

Minutes for December 9, 1965

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	<u> M </u>
Gov. Robertson	<u> </u>
Gov. Balderston	<u> </u> ✓
Gov. Shepardson	<u> [Signature] </u>
Gov. Mitchell	<u> [M] </u>
Gov. Daane	<u> [Signature] </u>
Gov. Maisel	<u> [Signature] </u>

Minutes of the Board of Governors of the Federal Reserve System

on Thursday, December 9, 1965. The Board met in the Board Room at
10:00 a.m.

PRESENT: Mr. Balderston, Vice Chairman
Mr. Robertson
Mr. Shepardson
Mr. Mitchell
Mr. Maisel

Mr. Sherman, Secretary
Mr. Kenyon, Assistant Secretary
Mr. Young, Senior Adviser to the Board and Director,
Division of International Finance
Mr. Fauver, Assistant to the Board
Mr. Hackley, General Counsel
Mr. Brill, Director, Division of Research and
Statistics
Mr. Farrell, Director, Division of Bank Operations
Mr. Harris, Coordinator of Defense Planning
Mr. Hooff, Assistant General Counsel
Mr. Sammons, Associate Director, Division of
International Finance
Messrs. Daniels and Kiley, Assistant Directors,
Division of Bank Operations
Messrs. Leavitt and Smith, Assistant Directors,
Division of Examinations
Mr. Sprecher, Assistant Director, Division of
Personnel Administration
Mrs. Semia, Technical Assistant, Office of the
Secretary
Mr. Morgan, Staff Assistant, Board Members'
Offices
Mr. Sanders, Senior Attorney, Legal Division
Mr. Hart, Assistant to the Director, Division
of Personnel Administration

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

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	<u>Item No.</u>
Letter to Endicott Trust Company, Endicott, New York, approving the establishment of a branch in the Endicott Plaza Shopping Center.	1
Letter to Girard Trust Bank, Philadelphia, Pennsylvania, approving the establishment of a branch in Fort Washington.	2
Letters to Fidelity-Philadelphia Trust Company, Philadelphia, Pennsylvania, approving (1) the establishment of a branch in Boothwyne and an investment in bank premises, (2) the establishment of a branch near Limekiln Pike and Dreshertown Road, Upper Dublin Township, and an investment in bank premises, and (3) an extension of time to establish a branch in Rosemont and an investment in bank premises.	3-5
Letter to the Federal Reserve Bank of St. Louis ratifying the waiver of a penalty incurred by First National Bank of Jacksonville, Jacksonville, Illinois, because of a deficiency in its required reserves.	6
Letter to The Sylvan State Bank, Sylvan Grove, Kansas, approving the declaration of a dividend in December 1965.	7
Letter to American State Bank, Lubbock, Texas, waiving the requirement of six months' notice of withdrawal from membership in the Federal Reserve System.	8
Letter to Metropolitan State Bank, Chicago, Illinois, waiving the requirement of six months' notice of withdrawal from membership in the Federal Reserve System.	9
Letter to the Federal Deposit Insurance Corporation regarding the application of Metropolitan State Bank, Chicago, Illinois, for continuation of deposit insurance after withdrawal from membership in the Federal Reserve System.	10

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Item No.

Letter to the Bureau of the Budget regarding the Department of State's proposed report on S. Res. 142, a resolution that would request the Administration to study the possibility of increasing international means of payment by making available additional supplies of commercial credit via the International Monetary Fund. (In the form approved, the letter reflected certain revisions agreed upon during discussion.) 11

Letter to Covington & Burling, Washington, D. C., regarding its request for access to certain unpublished information with respect to the meaning of "general obligations." 12

Item No. 12, in the form approved, reflected certain changes in a draft letter distributed with a memorandum dated December 7, 1965, from the Legal Division. In the memorandum the Division reported on developments relating to the Covington & Burling request for access to records, which the Board had previously discussed on November 26, 1965, and as to which the Board had instructed the Division to make a further review with representatives of the law firm. This further review had resulted in a narrowing of the request to terms that would be less burdensome, yet would provide access to relevant information of any significance, and the approved letter reflected willingness to comply with the request on that basis.

Reserve Bank budgets for first half of 1966 (Item No. 13).

There had been distributed memoranda dated December 3, 1965, from the Division of Bank Operations summarizing the proposed budgets of the

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Federal Reserve Banks for the first half of 1966. Attached were additional memoranda commenting on significant budget factors at each of the Banks. The Reserve Banks had budgeted total expenses of \$115 million, of which \$93.3 million was operating expense and \$21.7 million noncontrollable expense. Budgeted operating expenses for the first half of 1966 were about \$2 million, or 2.2 per cent, more than estimated expenses for the second half of 1965, with eleven Banks budgeting increases and the New York Reserve Bank budgeting a decrease of \$240,000. The New York decrease reflected a lowering of the cost of check operations through accelerated conversion to high-speed processing. Most of the overall increase in operating expenses was attributable to social security taxes, reflecting the rise in rate and taxable salary base; to higher average salaries; and to certain other expenses that were typically greater in the first half of the year. Of particular interest was the downward trend in the number of Reserve Bank employees; anticipated employment was lower than at any time in the last 15 years.

As part of the budget presentation the Reserve Banks had submitted revised estimates in comparison with the original budgets for the second half of 1965 and a comparison of actual expenses with revised budgets for the first half of 1965. These comparisons showed that second half 1965 expenses were now estimated at \$1.4 million (1.6 per cent) under the original budgets, mainly because of improved

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check automation at Chicago (\$425,000) and New York (\$600,000). Budgets were revised upward at four Banks and downward at eight Banks. The comparisons showed also that first half 1965 actual expenses were below the revised budgets by \$1.3 million (1.4 per cent), with ten Banks under and two Banks over. Chicago's expenses were under the budget (\$400,000) because of the receipt of more fully-encoded items and less check and cash volume.

In summary comments Mr. Kiley noted, among other things, that the shift to automatic check processing continued to be an important influence on System expenses. There had been some problem in preparing budgets because of the difficulty in estimating how fast the conversion to high-speed processing would proceed and how soon the resulting economies would be realized.

During a general discussion of the proposed budgets, Governor Mitchell observed that the budget of the Federal Reserve Bank of Dallas did not appear to reflect the savings that it had been indicated would be likely to result from implementing the recommendations of a management consultant firm that had recently made a comprehensive survey of the Bank. Several possible explanations were offered, including the possibility that the results of implementing the recommendations had not yet become clear when the budget was prepared or that the implementation might have a somewhat deferred impact. It was suggested that as a matter of general interest, inquiry might be made of President Irons at some convenient opportunity.

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Governor Mitchell also observed that he regretted that the budget procedures did not include provision for amortization of furniture and equipment outlays. This would permit more realistic analysis and interpretation of budget trends. On the other hand, he did not want to generate additional work unnecessarily. On this point it was noted that some years ago the Board and the Reserve Banks had explored at length various alternatives in accounting for Reserve Bank capital expenditures. For budget analysis purposes, however, Mr. Farrell alluded to certain techniques that might be feasible with a view to achieving more meaningful presentations. He indicated that these possibilities would be studied.

After further discussion the budgets of the respective Reserve Banks for the first six months of 1966 were accepted as submitted. A copy of the letter sent to the Federal Reserve Bank of Boston pursuant to this action is attached as Item No. 13. The letters sent to the other Reserve Banks were similar in form.

Communications and Records Center. On November 24, 1965, Vice President Dickerson of the Federal Reserve Bank of Richmond and Mr. Strange-Boston of the firm of architects employed by the Richmond Reserve Bank presented to the Board the preliminary plans for a proposed relocation facility at Culpeper, Virginia, to be used jointly by the Board and the Federal Reserve Bank of Richmond, it being contemplated that the facility would be used also on a continuing basis

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for certain functions not of an emergency nature. There had now been distributed a memorandum dated November 30, 1965, from the Division of Bank Operations submitting a draft of letter that would authorize the Federal Reserve Bank of Richmond to proceed with final plans and specifications on the basis of amendment of the preliminary plans to take into account suggestions made by the Board's consulting architect and others. The memorandum noted and discussed four points relating to the preliminary plans upon which the Bank and its architects and the Board's consulting architect and members of the Board's staff were not in entire agreement.

The discussion at today's meeting, while including comments on specific features of the proposed facility, related as well to the dual purpose of the installation. The difficulty was recognized in meeting both the needs of emergency operations, to which security would be of paramount importance, and of continuous non-emergency functions, for which the quality of day-to-day working conditions deserved serious consideration. One question having a bearing upon the type of accommodations to be provided was whether under emergency conditions not only individuals immediately associated with the Board and the Reserve Bank were to be provided quarters, but also, at least within limits and on a temporary basis, their dependents. Question was raised whether it would be appropriate to let the architects begin afresh on the basis of a revised description of needs, rather than to ask them to adapt

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plans developed to accommodate a different description. It was the consensus, however, that the emphasis had not shifted so substantially that the architects could not be expected to realign their plans to accommodate the desired modifications.

At the conclusion of the discussion the staff was requested to revise the draft of letter to the Federal Reserve Bank of Richmond, in light of the comments made at this meeting, for the Board's further consideration.

Officer salaries at Federal Reserve Banks (Items 14-25). There had been distributed to the Board copies of a memorandum from the Division of Personnel Administration dated December 2, 1965, regarding requests from the respective Federal Reserve Banks for approval of salaries fixed by the Boards of Directors for individual officers (other than the Presidents and First Vice Presidents), effective January 1, 1966.

The Atlanta Reserve Bank, which had been administering officers' salaries without minimum ranges in Groups A, B, and C, also requested Board approval of the following officers' salary structure (no changes were requested in current ranges for Group D, nor in the current maximums of Groups A, B, and C):

<u>Group</u>	<u>Minimum</u>	<u>Maximum</u>
A	\$18,000	\$27,500
B	15,000	22,500
C	13,000	19,000
D	10,000	16,000

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The Division recommended that the salary proposals of each Reserve Bank be approved, effective January 1, 1966, as requested, and also that the proposed officers' salary structure at the Atlanta Reserve Bank be approved.

After discussion, the recommendations set forth in the memorandum from the Division of Personnel Administration were approved unanimously. Copies of the letters sent to the respective Reserve Banks pursuant to this action are attached as Items 14 through 25.

Members of the staff not concerned with the following topics withdrew from the meeting at this point.

Examination of Boston Reserve Bank. Mr. Smith summarized information disclosed through the examination of the Federal Reserve Bank of Boston made by the Board's field examining staff as of August 5, 1965, his comments being based on the report of examination and related memoranda that had been circulated to the Board.

After discussion, it was agreed that there were no matters disclosed by the examination that appeared to warrant action on the part of the Board.

Early retirement. During the foregoing discussion it was noted that several Reserve Bank officers, at Boston and elsewhere, had suffered serious illnesses in recent years. Although it appeared that most of the officers had been able to resume their responsibilities, question was raised whether it would not be desirable to provide a more flexible

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method of resolving such cases than was now available through disability or involuntary retirement. Discussion of this point included reference to some of the problems that would be involved in trying to develop such a procedure either within or outside the Retirement System of the Federal Reserve Banks. It was noted, however, that in a recent letter to the Board, Chairman Hall of the Federal Reserve Bank of Cleveland had raised a somewhat similar question, the consideration of which would occasion more thorough discussion of the subject.

Examination of Richmond Reserve Bank. There had been circulated to the Board the report of examination and other papers pertinent to the examination of the Federal Reserve Bank of Richmond made by the Board's field examining staff as of August 27, 1965.

Mr. Smith commented on the salient points of the report and related memoranda, after which it was agreed that none of the information disclosed by the examination appeared to call for action on the part of the Board.

The meeting then adjourned.

Secretary's Notes: A letter was sent today to Bank of America National Trust and Savings Association, San Francisco, California, acknowledging receipt of notice of its intent to establish an additional branch in Panama, to be located in Colon. The letter contained the following paragraph: "As you are aware, with respect to the establishment of foreign branches, funds provided by home office (whether in the form of allocated capital, advances, or otherwise) should be regarded as foreign assets

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for purposes of the voluntary foreign credit restraint effort. However, your letter of October 28, 1965, stated that establishment of the branch will not require additional capital expenditure and that expenses in opening the branch will be minimal."

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

Letter to the Federal Reserve Bank of Philadelphia (attached Item No. 26) approving the appointment of Edward G. Rutizer as examiner.

Memorandum from the Division of Data Processing dated December 8, 1965, recommending that the appointment of Helen K. Black to assist in the work of the Financial Statistics Section be extended from December 31, 1965, until June 30, 1966, on a temporary contractual basis with compensation at the rate of \$19 per day.

Memoranda recommending the following actions relating to the Board's staff:

Appointment

Luvenia Rogers as Teletype Operator, Division of Administrative Services, with basic annual salary at the rate of \$5,352, effective the date of entrance upon duty.

Salary increase

Martha Jane Tucker, Stenographer, Legal Division, from \$4,149 to \$4,641 per annum, effective December 19, 1965.

Acceptance of resignations

Ethel Bergstein, Statistical Clerk, Division of Data Processing, effective at the close of business December 17, 1965.

Robert F. Grieb, Statistical Clerk, Division of Research and Statistics, effective at the close of business January 14, 1966.

Governor Shepardson today noted on behalf of the Board a memorandum advising that Travis J. Johnson, Senior Federal Reserve Examiner, Division of Examinations, had

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filed application for retirement, effective December 31, 1965.

A handwritten signature in cursive script, appearing to read "James B. ...", is written over a horizontal line. Below the line, the word "Secretary" is printed in a serif font.

Secretary



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

4101
Item No. 1
12/9/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 9, 1965.

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

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment by Endicott Trust Company, Endicott, New York, of a branch in the Endicott Plaza Shopping Center, Endicott, Broome County, New York, 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. 2
12/9/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 9, 1965.

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

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment by Girard Trust Bank, Philadelphia, Pennsylvania, of a branch at 1300 Virginia Drive, Fort Washington Industrial Park, Fort Washington, Montgomery County, 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
12/9/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 9, 1965.



Board of Directors,
Fidelity-Philadelphia Trust Company,
Philadelphia, Pennsylvania.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment by Fidelity-Philadelphia Trust Company, Philadelphia, Pennsylvania, of a branch in the vicinity of the intersection of Chichester Road and Meetinghouse Road, Boothwyn, Upper Chichester Township, Delaware County, Pennsylvania, provided the branch is established within one year 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 \$25,000 in bank premises incident to the establishment of the branch approved in 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

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Item No. 4
12/9/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 9, 1965.

Board of Directors,
Fidelity-Philadelphia Trust Company,
Philadelphia, Pennsylvania.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment by Fidelity-Philadelphia Trust Company, Philadelphia, Pennsylvania, of an out-of-town branch in the vicinity of the intersection of Limekiln Pike and Dreshertown Road, Upper Dublin Township, Montgomery County, Pennsylvania, provided the branch is established within one year 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 \$40,000 in bank premises incident to the establishment of the branch approved in 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.)

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BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

Item No. 5
12/9/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 9, 1965.

Board of Directors,
Fidelity-Philadelphia Trust Company,
Philadelphia, Pennsylvania.

Gentlemen:

The Board of Governors of the Federal Reserve System extends to December 7, 1966, the time within which Fidelity-Philadelphia Trust Company, Philadelphia, Pennsylvania, may establish a branch at 1212 East Lancaster Avenue, Rosemont, Lower Merion Township, Montgomery County, Pennsylvania.

The Board of Governors also approves, under the provisions of Section 24A of the Federal Reserve Act, an additional investment of \$440,000 in bank premises, which includes \$40,000 for vault, drive-in units and night depository, incident to the establishment of the branch approved in this letter.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.



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

Item No. 6
12/9/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 9, 1965.

Mr. Joseph C. Wotawa, Vice President,
Federal Reserve Bank of St. Louis,
P. O. Box 442,
St. Louis, Missouri. 63166

Dear Mr. Wotawa:

This refers to your letter of November 24, 1965, regarding a penalty of \$16.14 incurred by the First National Bank of Jacksonville, Jacksonville, Illinois, on a deficiency in its required reserves for the computation period ended September 15, 1965, which your Bank inadvertently waived.

In view of the circumstances outlined in your letter, the Board concurs in your recommendation and ratifies the waiving of the \$16.14 penalty by your Bank.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

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

Item No. 7
12/9/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 9, 1965.

Board of Directors,
The Sylvan State Bank,
Sylvan Grove, Kansas.

Gentlemen:

The Board of Governors of the Federal Reserve System approves, under the provisions of paragraph 6 of Section 9 of the Federal Reserve Act and Section 5199(b) of United States Revised Statutes, the declaration of a dividend of \$25,000 by The Sylvan State Bank, Sylvan Grove, Kansas, in December of 1965. This letter does not authorize any future declaration of dividends that would require the Board's approval under the foregoing statutes.

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. 8
12/9/65



ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 9, 1965.

Board of Directors,
American State Bank,
Lubbock, Texas.

Gentlemen:

The Federal Reserve Bank of Dallas has forwarded to the Board of Governors a letter dated November 5, 1965, signed by Vice President and Cashier Joe Birdwell, 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.

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

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

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.

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

Item No. 9
12/9/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 9, 1965.

Board of Directors,
Metropolitan State Bank,
Chicago, Illinois.

Gentlemen:

The Federal Reserve Bank of Chicago has forwarded to the Board of Governors a certified copy of resolutions dated October 28, 1965, 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 Chicago of the Federal Reserve stock issued to your institution, such stock will be cancelled and appropriate refund will be made thereon.

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

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.





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

4110
Item No. 10
12/9/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 9, 1965.

The Honorable K. A. Randall, Chairman,
Federal Deposit Insurance Corporation,
Washington, D. C. 20429

Dear Mr. Randall:

Reference is made to your letter of November 16, 1965, concerning the application of Metropolitan State Bank, Chicago, Illinois, for continuance of deposit insurance after withdrawal from membership in the Federal Reserve System.

This bank was designated a problem bank on the basis of the March 9, 1964, examination. While improvement at the December 2, 1964, examination was such to justify removal from the problem category, the asset condition, management, and earnings of the bank were still regarded as fair. Capital funds were much lower than desirable when the volume of risk assets and asset condition of the bank were considered. In connection with an April 26, 1965, independent examination by the Illinois Department of Financial Institutions, a limited credit investigation was conducted by the Federal Reserve Bank of Chicago. This investigation revealed significant improvement in the bank's asset condition, but some further deterioration in the relation of capital funds to risk assets.

Vice President Ross of the Federal Reserve Bank of Chicago indicated in his June 3, 1965, letter to Metropolitan State Bank that at least \$600,000 of additional capital funds were needed to support the volume of risk assets held at the time of the April 26 investigation. At an August 3, 1965, special meeting of the Board of Directors of Metropolitan State Bank, the bank's capital needs, among other things, were considered. The directors concluded that the matter required further study and agreed that a report would be made to them within 90 days from August 3, 1965. We have not been informed about the results of the study.

The Honorable K. A. Randall

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The Reserve Bank requested that it be kept advised of plans to augment capital funds. It also planned to examine Metropolitan State Bank prior to the end of 1965.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

4112
Item No. 11
12/9/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 9, 1965.



Mr. Phillip S. Hughes,
Assistant Director for
Legislative Reference,
Bureau of the Budget,
Washington 25, D. C.

Dear Mr. Hughes:

This refers to your legislative referral memorandum of November 4, 1965, regarding the Department of State's proposed report on S. Res. 142. This resolution, introduced by Senator Hartke for himself and others, would request that a study be made by the Administration "to determine the feasibility of proposing the expansion of the International Monetary Fund's role to include the issuance of trade credits and banker's acceptances to the designated banking institutions of the member nations of the International Monetary Fund against the shipment of goods in international trade; the supply of such credits to be equal to an internationally determined subscription of gold to the account of the International Monetary Fund by the member nations, apportioned according to the present allocation of quotas."

The Department of State's proposed report on this resolution notes that the full range of means for altering the international monetary system, including means such as that favored by Senator Hartke, is already under study in an interagency group chaired by the Treasury Department. Without attempting substantive assessment of Senator Hartke's idea at this stage, the proposed report then lists some of the questions raised by that idea.

Since any credits granted by the IMF for any purpose would, under present arrangements, result in an increase in the IMF's liabilities to official monetary institutions, it may be assumed that Senator Hartke's proposal is put forward primarily as a device for increasing official liquid reserves. The idea, therefore, is only one of many plans for increasing liquidity, and it would seem wise to study it, not in isolation, but rather in comparison with alternative plans for achieving the same purpose.

Mr. Phillip S. Hughes

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The Board sees no objection to the proposed report of
the Department of State.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

4114
Item No. 12
12/9/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 9, 1965.

Cyril V. Smith, Jr., Esq.,
Covington & Burling,
Union Trust Building,
Washington, D. C. 20005

Dear Mr. Smith:

This is in response to your letter of November 4, 1965, to the Federal Reserve Bank of Richmond requesting access to certain unpublished information of the Board of Governors relating to the meaning of the term "general obligations of any State or of any political subdivision thereof" as used in paragraph Seventh of section 5136 of the United States Revised Statutes (12 U.S.C. 24).

The Board understands that, in conversations with Messrs. Hexter and Sanders of the Board's Legal Division, you have expressed willingness that the Board consider that the request relates only to such information that (1) is reasonably available and (2) is not a communication from the Comptroller of the Currency.

The records of the Legal Division contain a file of information with respect to "general obligations". The Board considers that file reasonably available, and all communications from the Comptroller (as well as other material that is irrelevant or not suitable for disclosure) have been temporarily withdrawn therefrom. You may examine its contents at any time during the Board's regular business hours. Please call Mr. Sanders (telephone RE 7-1100, extension 284) to set a convenient time.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

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Item No. 13
12/9/65

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 9, 1965.



Mr. George H. Ellis, President,
Federal Reserve Bank of Boston,
Boston, Massachusetts. 02106.

Dear Mr. Ellis:

The Board of Governors has reviewed and accepts
the budget of the Federal Reserve Bank of Boston for the
period January 1 - June 30, 1966, as submitted with your
letter of November 9, 1965.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

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Item No. 14
12/9/65

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



ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 10, 1965.

CONFIDENTIAL (FR)

Mr. George H. Ellis, President,
Federal Reserve Bank of Boston,
Boston, Massachusetts. 02106

Dear Mr. Ellis:

The Board of Governors approves the payment of salaries to the officers of the Federal Reserve Bank of Boston, for the calendar year 1966, as set forth in the enclosed schedule. The rates listed are those fixed by your Board of Directors, as reported in your letter of October 13, 1965, and amended by your letter of December 7.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

Enclosure.

Federal Reserve Bank of Boston

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
D. Harry Angney	Vice President	\$24,000
Ansgar R. Berge	Vice President	20,000
Robert W. Eisenmenger	Vice President and Director of Research	20,000
Luther M. Hoyle, Jr.	Vice President	18,000
Oscar A. Schlaikjer	Vice President and General Counsel	22,000
Charles E. Turner	Vice President	20,500
G. Gordon Watts	Vice President	21,500
Stanley B. Lacks	General Auditor	18,000
Laurence H. Stone	Secretary and Associate General Counsel	18,500
Jarvis M. Thayer, Jr.	Cashier	18,500
Parker B. Willis	Vice President and Economic Adviser	19,500
Paul S. Anderson	Financial Economist	16,000
Lee J. Aubrey	Assistant Vice President	16,000
Charles H. Brady	Assistant Vice President	15,500
Wallace Dickson	Assistant Vice President	19,000
Harry R. Mitiguy	Assistant Vice President	17,000
Loring C. Nye	Assistant Vice President	16,000
Eugene M. Tangney	Assistant Vice President	17,500
Richard A. Walker	Assistant Vice President	16,000
Daniel Aquilino	Assistant Cashier	16,000
John J. Barrett	Assistant Cashier	13,000
Ripley M. Keating	Assistant Cashier	14,000
Donald A. Pelletier	Assistant General Auditor	12,000
Richard H. Radford	Assistant Cashier	14,000

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Item No. 15
12/9/65

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



ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 10, 1965.

CONFIDENTIAL (FR)

Mr. Alfred Hayes, President,
Federal Reserve Bank of New York,
New York, New York. 10045

Dear Mr. Hayes:

The Board of Governors approves the payment of salaries to the officers of the Federal Reserve Bank of New York, for the calendar year 1966, as set forth in the enclosed schedule. The rates listed are those fixed by your Board of Directors, as reported in your letter of November 19, 1965.

It is noted that Vice Presidents Sanford and Smith will reach retirement age during 1966. Accordingly, salary payments to them are approved only to the date of their retirements.

Your Chairman has been advised in a separate letter regarding salary payments to you and First Vice President Treiber.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

Enclosure.

Federal Reserve Bank of New York

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
Harold A. Bilby	Vice President	\$37,500
John J. Clarke	Vice President and General Counsel	32,000
Charles A. Coombs	Vice President	34,500
Marcus A. Harris	Vice President	36,000
Alan R. Holmes	Vice President	30,000
Fred W. Piderit, Jr.	Vice President	24,000
Walter H. Rozell, Jr.	Vice President	28,500
George Garvy	Economic Adviser	26,000
Edward G. Guy	Assistant General Counsel	28,000
John P. Jensen	General Auditor	24,000
Robert G. Link	Vice President	27,000
Horace L. Sanford	Vice President	29,000
Thomas O. Waage	Vice President	26,000
William H. Braun, Jr.	Assistant Vice President	23,000
Felix T. Davis	Assistant Vice President	26,000
Peter Fousek	Assistant Vice President	24,000
Peter Lang	Adviser (Foreign)	22,000
Angus A. MacInnes, Jr.	Assistant Vice President	27,500
Bruce K. MacLaury	Assistant Vice President	21,000
Spencer S. Marsh, Jr.	Assistant Vice President	23,000
Donald C. Niles	Assistant Vice President	21,000
Lawrence E. Quackenbush	Assistant Vice President	21,000
Thomas J. Roche	Senior Foreign Exchange Officer	23,500
Frank W. Schiff	Assistant Vice President	19,000
Thomas C. Sloane	Assistant General Counsel	24,000
Kenneth E. Small	Assistant Vice President	21,000
Frederick L. Smedley	Assistant Vice President	21,500
Thomas M. Timlen, Jr.	Assistant Vice President	23,500
David E. Bodner	Manager	18,500
A. Thomas Combader	Manager	18,000
Robert J. Crowley	Manager	19,000
Richard A. Debs	Assistant Counsel and Secretary	18,000
Edward J. Geng	Manager	18,000
William E. Marple	Manager	20,750
Paul Meek	Manager	19,500
James H. Oltman	Manager	16,000
Everett B. Post	Manager	19,000
Edwin S. Rothman	Manager	18,000
Francis H. Schott	Manager	20,000
George C. Smith	Manager	22,500
Robert Young, Jr.	Assistant Counsel	18,000

New York

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<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
Gerald E. Beach	Manager	\$15,000
Leonard I. Bennetts	Manager	16,000
Martin W. Bergin	Manager	16,500
Ernest E. Blanchette	Manager and Assistant Secretary	18,000
Louis J. Brendel	Manager	15,000
Robert L. Cooper	Manager	18,000
Richard G. Davis	Senior Economist	18,500
Karl L. Ege	Manager	17,000
Martin French	Manager	14,500
Fred H. Klopstock	Manager	20,000
Leonard Lapidus	Manager	18,000
Madeline H. McWhinney	Manager	20,500
Robert Meyer	Assistant Counsel	14,500
Arthur Noa	Manager	18,500
Charles R. Pricher	Manager	19,000
Walter S. Rushmore	Manager	18,000
William M. Schultz	Assistant General Auditor	17,000
Betty Jean Shea	Assistant Counsel	14,500
Aloysius J. Stanton	Manager	17,250
Robert C. Thoman	Manager	17,000

Buffalo Branch

Insley B. Smith	Vice President	\$28,000
John T. Keane	Cashier	17,000
Harry A. Curth, Jr.	Assistant Cashier	13,000
Ronald B. Gray	Assistant Cashier	13,750
Gerald H. Greene	Assistant Cashier	17,000
Arthur A. Randall	Assistant Cashier	14,500



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

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Item No. 16
12/9/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 10, 1965.

CONFIDENTIAL (FR)

Mr. Karl R. Bopp, President,
Federal Reserve Bank of Philadelphia,
Philadelphia, Pennsylvania. 19101

Dear Mr. Bopp:

The Board of Governors approves the payment of salaries to the officers of the Federal Reserve Bank of Philadelphia, for the calendar year 1966, as set forth in the enclosed schedule. The rates listed are those fixed by your Board of Directors, as reported in Mr. Hilkert's letter of October 11, 1965.

The Board has noted the change in title for Mr. Metz from General Auditor to Vice President and General Auditor reported in Mr. Hilkert's letter of November 19. The Board understands that Mr. Metz will not take on any line responsibilities, except in the administration of his own Department, and that his responsibility will continue to be directly to the Board of Directors through the Audit Committee and the Chairman of the Board.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

Enclosure.

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
James V. Vergari	Vice President and General Counsel	\$27,500
David P. Eastburn	Vice President	26,500
Joseph R. Campbell	Vice President	22,000
Norman G. Dash	Vice President	20,000
David C. Melnicoff	Vice President	22,500
Hugh Barrie	Vice President	22,000
Harry W. Roeder	Vice President	19,500
Richard C. Wilgus	Vice President and Secretary	18,500
G. William Metz	Vice President and General Auditor	20,000
Joseph M. Case	Assistant Vice President	19,000
Clay J. Anderson	Economic Adviser	18,000
Evan B. Alderfer	Economic Adviser	17,500
James P. Giacobello	Chief Examining Officer	17,500
Leonard E. Markford	Examining Officer	16,000
Lawrence C. Murdoch	Assistant Vice President and Assistant Secretary	17,000
Jack C. Rothwell	Economist	18,000
Edward A. Aff	Assistant Vice President	17,000
Fred A. Murray	Director of Plant	17,000
Henry J. Nelson	Assistant Vice President	15,500
Jack P. Besse	Assistant Vice President	15,000
William A. James	Assistant Vice President	15,000
Ralph E. Haas	Assistant Vice President	16,000
Warren R. Moll	Assistant Vice President	15,000
Bertram W. Zumeta	Economist	16,500
Jack H. James	Examining Officer	15,000
William L. Ensor	Examining Officer	14,000
Kenneth M. Snader	Assistant Vice President	16,000
Walter J. Brobyn	Assistant Counsel	13,500
Russell P. Sudders	Assistant Vice President	14,500
A. Lamont Magee	Assistant General Auditor	12,500
James A. Agnew, Jr.	Assistant Cashier	12,000
T. K. Desch	Examining Officer	14,000

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

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Item No. 17
12/9/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 10, 1965.

CONFIDENTIAL (FR)

Mr. W. Braddock Hickman, President,
Federal Reserve Bank of Cleveland,
Cleveland, Ohio. 44101

Dear Mr. Hickman:

The Board of Governors approves the payment of salaries to the officers of the Federal Reserve Bank of Cleveland, for the calendar year 1966, as set forth in the enclosed schedule. The rates listed are those fixed by your Board of Directors, as reported in your letter of October 15, 1965.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

Enclosure.



Federal Reserve Bank of Cleveland

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
George E. Booth, Jr.	Vice President and Cashier	\$19,500
Paul Breidenbach	Vice President and General Counsel	17,500
Roger R. Clouse	Vice President and Secretary	22,500
Phillip B. Didham	Vice President	18,000
Elmer F. Fricke	Vice President	18,500
John J. Hoy	Vice President	19,500
Harry W. Huning	Vice President	16,500
Frederick S. Kelly	Vice President	18,500
Maurice Mann	Vice President and General Economist	23,000
Clifford G. Miller	Vice President	19,500
Elfer B. Miller	General Auditor	18,500
Addison T. Cutler	Assistant Vice President and Economist	17,000
R. Joseph Ginnane	Assistant Vice President	14,000
William H. Hendricks	Assistant Vice President	15,000
Robert G. Hoover	Assistant Vice President	15,500
H. Milton Pugh	Chief Examiner	15,000
Oscar H. Beach, Jr.	Assistant Cashier	13,000
Donald G. Benjamin	Assistant Cashier	13,500
Robert D. Duggan	Assistant Cashier	13,000
Anne J. Erste	Assistant Cashier	12,500
Thomas E. Ormiston, Jr.	Assistant Cashier	14,500
James H. Campbell	Assistant General Auditor	12,500
Lester M. Selby	Assistant Secretary	13,500

Cincinnati Branch

Fred O. Kiel	Vice President	\$25,000
Walter H. MacDonald	Cashier	18,000
Joseph W. Crowley	Assistant Cashier	12,000
George W. Hurst	Assistant Cashier	15,000
Howard E. Taylor	Assistant Cashier	14,500

Pittsburgh Branch

Clyde Harrell	Vice President	\$25,000
Roy J. Steinbrink	Cashier	19,000
J. Robert Aufderheide	Assistant Cashier	12,500
Paul H. Dorn	Assistant Cashier	14,500
Charles E. Houpt	Assistant Cashier	15,500

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BOARD OF GOVERNORS
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Item No. 18
12/9/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 10, 1965.

CONFIDENTIAL (FR)

Mr. Edwin Hyde, Chairman,
Federal Reserve Bank of Richmond,
Richmond, Virginia. 23213

Dear Mr. Hyde:

The Board of Governors approves the payment of salaries to the officers of the Federal Reserve Bank of Richmond, for the calendar year 1966, as set forth in the enclosed schedule. The rates listed are those fixed by your Board of Directors, as reported in your letter of November 11, 1965.

It is noted that Mr. Nowlan will reach retirement age during 1966. Accordingly, salary payments to him are approved only to the date of his retirement.

You are being advised in a separate letter regarding salary payments to President Wayne and First Vice President Heflin.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

Enclosure.



Federal Reserve Bank of Richmond

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<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
R. P. Black	Vice President	\$23,000
W. S. Farmer	Vice President and General Counsel	23,000
U. S. Martin	Vice President	24,000
J. L. Nosker	Vice President	21,000
J. M. Nowlan	Vice President and Cashier	24,000
J. Parthemos	Vice President	19,000
B. U. Ratchford	Vice President and Senior Adviser	25,000
G. H. Snead	General Auditor	20,000
J. G. Deitrick	Assistant Vice President	17,000
J. G. Dickerson, Jr.	Vice President	18,000
H. E. Ford	Assistant Vice President	18,000
J. C. Horigan	Chief Examiner	17,000
R. E. Sanders, Jr.	Vice President	18,500
J. F. Viverette	Vice President	17,500
C. B. Beavers	Assistant Vice President	15,000
E. L. Bennett	Examining Officer	16,500
W. C. Glover	Assistant Vice President	13,000
W. B. Harrison, III	Assistant Vice President	14,000
J. R. Monhollon	Assistant Vice President	16,000
A. V. Myers, Jr.	Assistant Vice President	14,000
C. D. Porter, Jr.	Examining Officer	15,000
V. E. Pregeant, III	Assistant Vice President and Secretary	15,000
R. H. Smart	Examining Officer	15,500
R. P. Schad	Assistant General Auditor	15,000
J. L. Allin, Jr.	Assistant Cashier	14,500
J. E. Friend	Assistant Cashier	14,000
R. L. Miller	Assistant Cashier	13,000
J. H. Wyatt	Assistant Cashier	11,500
<u>Baltimore Branch</u>		
D. F. Hagner	Vice President	\$24,000
A. A. Stewart, Jr.	Cashier	19,000
B. F. Armstrong	Assistant Cashier	13,000
E. R. Jones, Jr.	Assistant Cashier	14,000
G. L. Wilson	Assistant Cashier	12,000
<u>Charlotte Branch</u>		
E. F. MacDonald	Vice President	\$21,500
S. P. Fishburne	Vice President and Cashier	17,500
W. W. Keller	Assistant Cashier	13,000
F. C. Krueger, Jr.	Assistant Cashier	13,000
E. C. Mondy	Assistant Cashier	13,000



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

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 10, 1965.

CONFIDENTIAL (FR)

Mr. Harold T. Patterson, President,
Federal Reserve Bank of Atlanta,
Atlanta, Georgia. 30303

Dear Mr. Patterson:

The Board of Governors approves the payment of salaries to the officers of the Federal Reserve Bank of Atlanta, for the calendar year 1966, as set forth in the enclosed schedule. The rates listed are those fixed by your Board of Directors, as reported in your letter of November 10, 1965.

It is noted that Mr. Martin will reach retirement age during 1966. Accordingly, salary payments to him are approved only to the date of his retirement.

The Board has also approved, effective January 1, 1966, the following minimum and maximum ranges for the respective officer salary groups at the Federal Reserve Bank of Atlanta:

<u>Group</u>	<u>Minimum</u>	<u>Maximum</u>
A	\$18,000	\$27,500
B	15,000	22,500
C	13,000	19,000
D	10,000	16,000

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

Enclosure.

Federal Reserve Bank of Atlanta

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
J. E. McCorvey	Vice President and Cashier	\$23,500
Brown R. Rawlings	Vice President	21,000
R. M. Stephenson	Vice President	17,000
Harry Brandt	Vice President - Research	18,500
Charles T. Taylor	Vice President and Director of Research	19,250
Richard A. Sanders	Associate General Auditor	16,500
DeWitt Adams	General Auditor	16,500
Edgar M. Vallette	Vice President	16,000
Beyrl E. Howard	Assistant Vice President	15,750
George W. Sheffer	Chief Examiner and Assistant Vice President	16,000
W. M. Davis	Assistant Vice President	18,000
J. T. Harris	Assistant Vice President	16,500
George Hibbert	Assistant Counsel	16,000
Duane Hoover	Assistant Vice President	14,500
Jeffrey Wells	Assistant Cashier	14,500
Gale Roberson	Assistant Counsel	14,500
Arthur Kantner	Assistant Cashier	14,500
J. Lyle Hardin	Assistant Chief Examiner	15,500
C. Mason Ford	Assistant Vice President	12,750
F. H. Martin	Assistant Vice President	12,000
Basil A. Wapensky	Assistant Cashier	13,000
Eric Hingst	Assistant Cashier	11,000
James B. Forbes	Assistant Cashier	12,250

Birmingham Branch

E. C. Rainey	Vice President	\$20,000
Wm. A. Waller, Jr.	Assistant Vice President and Cashier	14,500
Marvin Stewart	Assistant Cashier	11,000
William Thomas	Assistant Cashier	11,000

Jacksonville Branch

T. A. Lanford	Vice President	\$21,000
T. C. Clark	Assistant Vice President	16,500
Dowdell Brown, Jr.	Assistant Vice President	15,500
Vestus Crow	Cashier	14,000
Billy Hargett	Assistant Cashier	13,750

Nashville Branch

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
R. E. Moody, Jr.	Vice President	\$22,000
W. H. Sewell	Assistant Vice President	16,400
L. W. Starr	Cashier	13,000
Stuart H. Magee	Assistant Cashier	11,000

New Orleans Branch

Morgan L. Shaw	Vice President	\$22,000
L. Y. Chapman	Assistant Vice President and Assistant Manager	15,000
Carson Branan	Assistant Vice President	14,500
R. M. Junca	Assistant Cashier	12,750

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Item No. 20
12/9/65

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



ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 10, 1965.

CONFIDENTIAL (FR)

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

Dear Mr. Scanlon:

The Board of Governors approves the payment of salaries to the officers of the Federal Reserve Bank of Chicago, for the calendar year 1966, as set forth in the enclosed schedule. The rates listed are those fixed by your Board of Directors, as reported in your letter of September 9, 1965.

It is noted that Assistant Cashier Gohr will reach retirement age during 1966. Accordingly, salary payments to him are approved only to the date of his retirement.

Your Chairman is being advised in a separate letter regarding salary payments to you and First Vice President Helmer.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

Enclosure.

Federal Reserve Bank of Chicago

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
A. J. Anschutz	Assistant Cashier	\$12,000
E. T. Baughman	Vice President	28,000
C. E. Bierbauer	Cashier	20,500
H. C. Buell	Assistant Chief Examiner	15,000
J. J. Capouch	Assistant Cashier	12,000
G. W. Cloos	Senior Economist	17,500
L. A. Davis	Assistant Vice President	16,000
L. W. Dawson	Assistant Vice President	15,000
F. A. Dons	Assistant General Auditor	18,000
D. M. Doyle	Assistant Vice President	16,500
Rudolph W. Dybeck	Assistant Cashier	12,000
F. C. Edler	Assistant Cashier	11,500
J. J. Endres	General Auditor	25,000
E. O. Fults	Assistant Vice President	18,000
L. A. Gohr	Assistant Cashier	14,000
A. M. Gustavson	Vice President	22,000
V. A. Hansen	Assistant Vice President	14,000
E. A. Heath	Assistant Vice President and Assistant Secretary	17,000
P. C. Hodge	Vice President, General Counsel and Secretary	26,000
W. O. Hume	Assistant Vice President	15,000
L. H. Jones	Vice President	25,000
E. K. Kroll	Assistant Cashier	13,000
C. T. Laibly	Vice President	23,000
W. J. Larson	Assistant General Counsel and Assistant Secretary	18,500
R. A. Moffatt	Vice President	20,500
J. R. Morrison	Chief Examiner	18,500
H. J. Newman	Vice President	22,000
L. M. Ross	Vice President	24,000
R. M. Scheider	Assistant Cashier	13,500
K. A. Scheld	Assistant Vice President	17,500
H. S. Schultz	Vice President	24,000
B. L. Smyth	Vice President	21,000
R. E. Sorg	Assistant Vice President	16,000
J. J. Srp	Assistant Vice President	17,000
L. A. Stiles	Senior Economist	17,000
C. W. Weiskopf	Assistant Chief Examiner	17,000
C. G. Wright	Assistant Vice President	15,500

Detroit Branch

R. W. Bloomfield	Assistant Vice President	\$17,500
P. F. Carey	Assistant Cashier	13,000
G. W. Lamphere	Assistant General Counsel	18,000
L. J. Purol	Assistant Cashier	11,500
W. G. Rickel	Assistant Cashier	13,000
R. A. Swaney	Vice President	26,000



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

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Item No. 21
12/9/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 10, 1965.

CONFIDENTIAL (FR)

Mr. Harry A. Shuford, President,
Federal Reserve Bank of St. Louis,
St. Louis, Missouri. 63166

Dear Mr. Shuford:

The Board of Governors approves the payment of salaries to the officers of the Federal Reserve Bank of St. Louis, for the calendar year 1966, as set forth in the enclosed schedule. The rates listed are those fixed by your Board of Directors, as reported in your letter of November 12, 1965.

Your Chairman is being advised in a separate letter regarding salary payments to you and First Vice President Francis.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

Enclosure.

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
Marvin L. Bennett	Vice President	\$20,000
Homer Jones	Vice President	23,000
Dale M. Lewis	Vice President	23,500
Howard H. Weigel	Vice President and Secretary	24,500
Joseph C. Wotawa	Vice President	24,000
Orville O. Wyrick	Vice President	22,000
George W. Hirshman	General Auditor	20,000
Gerald T. Dunne	General Counsel and Assistant Secretary	18,000
Norman N. Bowsher	Assistant Vice President	17,500
Woodrow W. Gilmore	Planning Officer	16,500
Wilbur H. Isbell	Chief Examiner	19,000
Willis L. Johns	Assistant Vice President	17,000
Stephen Koptis	Assistant Vice President	18,000
Paul Salzman	Assistant Vice President	16,500
Earl H. Chapin	Assistant Chief Examiner	15,500
Edgar H. Crist	Assistant Chief Examiner	15,000
George W. Dennison	Assistant Vice President	12,000
Janes M. Geiger	Assistant Vice President	15,500
John J. Hofer	Assistant Vice President	14,500
Richard O. Kaley	Assistant Vice President	15,000
F. Garland Russell, Jr.	Assistant Counsel	15,000
William R. Mueller	Assistant General Auditor	13,660
William E. Walker	Assistant Vice President	12,000
<u>Little Rock Branch</u>		
John F. Breen	Vice President and Manager	\$17,000
John K. Ward	Cashier	12,500
Howard J. Jensen	Assistant Cashier	10,250
Michael T. Moriarty	Assistant Cashier	11,000
<u>Louisville Branch</u>		
Donald L. Henry	Vice President and Manager	\$23,000
James E. Conrad	Cashier	12,500
Louis A. Nelson	Assistant Cashier	12,000
Clarence J. Woertz	Assistant Cashier	12,500
<u>Memphis Branch</u>		
John W. Menges	Vice President and Manager	\$18,000
Benjamin B. Monaghan	Cashier	14,500
Paul I. Black, Jr.	Assistant Cashier	13,000
Joseph P. Garbarini	Assistant Cashier	13,000

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Item No. 22
12/9/65

BOARD OF GOVERNORS
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ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 10, 1965.

CONFIDENTIAL (FR)

Mr. Hugh D. Galusha, Jr., President,
Federal Reserve Bank of Minneapolis,
Minneapolis, Minnesota. 55440

Dear Mr. Galusha:

The Board of Governors approves the payment of salaries to the officers of the Federal Reserve Bank of Minneapolis, for the calendar year 1966, as set forth in the enclosed schedule. The rates listed are those fixed by your Board of Directors, as reported in your letters of October 26 and November 30, 1965.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

Enclosure.

Federal Reserve Bank of Minneapolis

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<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
K. K. Fossum	Vice President	\$22,000
R. K. Grobel	Vice President	20,000
C. W. Groth	Vice President	22,500
F. L. Parsons	Vice President	22,000
W. C. Bronner	Vice President	15,500
F. J. Cramer	Vice President	16,500
R. J. Dreitzler	General Auditor	17,000
J. J. Gillette	Vice President	16,000
J. A. MacDonald	Cashier	17,000
E. O. Beeth	Assistant Vice President	13,000
C. E. Bjork	Assistant General Auditor	13,000
L. G. Gable	Chief Examiner	13,500
R. D. Graham	General Counsel and Assistant Secretary	15,000
D. R. Hellweg	Assistant Vice President	14,500
H. L. Knous	Assistant Vice President	14,000
O. F. Litterer	Assistant Vice President	15,500
C. W. Nelson	Director of Research	16,000
W. A. O'Brien	Assistant Vice President	14,500
J. P. Olin	Assistant Vice President and Secretary	16,000
R. W. Worcester	Assistant Vice President	14,500
C. E. Bergquist	Assistant Cashier	13,000
H. O. Hallin	Assistant Cashier	12,500
<u>Helena Branch</u>		
C. A. Van Nice	Vice President	\$20,000
J. L. Heath	Assistant Cashier	11,000
Richard C. Heiber	Assistant Cashier	12,500

BOARD OF GOVERNORS
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Item No. 23
12/9/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 10, 1965.



CONFIDENTIAL (FR)

Mr. Homer A. Scott, Chairman,
Federal Reserve Bank of Kansas City,
Kansas City, Missouri. 64106

Dear Mr. Scott:

The Board of Governors approves the payment of salaries to the officers of the Federal Reserve Bank of Kansas City, for the calendar year 1966, as set forth in the enclosed schedule. The rates listed are those fixed by your Board of Directors, as reported in your letter of October 18, 1965.

It is noted that Chief Examiner Wilkinson will reach retirement age during 1966. Accordingly, salary payments to him are approved only to the date of his retirement.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

Enclosure.

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
Clarence W. Tow	Senior Vice President-Econ. Research	\$26,000
John T. Boysen	Vice President	23,000
Wilbur T. Billington	Vice President and Senior Economist	19,500
Raymond J. Doll	Vice President and Senior Economist	20,500
J. R. Euans	Vice President	17,500
Carl F. Griswold	Vice President	15,500
Marvin L. Mothersead	Vice President	15,500
George D. Royer, Jr.	Vice President	19,000
R. E. Thomas	Vice President	15,000
S. J. Andrews	Cashier	13,500
W. F. Fairley	General Auditor	16,000
John N. Blair	Assistant Vice President	14,000
J. C. Craig	Assistant Vice President	14,000
Wayne W. Martin	Assistant Vice President	13,000
George R. Wilkinson	Chief Examiner	15,000
Theodore F. Brauninger	Assistant Cashier	12,000
F. J. Mathews	Assistant Cashier	13,000
Lewis W. Smith	Assistant Cashier	12,000
D. I. White	Assistant Cashier	12,000
James D. Hamilton	Assistant Cashier	11,000
Grady R. Hopper	Assistant Cashier	12,000
E. S. Willock	Assistant General Auditor	13,500
M. J. Swords	Assistant Chief Examiner	13,000

Denver Branch

John W. Snider	Vice President	\$19,000
Dan S. Spencer, Jr.	Cashier	13,800
J. R. Zahourek	Assistant Cashier	13,500
H. F. Krebs	Assistant Cashier	12,100

Oklahoma City Branch

H. W. Pritz	Vice President	\$20,000
E. P. Farley	Cashier	14,000
W. J. Milburn, Jr.	Assistant Cashier	12,000
W. G. Evans	Assistant Cashier	11,000

Omaha Branch

G. C. Rankin	Vice President	\$19,000
W. L. Pleiss	Cashier	14,000
C. C. Tollander	Assistant Cashier	11,000
Robert D. Hamilton	Assistant Cashier	10,000



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

4138

Item No. 24
12/9/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 10, 1965.

CONFIDENTIAL (FR)

Mr. Watrous H. Irons, President,
Federal Reserve Bank of Dallas,
Dallas, Texas. 75222

Dear Mr. Irons:

The Board of Governors approves the payment of salaries to the officers of the Federal Reserve Bank of Dallas, for the calendar year 1966, as set forth in the enclosed schedule. The rates listed are those fixed by your Board of Directors, as reported in your letter of November 12, 1965.

It is noted that Mr. Troy will reach retirement age during 1966. Accordingly, salary payments to him are approved only to the date of his retirement.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

Enclosure.

Federal Reserve Bank of Dallas

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<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
G. R. Murff	Vice President and Secretary	\$24,500
T. W. Plant	Vice President and Cashier	25,000
James L. Cauthen	Vice President	23,000
Ralph T. Green	Vice President	19,000
Arthur H. Lang	General Auditor	19,000
George F. Rudy	General Counsel	17,500
Thomas R. Sullivan	Vice President	19,000
James A. Parker	Vice President	16,000
Roy E. Bohne	Vice President	16,000
W. M. Pritchett	Vice President	15,100
J. Z. Rowe	Director of Research	15,000
Robert H. Boykin	Assistant Vice President and Assistant Secretary	15,000
E. A. Thaxton, Jr.	Assistant Vice President	14,000
James O. Russell	Chief Examiner	14,000
Leon W. Cowan	Assistant Vice President	12,800
E. W. Vorlop, Jr.	Assistant Vice President	12,000
Tony J. Salvaggio	Assistant Vice President	12,000
Sydney J. Alexander	Assistant Cashier	10,800
Robert A. Brown	Assistant Cashier	10,000
George C. Cochran, III	Assistant Counsel	10,300
Richard D. Ingram	Assistant Cashier	10,510
Harry E. Robinson	Assistant Cashier	10,900
Jesse D. Sanders	Assistant Cashier	10,510

El Paso Branch

Fredric W. Reed	Vice President	\$15,000
T. C. Arnold	Cashier	12,000
Forrest E. Coleman	Assistant Cashier	11,000

Houston Branch

J. L. Cook	Vice President	\$26,500
B. J. Troy	Cashier	13,250
Rasco R. Story	Assistant Cashier	13,500
Roy E. Maley	Assistant Cashier	10,500

San Antonio Branch

Carl H. Moore	Vice President	\$18,500
A. E. Mundt	Cashier	12,600
Alvin E. Russell	Assistant Cashier	11,000
Frederick J. Schmid	Assistant Cashier	10,500

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 10, 1965.

CONFIDENTIAL (FR)

Mr. Eliot J. Swan, President,
Federal Reserve Bank of San Francisco,
San Francisco, California. 94120

Dear Mr. Swan:

The Board of Governors approves the payment of salaries to the officers of the Federal Reserve Bank of San Francisco, for the calendar year 1966, as set forth in the enclosed schedule. The rates listed are those fixed by your Board of Directors, as reported in your letter of November 9, 1965.

It is noted that Messrs. Watkins and Simmons will reach retirement age during 1966, and that Mr. Galvin will retire effective March 1. Accordingly, salary payments to them are approved only to the date of their retirements.

Your Chairman is being advised in a separate letter regarding salary payments to you and First Vice President Hemmings.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

Enclosure.

Federal Reserve Bank of San Francisco

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<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
J. H. Craven	Vice President	\$25,000
A. B. Merritt	Vice President	24,500
J. L. Barbonchielli	Vice President	19,000
D. M. Davenport	Vice President	17,000
E. H. Galvin	Vice President	20,000
G. D. Hartlin	General Auditor	19,500
W. F. Scott	Vice President and General Counsel	19,000
H. B. Jamison	Chief Examiner	14,000
W. M. Burke	Senior Economist	17,500
G. W. Lynn	Director of Research	17,500
E. J. Martens	Vice President and Cashier	18,000
Rix Maurer, Jr.	Assistant Vice President	15,000
E. A. Wells	Assistant Vice President	14,000
J. B. Williams	Assistant Vice President	14,000
T. W. Barrett	Assistant Cashier	13,000
E. E. Bernstein	Assistant Cashier	12,500
W. L. Cooper	Assistant General Counsel	14,000
E. E. Livingston	Assistant Cashier	12,500
D. V. Masten	Assistant Cashier	12,500
R. E. McKendry	Assistant General Auditor	14,000
R. G. Retallick	Assistant Cashier	12,500
<u>Los Angeles Branch</u>		
C. H. Watkins	Vice President and Manager	\$22,500
P. W. Cavan	Vice President	18,500
J. R. Robinson	Assistant Vice President	15,500
W. E. Carter	Assistant Manager	12,250
M. A. Jones	Assistant Manager	12,000
G. R. Kelly	Assistant Manager	12,500
G. D. Parker	Assistant Manager	12,500
<u>Portland Branch</u>		
W. M. Brown	Vice President and Manager	\$19,000
W. G. DeVries	Assistant Vice President	15,000
F. K. Grimm	Assistant Manager	12,500
F. R. Skinner	Assistant Manager	12,000
<u>Salt Lake City Branch</u>		
A. L. Price	Vice President and Manager	\$19,000
T. M. Simmons	Assistant Vice President	14,500
R. C. Dunn	Assistant Manager	12,000
A. G. Holman	Assistant Manager	12,500
<u>Seattle Branch</u>		
E. R. Barglebaugh	Vice President and Manager	\$21,500
W. R. Sandstrom	Assistant Vice President	16,000
R. P. Glascock	Assistant Manager	13,000
	Assistant Manager	12,000



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

4142
Item No. 26
12/9/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 10, 1965.

Mr. Joseph R. Campbell, Vice President,
Federal Reserve Bank of Philadelphia,
Philadelphia, Pennsylvania. 19101

Dear Mr. Campbell:

In accordance with the request contained in your letter of December 6, 1965, the Board approves the appointment of Edward G. Rutizer, at present an assistant examiner, as an examiner for the Federal Reserve Bank of Philadelphia, effective December 27, 1965.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.