

Minutes for June 19, 1964.

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


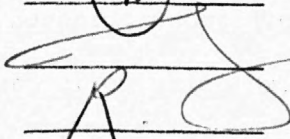
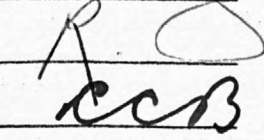
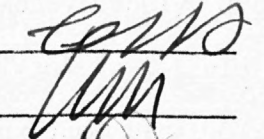
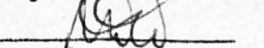
Gov. Robertson

Gov. Balderston

Gov. Shepardson

Gov. Mitchell

Gov. Daane

Minutes of the Board of Governors of the Federal Reserve System
on Friday, June 19, 1964. The Board met in the Board Room at 10:00 a.m.

PRESENT: Mr. Mills, Acting Chairman
Mr. Robertson
Mr. Shepardson
Mr. Mitchell

Mr. Sherman, Secretary
Miss Carmichael, Assistant Secretary
Mr. Molony, Assistant to the Board
Mr. Fauver, Assistant to the Board
Mr. Brill, Director, Division of Research and
Statistics
Mr. Holland, Associate Director, Division of
Research and Statistics
Mr. Koch, Associate Director, Division of Research
and Statistics
Mr. Furth, Adviser, Division of International
Finance
Mr. Hersey, Adviser, Division of International
Finance
Mr. Sammons, Adviser, Division of International
Finance
Mr. Axilrod, Chief, Government Finance Section,
Division of Research and Statistics
Mr. Eckert, Chief, Banking Section, Division of
Research and Statistics
Mr. Bernard, Economist, Division of Research and
Statistics
Mr. Baker, Economist, Division of International
Finance

Money market review. Mr. Bernard reported on recent developments in the Government securities market, after which Mr. Eckert discussed bank credit, the money supply, and related matters. During his remarks, Mr. Eckert referred to a chart on "Money Supply, Gross Private Domestic Investment, and Treasury Bill Yield" and to a table summarizing monetary developments in the five weeks ending June 17, 1964, copies of which had been distributed. Mr. Baker presented a report relating to foreign exchange market developments.

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Following discussion based on these reports, all members of the staff except Messrs. Sherman and Furth and Miss Carmichael withdrew from the meeting, and the following entered the room:

Mr. Solomon, Director, Division of Examinations
 Mr. Johnson, Director, Division of Personnel Administration
 Mr. Hexter, Assistant General Counsel
 Mr. Goodman, Assistant Director, Division of Examinations
 Mr. Leavitt, Assistant Director, Division of Examinations
 Mr. Collier, Assistant to the Director, Division of Bank Operations
 Mr. McClintock, Supervisory Review Examiner, Division of Examinations

Discount rates. The establishment without change by the Federal Reserve Banks of New York, Philadelphia, Chicago, Kansas City, and San Francisco on June 18, 1964, of the rates on discounts and advances in their existing schedules was approved unanimously, with the understanding that appropriate advice would be sent to those Banks.

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

Item No.

Letter to Bankers Trust Company, New York, New York, approving the establishment of a branch in the vicinity of Hyman Boulevard and Ebbetts Street, New Dorp, Borough of Richmond.

1

Letter to Girard Trust Bank, Philadelphia, Pennsylvania, approving the establishment of a branch at 8th and Arch Streets.

2

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Item No.

- | | |
|---|----|
| Letter to Tracy-Collins Bank and Trust Company,
Salt Lake City, Utah, approving the establishment
of a branch at Fifth East and Second South Streets. | 3 |
| Letter to First Trust & Deposit Company, Syracuse,
New York, approving the establishment of a branch
at 121 South First Street, Fulton, and an invest-
ment in bank premises. | 4 |
| Letter to Manufacturers-Detroit International
Corporation, Detroit, Michigan, granting consent
to purchase shares of ADELA Investment Company,
S.A., a proposed Luxembourg corporation. | 5 |
| Letter to Continental International Finance Corpo-
ration, Chicago, Illinois, granting consent to
purchase shares of The Pakistan Industrial Credit
and Investment Corporation Limited, Karachi, Pakistan. | 6 |
| Letter to the Federal Reserve Bank of New York waiving
the assessment of penalties incurred by Central Home
Trust Company of Elizabeth, Elizabeth, New Jersey, be-
cause of deficiencies in its required reserves. | 7 |
| Letter to the Federal Reserve Bank of Atlanta waiving
the assessment of a penalty incurred by First National
Bank, Meridian, Mississippi, because of a deficiency
in its required reserves. | 8 |
| Letter to Northtown Bank of Decatur, Decatur, Illinois,
waiving the requirement of six months' notice of with-
drawal from membership in the Federal Reserve System. | 9 |
| Letter to the Federal Deposit Insurance Corporation
regarding the application of Bank of Gering, Gering,
Nebraska, for continuation of deposit insurance after
withdrawal from membership in the Federal Reserve System. | 10 |
| Letter to the Federal Deposit Insurance Corporation
regarding the application of First State Bank, Loraine,
Texas, for continuation of deposit insurance after with-
drawal from membership in the Federal Reserve System. | 11 |

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Item No.

Letter to State Bank of Morton, Morton, Washington,
approving its application for membership in the
Federal Reserve System.

12

Letter to the Federal Reserve Bank of Chicago
approving the payment of salary to the Bank's
painters at specified rates.

13

Proposed Internal Revenue regulation. There had been distributed with a memorandum from the Legal Division dated June 17, 1964, a draft of reply to a letter of June 9, 1964, from the Treasury Department regarding a proposed regulation relating to the taxation of certain types of income of "controlled foreign corporations."

At the Board's invitation, Mr. Solomon commented on the proposal, pointing out that the inquiry from the Treasury had arisen as a result of changes made in the Internal Revenue Code by the Revenue Act of 1962. Under provisions of that Act certain United States shareholders are subject to United States tax on specified types of income earned by foreign corporations that they control through the ownership of more than 50 per cent of the voting stock. Dividends, interest, and gains from the sale of securities are generally subject to tax, but an exception is made with respect to income received by "controlled foreign corporations" from the "conduct of a banking, financing, or similar business."

As drafted, the regulation would provide that a foreign corporation controlled by a domestic corporation organized under section 25 (a)

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of the Federal Reserve Act (an Edge corporation), or operating under an agreement with the Board under section 25 of that Act (an agreement corporation) would be considered without further inquiry to be engaged in a "banking or financing" business, if all the stock (except qualifying shares) of the domestic corporation was owned by national or State member banks of the Federal Reserve System.

Before acting on the proposal, the Treasury Department had asked the Board for confirmation of the view that acquisitions by an Edge or agreement corporation of more than 50 per cent of the voting stock of a foreign subsidiary (other than through some unusual circumstance, such as the purchase of such stock to prevent a loss on a debt previously contracted in good faith) that was engaged in manufacturing, in wholesale selling, or some other like business activity, would not qualify as permissible investment activities for Edge or agreement corporations. Mr. Solomon stated that the draft of response to the Treasury Department would confirm this view and suggest several possible changes in the wording of the proposed regulation.

Mr. Solomon noted that the Treasury had been in touch with several of the Edge and agreement corporations regarding the regulation. They had taken the position that, since they were already subject to regulation by the Board as "banking or financing" corporations and their investments in foreign subsidiaries were subject to conditions set forth in the Board's Regulation K, the foreign subsidiaries should be considered to be engaged

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in the "conduct of a banking, financing, or similar business" for the purposes of the 1962 Revenue Act.

Governor Robertson said that the incoming letter from the Treasury was not entirely clear to him. For one thing, he was not sure whether the Treasury was referring to income of Edge and agreement corporations or income of their foreign subsidiaries. Also, he wondered what there was in Regulation K that would prevent an Edge or agreement corporation from acquiring more than 50 per cent of the stock of a foreign corporation -- for example, a hotel.

In the discussion that ensued, it was brought out that there was nothing in Regulation K that would prevent this type of acquisition, although up to the present time no Edge or agreement corporation had acquired as much as 50 per cent of the voting shares of a foreign corporation.

Mr. Hexter observed that, even if the Board were to take a position that it would not permit the acquisition of more than 50 per cent of the shares of a foreign corporation, such a policy position might change. If the Treasury were to issue the proposed regulation, it would become obsolete if the Board's policy with respect to acquisitions were to change.

Mr. Solomon responded that in such an event it would of course be necessary for the Board to advise the Treasury of the change.

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Governor Mitchell commented that the proposed reply to the Treasury gave the impression that the Board had a policy of not permitting Edge and agreement corporations to acquire more than 50 per cent of the stock of foreign subsidiaries. However, the Board had not taken this position, and in his judgment such a position was not contemplated under the provisions of section 211.8 (Investments in Shares of Other Corporations) of Regulation K.

Governor Robertson suggested that the proposed regulation was intended to provide a tax haven for Edge and agreement corporations. He did not believe that the Board should take a position that it would never permit any of these corporations to acquire an interest of more than 50 per cent in a foreign subsidiary.

Mr. Furth suggested that the problem might be met by stating in the letter to the Treasury that, at the present time, no Edge or agreement corporation had a participation in a foreign subsidiary amounting to more than one-half of the stock of the subsidiary and that, if investments beyond that amount should be permitted at a future date, the Treasury would be notified. Mr. Solomon agreed that such an approach might solve the problem.

After several further comments, Governor Mills said that it did not appear that the letter could be cleared at this meeting since it was the sense of the Board that the subject should be given further study by the staff in the light of the foregoing discussion, and there was agreement with this suggestion.

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The meeting then adjourned.

Secretary's Notes: Pursuant to approval by Governor Shepardson on behalf of the Board of a minor amendment (as recommended in a memorandum from Mr. Kelleher dated June 4, 1964) to the agreement of December 7, 1962, between the Board and Harbeson Hough Livingston & Larson, the letter of which a copy is attached as Item No. 14 was sent to Mr. William H. Livingston, Harbeson Hough Livingston & Larson, Philadelphia, Pennsylvania, on June 16, 1964. With a letter dated June 17, 1964, Mr. Livingston returned three executed copies of the amendment to the agreement. On June 19, 1964, the copies were executed by the Secretary of the Board on behalf of the Board and one copy was returned to Mr. Livingston for his records.

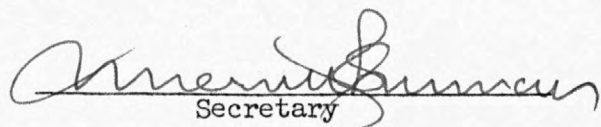
Pursuant to recommendations contained in memoranda from appropriate individuals concerned, Governor Shepardson today approved on behalf of the Board the following actions relating to the Board's staff:

Salary increase

Dorothy G. Myers, Clerk-Stenographer, Office of the Secretary, from \$4,090 to \$4,355 per annum, effective June 21, 1964.

Establishment of new position

Position of Review Examiner in Division of Examinations, for allocation to the foreign banking activities program of that Division.


Secretary

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

Item No. 1
6/19/64

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

June 19, 1964.

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

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment by Bankers Trust Company, New York, New York, of an in-town branch in the Grant City at New Dorp Shopping Center in the vicinity of the intersection of Hylan Boulevard and Ebbitts Street, New Dorp, Borough of Richmond, provided the branch is established within one year from the date of this letter.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.

(The letter to the Reserve Bank stated that the Board also had approved a six-month extension of the period allowed to establish the branch; and that if an extension should be requested, the procedure prescribed in the Board's letter of November 9, 1962 (S-1846), should be followed.)



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

Item No. 2
6/19/64

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

June 19, 1964.

Board of Directors,
Girard Trust Bank,
Philadelphia, Pennsylvania.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment of a branch by Girard Trust Bank at the southeast corner of 8th and Arch Streets, Philadelphia, Pennsylvania, provided the branch is established within six months from the date of this letter.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.

(The letter to the Reserve Bank stated that the Board also had approved a six-month extension of the period allowed to establish the branch; and that if an extension should be requested, the procedure prescribed in the Board's letter of November 9, 1962 (S-1846), should be followed.)



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

Item No. 3
6/19/64

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

June 19, 1964.

Board of Directors,
Tracy-Collins Bank and Trust Company,
Salt Lake City, Utah.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment by Tracy-Collins Bank and Trust Company, Salt Lake City, Utah, of a branch at the northwest corner of the intersection of Fifth East and Second South Streets, Salt Lake City, Utah, provided the branch is established within one year from the date of this letter.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.

(The letter to the Reserve Bank stated that the Board also had approved a six-month extension of the period allowed to establish the branch; and that if an extension should be requested, the procedure prescribed in the Board's letter of November 9, 1962 (S-1846), should be followed.)

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

Item No. 4
6/19/64



ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

June 19, 1964.

Board of Directors,
First Trust & Deposit Company,
Syracuse, New York.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment by First Trust & Deposit Company, Syracuse, New York, of a branch at 121 South First Street, Fulton, Oswego County, New York, provided the branch is established within six months from the date of this letter.

The Board of Governors also approves, under the provisions of Section 24A of the Federal Reserve Act, an additional investment of \$600,000 in bank premises for the purpose of branch construction and contemplated expenditures for the modernization of existing premises in the next five years.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.

(The letter to the Reserve Bank stated that the Board also had approved a six-month extension of the period allowed to establish the branch; and that if an extension should be requested, the procedure prescribed in the Board's letter of November 9, 1962 (S-1846), should be followed.)

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

Item No. 5
6/19/64



ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

June 19, 1964.

Manufacturers-Detroit International Corporation,
151 West Fort Street,
Detroit, Michigan. 48226

Gentlemen:

In accordance with the request contained in your letter of June 11, 1964, addressed to Mr. Leland Ross, Vice President, Federal Reserve Bank of Chicago, and on the basis of information furnished, the Board of Governors grants consent for your Corporation to purchase and hold up to 25 shares, par value US\$10,000 each, of ADELA Investment Company, S.A., Luxembourg, at a cost of approximately US\$250,000, provided such stock is acquired within one year from the date of this letter.

The Board also approves the purchase and holding of shares of ADELA Investment Company, S.A. within the terms of the above consent in excess of 10 per cent of your Corporation's capital and surplus.

The descriptive memorandum on ADELA furnished with your letter stated that the head office of ADELA will be located in Luxembourg, and offices will probably also be maintained elsewhere in Europe, in the United States, and Latin America.

In the circumstances, the Board's consent is given with the understanding that ADELA will not maintain any branch, agency, office, or representative in the United States and that ADELA will not engage or participate in the underwriting, sale, or distribution of securities in the United States.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

Item No. 6
6/19/64

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

June 19, 1964.

Continental International Finance Corporation,
231 South LaSalle Street,
Chicago 90, Illinois.

Gentlemen:

In accordance with the request contained in your letter of June 3, 1964, addressed to Mr. Leland Ross, Vice President of the Federal Reserve Bank of Chicago, and on the basis of information furnished, the Board of Governors grants consent for Continental International Finance Corporation to purchase and hold 119,723 ordinary shares, par value Rupees 10 each, of The Pakistan Industrial Credit and Investment Corporation Limited, Karachi, Pakistan, at a cost of approximately US\$311,000, provided such stock is acquired within one year from the date of this letter.

The Board also approves the purchase and holding of shares of The Pakistan Industrial Credit and Investment Corporation Limited within the terms of the above consent in excess of 10 per cent of your Corporation's capital and surplus.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

Item No. 7
6/19/64



ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

June 19, 1964.

Mr. H. A. Bilby, Vice President,
Federal Reserve Bank of New York,
New York, New York. 10045

Dear Mr. Bilby:

This refers to your letter of June 5, 1964, regarding the penalties totaling \$1,405.20 incurred by the Central Home Trust Company of Elizabeth, Elizabeth, New Jersey, on deficiencies in its required reserves for the five computation periods beginning March 19 and ending May 27, 1964.

It is noted that (1) these deficiencies were the result of an error in the treatment of demand balances due from banks by a relatively new employee, (2) the bank has taken steps to maintain a continuing check of its reserve requirements, and (3) the bank has had a good record over the past ten years.

In the circumstances, the Board authorizes your Bank to waive the assessment of the penalties totaling \$1,405.20 for the periods beginning March 19 and ending May 27, 1964.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

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Item No. 8
6/19/64

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

June 19, 1964.

Mr. Harold T. Patterson,
First Vice President and
General Counsel,
Federal Reserve Bank of Atlanta,
Atlanta, Georgia. 30303

Dear Mr. Patterson:

This refers to your letter of June 8, 1964, regarding the penalty of \$200.41 incurred by the First National Bank, Meridian, Mississippi, on an average daily deficiency in reserves of \$95,000 for the computation period ended May 13, 1964.

It is noted that the deficiency resulted from the failure of the member bank to prepare and dispatch its transfer drafts for credit to its reserve account, although entries to this effect were made on its books, and that the bank has a good record in maintaining its required reserves.

In the circumstances, the Board authorizes your Bank to waive the assessment of the penalty of \$200.41 for the period ended May 13, 1964.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

Item No. 9
6/19/64

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

June 19, 1964.

Board of Directors,
Northtown Bank of Decatur,
Decatur, Illinois.

Gentlemen:

The Federal Reserve Bank of Chicago has forwarded to the Board of Governors your letter dated May 13, 1964, together with the accompanying resolution signifying your intention to withdraw from membership in the Federal Reserve System and requesting waiver of the six months' notice of such withdrawal.

In accordance with your request, the Board of Governors waives the requirement of six months' notice of withdrawal. Upon surrender to the Federal Reserve Bank of Chicago of the Federal Reserve Bank stock issued to your institution, such stock will be canceled and appropriate refund will be made thereon. 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 the notice of intention to withdraw from membership was given.

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

Attention is invited to the fact that if your bank is desirous of continuing deposit insurance after withdrawal from membership in the Federal Reserve System, it will be necessary that application be made to the Federal Deposit Insurance Corporation.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

Item No. 10
6/19/64

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

June 19, 1964.



The Honorable Joseph W. Barr, Chairman,
Federal Deposit Insurance Corporation,
Washington, D. C. 20429

Dear Mr. Barr:

Reference is made to your letter of May 25, 1964, concerning the application of Bank of Gering, Gering, Nebraska, for continuance of deposit insurance after withdrawal from membership in the Federal Reserve System.

The Reserve Bank's transmittal letter to subject bank in connection with a report of examination as of June 7, 1963, states in part: "In the past two years the bank has been favored with a consistent growth, but the capital account has not grown commensurately and, as a result, the total of risk assets is now disproportionate to the total of capital accounts. It is our understanding that the management and directors are well aware of the weak capital position of the bank and the payment of dividends is not contemplated until earnings are substantially improved and the ratio of capital to risk assets is more in keeping with what is considered satisfactory."

There have been no other corrective programs urged upon the bank, or agreed to by it, which have not been fully consummated, and, in the Board's opinion, there are no other programs that it would be advisable to incorporate as conditions of admitting the bank to membership in the Corporation as a nonmember of the Federal Reserve System.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

Item No. 11
6/19/64

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

June 19, 1964.

The Honorable Joseph W. Barr, Chairman,
Federal Deposit Insurance Corporation,
Washington, D. C. 20429

Dear Mr. Barr:

Reference is made to your letter of June 4, 1964, concerning the application of First State Bank, Loraine, Texas, for continuance of deposit insurance after withdrawal from membership in the Federal Reserve System.

There have been no corrective programs urged upon the bank, or agreed to by it, which have not been fully consummated, and, in the Board's opinion, there are no such programs that it would be advisable to incorporate as conditions of admitting the bank to membership in the Corporation as a nonmember of the Federal Reserve System.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

Item No. 12
6/19/64

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

June 19, 1964.

Board of Directors,
State Bank of Morton,
Morton, Washington.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the application of State Bank of Morton, Morton, Washington, for stock in the Federal Reserve Bank of San Francisco, subject to the numbered conditions hereinafter set forth.

1. Such bank at all times shall conduct its business and exercise its powers with due regard to the safety of its depositors, and, except with the permission of the Board of Governors of the Federal Reserve System, such bank shall not cause or permit any change to be made in the general character of its business or in the scope of the corporate powers exercised by it at the time of admission to membership.
2. The net capital and surplus funds of such bank shall be adequate in relation to the character and condition of its assets and to its deposit liabilities and other corporate responsibilities.

In connection with the foregoing conditions of membership, particular attention is called to the provisions of the Board's Regulation H, regarding membership of State banking institutions in the Federal Reserve System, with especial reference to Section 208.7 thereof. A copy of the regulation is enclosed.

If at any time a change in or amendment to the bank's charter is made, the bank should advise the Federal Reserve Bank, furnishing copies of any documents involved, in order that it may be determined whether such change affects in any way the bank's status as a member of the Federal Reserve System.

State Bank of Morton

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Acceptance of the conditions of membership contained in this letter should be evidenced by a resolution adopted by the board of directors and a certified copy of such resolution should be transmitted to the Federal Reserve Bank. Arrangements will thereupon be made to accept payment for an appropriate amount of Federal Reserve Bank stock, to accept the deposit of the required reserve balance, and to issue the appropriate amount of Federal Reserve Bank stock to the bank.

The time within which admission to membership in the Federal Reserve System in the manner described may be accomplished is limited to 30 days from the date of this letter, unless the bank applies to the Board and obtains an extension of time. When the Board is advised that all of the requirements have been complied with and that the appropriate amount of Federal Reserve Bank stock has been issued to the bank, the Board will forward to the bank a formal certificate of membership in the Federal Reserve System.

The Board of Governors sincerely hopes that you will find membership in the System beneficial and your relations with the Reserve Bank pleasant. The officers of the Federal Reserve Bank will be glad to assist you in establishing your relationships with the Federal Reserve System and at any time to discuss with representatives of your bank means for making the services of the System most useful to you.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.

Enclosures.

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

Item No. 13
6/19/64

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD



June 19, 1964.

CONFIDENTIAL (FR)

Mr. C. J. Scanlon, President,
Federal Reserve Bank of Chicago,
Chicago, Illinois 60690.

Dear Mr. Scanlon:

As requested in your letter of June 9, 1964,
the Board of Governors approves, effective June 1, 1964,
payment by the Federal Reserve Bank of Chicago to the Bank's
Painters of the following annual salaries, which are above
the maximum of the grades in which the positions are classi-
fied:

<u>Title</u>	<u>Annual Salaries</u>
Head Painter	\$8,736.00
Painter	7,862.40

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

Item No. 14
6/19/64

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

June 16, 1964.

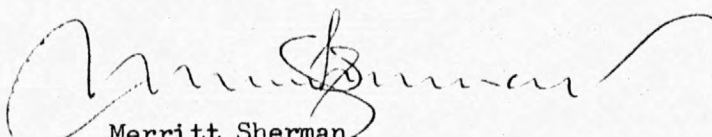
Mr. William H. Livingston,
Harbeson Hough Livingston & Larson,
Architects Building,
Philadelphia 3, Pennsylvania.

Dear Mr. Livingston:

This is to advise, in response to your letter of May 13, 1964, that the Board has no objection to an amendment of our agreement of December 7, 1962, that would provide for payment by the Board to your firm of \$200 for each visit to the site during construction by the principals of your Consulting Engineers as may be required, or approved, by the Board.

Our Legal Division, after reviewing this matter, has indicated that the above could be accomplished by the change suggested in your letter and by a corresponding change in the last sentence of the last paragraph of Article 3. There are enclosed four copies of a draft of amendment in this form. If this is satisfactory to your firm, you can have three copies executed and returned and they will be executed on behalf of the Board and one executed copy will be returned to you for your records.

Very truly yours,


Merritt Sherman,
Secretary.

Enclosures