Dear Mr. Secretary:

With your letter of June 17, 1963, you submitted a proposed design of the face of the new \$1 Federal Reserve notes, suggested certain changes in the wording on the notes, and asked for the Board's views on the proposals.

The first proposed change in the wording concerns the statement beginning with "THE UNITED STATES OF AMERICA" above the portrait and continuing with "WILL PAY TO THE BEARER ON DEMAND ONE DOLLAR" below the portrait. The Board agrees with the suggestion that it would be desirable to eliminate the phrase "WILL PAY TO THE BEARER ON DEMAND." It assumes that the words "THE UNITED STATES OF AMERICA" would still appear above the portrait with just the denomination below the portrait.

The other proposed change in the wording concerns the statement appearing to the left of the portrait: "This note is legal tender for all debts, public and private, and is redeemable in lawful money at the United States Treasury, or at any Federal Reserve Bank." It was suggested that this statement might be appropriately changed either by eliminating everything after the word "private," or by substituting for the language that would be eliminated new wording reading either "and is an obligation of the United States" or "and is lawful money of the United States." The Board's preference is for the first of these alternatives--i.e., simply the statement: "This note is legal tender for all debts, public and private."

The Board also agrees that it would be desirable to make these changes on other denominations of Federal Reserve notes as new plates become necessary, and has no other comments to offer at this time.

Sincerely yours,

(Signed) Wm. McC. Martin, Jr.

Wm. McC. Martin, Jr.

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BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

Item No. 5
6/19/63

OFFICE OF THE CHAIRMAN

June 21, 1963

The Honorable A. Willis Robertson, Chairman,
Committee on Banking and Currency,
United States Senate,
Washington 25, D. C.

Dear Mr. Chairman:

This is in response to your communication of June 6, 1963, requesting a report on S. 1642, a bill to amend the Securities Act of 1933 and the Securities Exchange Act of 1934.

The Board of Governors is not in a position to comment on the provisions of the bill that relate to strengthening the standards of entrance into the securities business, extending the coverage of self-regulation, and the like. For reasons described herein, the Board's principal concern is with provisions of the bill that are designed to improve investor protection in the over-the-counter market by extension of reporting requirements, proxy rules, and "insider trading" provisions of the Securities Exchange Act of 1934--now applicable only to "listed companies"--to certain companies whose securities are traded in the over-the-counter market.

The Board is in agreement with the purpose of the proposed new section 12(g) of the Securities Exchange Act, which is to provide for stockholders of corporations whose securities are widely distributed, but not registered on an exchange, the information and safeguards which that Act requires with respect to securities that are so registered. Furthermore, the Board believes that application of the new provisions to stocks of banks, as well as to stocks of other corporations, is in the public interest. While the adding of the proposed requirements to the present system of bank regulation and supervision would necessitate careful administration in order to avoid inconsistency, duplication, unreasonable demands, and undesirable disclosures, the Board is satisfied that the requirements can be administered in such a way as to avoid serious problems of this kind.

However, the Board doubts the advisability of section 3(e) of S. 1642, which would add to section 12 of the 1934 Act the following new subsection:

The Honorable A. Willis Robertson -2-

"(i) In respect of any securities issued by banks the powers, functions, and duties of the Commission pursuant to the provisions of this title shall be delegated in whole or in part to the Federal banking regulatory agency or instrumentality which has jurisdiction to examine or supervise the business of such banks, upon the request of such agency or instrumentality."

Enclosed herewith is a memorandum commenting upon a number of problems raised by the wording of the proposed new subsection. For the purpose of this report, however, it will be assumed that the purpose and effect of the subsection would be to enable each of the Federal bank supervisory agencies to take the place of the Securities and Exchange Commission with respect to administration of the reporting, proxy, and "insider trading" provisions of the Act as they apply to the banks as to which it is the principal Federal supervisor.

It would be desirable, of course, for the administration of the proposed reporting requirements and proxy rules to take into account the special situation of banks, especially the extent to which banks are already subject to Governmental supervision. Nevertheless, the Board considers it inadvisable to provide that these and other provisions of the Securities Exchange Act of 1934, in their application to banks, may be administered by an agency other than the Commission.

The proposed new section 12(i) contemplates that administration of the provisions of the 1934 Act with respect to the subjects mentioned might be vested in the Comptroller of the Currency as to national banks, in the Board of Governors as to State banks that are members of the Federal Reserve System, and in the Federal Deposit Insurance Corporation as to nonmember banks with deposits insured in accordance with the Federal Deposit Insurance Act. Under such an arrangement, responsibility would be fragmented and the tasks performed less efficiently. It would be necessary for each of those agencies to expand its organization and to maintain staff that would perform for banks work that would be performed by the Commission with respect to corporations generally.

Accordingly, the Board concludes that the reporting, proxy, and "insider trading" provisions of the 1934 Act should be administered by the Commission in their application to banks as well as in their application to corporations generally, and therefore recommends the deletion of section 3(e) of S. 1642. (If this recommendation is

The Honorable A. Willis Robertson

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followed, it will be unnecessary for your Committee to consider certain apparent shortcomings and difficulties in the wording of the proposed new subsection (i) of section 12 of the 1934 Act, which are enumerated in the enclosed memorandum.)

Sincerely yours,

(Signed) Wm. McC. Martin, Jr.

Wm. McC. Martin, Jr.

Enclosure

Comments on Proposed Section 12(i) of Securities Exchange Act of 1934

(The comments in this memorandum are directed at possible defects in the wording of the proposed new subsection (i) of section 12. The general merits of the proposal are discussed in the report of the Board of Governors to which this memorandum is attached.)

1. Extent to which SEC functions would be subject to delegation. Under section 12(i), upon request by a Federal bank supervisory agency all "powers, functions, and duties of the Commission pursuant to the provisions of this title" (i.e., the Securities Exchange Act) would be delegated to the requesting agency "in respect of any securities issued by banks".

The quoted language seems to permit excessively broad delegations. Under the 1934 Act, the SEC performs numerous functions relating to securities, some of which obviously would be inappropriate for delegation to a bank supervisory agency.

Perhaps a single example is sufficient to illustrate this. Section 15(c)(1) of the Act forbids brokers and dealers to induce the purchase of securities in the over-the-counter market "by means of any manipulative, deceptive, or other fraudulent device or contrivance". The SEC is required to "define such devices or contrivances as are manipulative, deceptive, or otherwise fraudulent". The proposed section 12(i) apparently would provide for delegation of this duty to a bank supervisory agency "in respect of any securities issued by banks". It is obvious that the SEC's functions in this involved and technical field should not be delegated to the FDIC, for example, with respect to fraudulent sales by dealers of stock of nonmember insured banks.

It is believed that the underlying intent of section 12(i) is to provide for delegation of duties relating to reporting and proxies (and perhaps insider trading) with respect to bank stocks, to the extent that these matters would be brought within the purview of the 1934 Act by the proposed amendments.

Accordingly, it appears that the words "of this title" (page 11, line 5) should be replaced by a reference to the particular sections of the 1934 Act as to which it is concluded that delegation may be appropriate. Even within this limited area, consideration should be given to whether a reference to "sections 12, 13, 14, and 16", or the like, would not be too broad. It can be forcefully argued that delegation to the bank supervisory agency is appropriate, if at all, only with respect to the registration and reporting requirements of sections 12 and 13, and that some or all regulatory duties with respect to proxies (section 14) and insider trading (section 16) should remain with the SEC in any event. The administrative duties prescribed by those sections should be examined realistically, in order to determine whether the detrimental results of

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permitting delegation of the SEC's duties in those fields to bank supervisory agencies would not greatly outweigh the benefits, if any, that might result.

Delegation would occur, of course, only upon request by a bank supervisory agency. It may be hoped that delegation of inappropriate powers would not be requested, but the statute should not leave the door open for unwise and undesirable requests.

2. Delegation "in whole or in part". Presumably, the provision that the SEC's functions in respect of bank stocks "shall be delegated in whole or in part" to one or more bank supervisory agencies was intended to permit a request to be made for delegation of duties in certain general areas and not in others, if the requesting agency considered this advisable. For example, a banking agency might request delegation of authority over the reporting of financial data, while leaving the administration of proxy requirements and insider-trading provisions, even with respect to banks, in the SEC.

However, the expression "in whole or in part" is susceptible of a much broader interpretation. For example, these words might be construed to permit a banking agency to request delegation of the SEC's functions with respect to only a few of the largest banks (or smallest), identified either individually or by size or geographic categories. It is doubtful that delegation "in part" was intended to have this meaning or that it would be desirable; in any event, the ambiguities inherent in the existing language should be eliminated in order to effectuate the actual Congressional policy and to avoid administrative conflicts and problems of interpretation and application.

3. Are delegations to be irreversible? Section 12(i) would provide only that described functions of the SEC should be delegable to banking agencies upon request. No reference is made to possible return of those duties (or any of them) to the SEC. It is possible that a banking agency, after certain functions had been delegated to it, and exercised by it for some time, might decide that the benefits of the arrangement were outweighed by its detrimental features. In that event, it would seem desirable to permit the banking agency to return the functions to the SEC. If this reasoning is sound, section 12(i) should be amended to make clear that the banking agencies are authorized to return delegated powers to the SEC.

4. Jurisdictions of the respective bank supervisory agencies. Section 12(i) would provide for delegation of certain SEC functions relating to securities issued by banks

"to the Federal banking regulatory agency or instrumentality which has jurisdiction to examine or supervise the business of such banks, upon the request of such agency or instrumentality."

Presumably it is intended that the SEC's functions will be delegable to the Comptroller of the Currency in the case of national banks (and banks in the District of Columbia), to the Board of Governors of the Federal Reserve System in the case of State banks that are members of that System, and to the FDIC in the case of nonmember insured banks. The language of section 12(i) should be changed to express that intent specifically. The present language appears to be based upon the assumption that only one Federal banking regulatory agency has jurisdiction to examine or supervise the business of any specific bank. However, this is not the case. The Comptroller of the Currency "has jurisdiction to examine" national banks; the Federal Reserve "has jurisdiction to examine" all member banks (including national banks); and the FDIC "has jurisdiction to examine" all insured banks (including national banks). Consequently, there are three Federal banking regulatory agencies that have jurisdiction to examine national banks. (Similarly, State member banks of the Federal Reserve System are subject, under Federal law, to examination by two Federal regulatory agencies.)

Although a "reasonable" interpretation, in this respect, of section 12(i) might prevail even if its language on this point were not changed, it seems obviously inadvisable to enact legislation that literally seems to contemplate overlapping jurisdiction by two or more banking agencies and could give rise to conflicting requests for delegation from such agencies. As a practical matter, it might actually occur that the Federal agency with "primary" jurisdiction over a certain class of banks might elect not to request delegation, in which event another agency with "secondary" jurisdiction might claim, with some plausibility, at least a residual privilege to request delegation, and might seek to exercise that privilege.

To avoid the possibility of problems of these types, section 12(i) should be redrafted to identify the bank supervisory agencies by name and to describe specifically the class or classes of banks as to which each should be regarded as having "jurisdiction" for this purpose.

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

Item No. 6
6/19/63

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

June 19, 1963

AIR MAIL

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

Dear Mr. Stetzelberger:

In accordance with the request contained in your letter of June 13, 1963, the Board approves the appointment of Peter Charles Bogardus as an assistant examiner for the Federal Reserve Bank of Cleveland. Please advise the effective date of the appointment.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.

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

Item No. 7
6/19/63

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

June 19, 1963

AIR MAIL

Confidential (FR)

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

Dear Mr. Ross:

In accordance with the request contained in your letter of June 12, 1963, the Board approves the reappointment of Richard M. Lang as an assistant examiner for the Federal Reserve Bank of Chicago, effective August 12, 1963.

It is noted that Mr. Lang's wife is employed as a teller by Harris Trust and Savings Bank, Chicago, Illinois, a State member bank. Accordingly, the Board's approval of the reappointment of Mr. Lang is given with the understanding that he will not participate in any examination of the department of that bank to which his wife is assigned so long as she is employed by that institution.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.