FR 609

Minutes for May 2, 1966

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. Robertson

Gov. Shepardson

Gov. Mitchell

Gov. Daane

Gov. Maisel

Gov. Brimmer

Minutes of the Board of Governors of the Federal Reserve System on Monday, May 2, 1966. The Board met in the Board Room at 10:00 a.m.

PRESENT: Mr. Martin, Chairman
Mr. Robertson, Vice Chairman
Mr. Shepardson
Mr. Daane
Mr. Maisel

Mr. Sherman, Secretary
Mr. Kenyon, Assistant Secretary
Mr. Molony, Assistant to the Board
Mr. Cardon, Legislative Counsel
Mr. Fauver, Assistant to the Board
Mr. Hackley, General Counsel
Mr. Solomon, Director, Division of Examinations
Mr. Johnson, Director, Division of Personnel Administration
Mr. Hexter, Associate General Counsel
Mr. O'Connell, Assistant General Counsel
Mr. Shay, Assistant General Counsel
Mr. Leavitt, Assistant Director, Division of Examinations
Miss Wolcott, Technical Assistant, Office of the Secretary

Approved letters. The following letters were approved unanimously after consideration of background information that had been made available to the Board. Copies of the letters are attached under the respective item numbers indicated.

	Item No.
Letters to United California Bank, Los Angeles, California, approving the establishment of branches (1) near Colorado and Sierra Madre Boulevards, Pasadena, and (2) near Highland and Sterling Avenues, San Bernardino.	1-2

	Item No.
Letter to the Federal Reserve Bank of Cleveland approving the payment of salary to Irwin W. Robinson as Assistant General Auditor at the rate fixed by the Bank's Board of Directors.	3

Suggested amendments to Bank Holding Company Act (Item No. 4). There had been distributed a memorandum from Mr. Cardon dated April 29, 1966, relating to a request from Chairman Robertson of the Senate Committee on Banking and Currency for Board comment on a number of amendments to the Bank Holding Company Act proposed by the Independent Bankers Association and by the Association of Registered Bank Holding Companies.

The most important of the amendments proposed by the Independent Bankers Association would require Board approval of all mergers involving holding company subsidiary banks inside the home State and would prohibit any such merger outside the home State. Other proposed changes were classified as "strengthening" amendments, and the Independent Bankers Association, recognizing that they would require study, proposed a temporary "freeze" bill that would restrain the formation of any new holding companies or expansion of existing ones in the interim.

The most substantive amendment proposed by the Association of Registered Bank Holding Companies would apply to bank holding company cases the same procedures regarding antitrust suits as apply to bank merger cases.

The proposed reply to Chairman Robertson (copy also distributed) would recommend that the Board's approval be required (in lieu of that of any other Federal banking agency) for all mergers of holding company subsidiary banks and that mergers of out-of-State subsidiary banks be prohibited except where necessary to prevent bank failures. Regardless of whether home-State mergers were made subject to Board approval, the letter would recommend that in any event expansion of bank holding company systems through out-of-State mergers be subjected to rigorous scrutiny by the Board. Alternative draft amendments to S. 2353, a bill to amend the Bank Holding Company Act, would be transmitted.

The reply would further state that while the Board agreed that the other amendments proposed by the Independent Bankers Association involved fundamental changes requiring careful study, it was opposed to the enactment of a "freeze" bill.

A favorable recommendation would be made with respect to the principal amendment proposed by the Association of Registered Bank Holding Companies. Recommendations on the other amendments would also be set out in the proposed reply.

Discussion at this meeting related primarily to the amendment proposed by the Independent Bankers Association that would require Board approval of all mergers by subsidiary banks inside the home State of the bank holding company and prohibit any such merger outside the home State. Mr. Cardon recalled that at the Board meeting on

March 15, when the testimony to be presented by Chairman Martin on several bills to amend the Bank Holding Company Act was under consideration, a view was expressed that mergers of holding company subsidiary banks should be under the sole jurisdiction of the Board. However, this point had not been made entirely clear at the hearing. Mr. Cardon was of the opinion that the Committee would ignore the proposal to require Board approval for home-State mergers of subsidiary banks. On the other hand, Senator Douglas was opposed to any holding company expansion through out-of-State mergers and probably would offer an amendment to prohibit them. However, Senator Douglas possibly would go along with an exception to allow such mergers when they would prevent bank failures.

Mr. Hackley stated that it was the unanimous view of the Legal Division that a proposal for Board approval of mergers of holding company subsidiary banks, in lieu of approval by the agency having jurisdiction under the Bank Merger Act, was wrong in principle and unnecessary. The Division felt the position taken by the Board heretofore, that is, since enactment of the Bank Merger Act, was correct, and there had been no new developments affecting the logic of that position. According to this line of thinking, the Comptroller of the Currency should be the authority to approve, under the Bank Merger Act, any merger where the resulting bank would be a national bank,

even though such bank was in a holding company system. The Comptroller should, of course, consider the effect on competition of the fact that the applicant bank was a subsidiary of a bank holding company. Even if he did not in fact do so, however, that would be no reason for departing from the sound principle that the Board had followed in the past. The fact that the proposed amendment was not likely to be adopted was irrelevant; it should not be taken into account in determining whether the proposal itself was logical and sound.

Mr. Hexter commented that when a national bank proposed to absorb another bank through merger, one of the important questions presented was whether the bank was in a position, from the point of view of its financial situation and management, to take over the other bank and handle its business effectively. The Comptroller and his examiners were the ones who worked with such a bank all the time. It seemed questionable whether, simply because the bank happened to be a member of a holding company system, the authority who supervised the bank continuously should be precluded from passing on the merger. If this responsibility were shifted to the Board, the Board would have to put itself in the place of the regular supervisor and attempt to familiarize itself with the factors of which the Comptroller was aware from his continuing supervision of the institution. Further, under the Bank Merger Act the Comptroller was required to take into consideration the competitive factors, including the holding company impact, in passing on a proposed merger.

Mr. Hackley added the comment that Congress, as a matter of policy, had distinguished between bank mergers and holding company acquisitions. Thus far, at least, it had decided that all mergers should be subject to approval by the agency having primary jurisdiction over the continuing bank, whereas it had decided that expansion of holding companies through stock acquisitions should be approved by the Board. If authority to regulate expansion of holding company systems through subsidiary bank mergers was transferred to the Board, it would seem to follow logically that the Board should also approve the establishment of de novo branches by a holding company subsidiary bank.

Mr. Hexter noted that the Holding Company Act was enacted to fill a gap that permitted a corporation to acquire additional banks with no supervision or control. No such gap existed in respect to expansion of holding company systems through mergers involving subsidiary banks. In that case, approval must be obtained from the Federal banking supervisor having principal knowledge with respect to the applicant bank.

As the members of the Board expressed their views, Governor Shepardson indicated that he considered the position taken in the proposed letter appropriate. If a holding company sought to acquire a bank for its system, whether a national bank or otherwise, the

Board had to consider all of the pertinent banking factors. The same would be true if a holding company subsidiary bank wanted to absorb another bank by merger. In either event, the device was one for expanding the holding company system.

Governor Daane commented that, as Mr. Cardon had indicated, the question appeared to be academic so far as the proposed amendment was concerned. Essentially, however, in the absence of the proposed amendment, the Board was denied control over one alternative method of expansion of holding company systems. Unless it expressed the view stated in the proposed letter, it would be acquiescing in a position that the present law was appropriate and that there was no real reason for the Board to have the added responsibility.

Governor Maisel remarked that, in the case of a merger involving a holding company subsidiary bank, there were special financial relationships that should be given consideration and that might not necessarily be given adequate weight if the merger was considered under the terms of the Bank Merger Act alone. There was the question of the impact that the merger might have not only on the strength of the subsidiary bank but also on the strength of the holding company system. Theoretically, at least, such information might not be fully available to a banking agency that did not exercise jurisdiction under the Bank Holding Company Act.

Governor Robertson expressed the view that the proposed letter was highly appropriate. He thought the Legal Division was missing the point that a proposed merger of a holding company subsidiary bank--as contrasted with the usual application--involved a situation where a bank was being told by its owner to merge with another bank. There were instances in which bank holding companies had expanded by the acquisition of additional banks and also cases where they had expanded through mergers involving their subsidiary banks. Yet those alternative avenues of expansion were processed under different statutes, and he did not think this should be the case.

Governor Maisel said he was willing to take the position expressed in the draft letter, and Governor Daane said that he thought the position was a sound one. While he did not like to go against the views of the Legal Division, he felt it was appropriate for the Board at this juncture to reverse the position it had taken earlier.

Accordingly, the proposed letter to Chairman Robertson was approved unanimously. A copy is attached as Item No. 4.

National bank charters. Mr. Leavitt reported a telephone call from Mr. Schremp of the House Banking and Currency Committee staff during which Mr. Schremp inquired (1) when the Comptroller of the Currency discontinued the practice of asking for the Board's views on applications for new national bank charters; (2) whether the Board made a recommendation in connection with the application for a charter

for the San Francisco National Bank, San Francisco, California; and if so, whether a copy could be made available.

Mr. Leavitt said he had told Mr. Schremp that the Comptroller had discontinued asking for the Board's views in March 1962. Mr. Leavitt now asked authorization to send to Mr. Schremp a copy of the Board's letter dated September 29, 1961, recommending favorably on the San Francisco National Bank charter application, and it was agreed that a copy of the letter should be furnished.

Meeting with Minneapolis Bank directors. Chairman Martin related that President Galusha of the Federal Reserve Bank of Minneapolis had raised the question of arranging for the Minneapolis Board of Directors to come to Washington for a meeting with the Board of Governors on November 10, 1966.

The question was discussed by the Board in light of the precedent aspects of the proposal. One suggestion made was that the subject might be discussed in general terms with the Presidents of the Reserve Banks on some convenient occasion or with the Reserve Bank Chairmen at their meeting in December. It was noted, however, that such discussions might engender similar proposals from the other Reserve Banks, and some of the members of the Board expressed doubt concerning the feasibility of a series of meetings of this kind.

It was then agreed that President Galusha should be advised that the Board would be agreeable to a meeting with the Minneapolis

directors on November 10, if the directors so desired, on an experimental basis and with the understanding that this would not be construed as establishing a precedent.

Disposition of computer. At the meeting on April 7, 1966, the Board authorized the installation of a new electronic computer, and disposition of the present IBM 1410 computer system was discussed. The Commissioner of the Public Debt, Treasury Department, had offered to purchase the equipment for $130,000, but a substantially higher offer ($230,000) had been made by a private party. It was agreed to refer the matter to Governor Shepardson for further study.

Governor Shepardson now reported that preliminary investigation indicated the existence of a good market for 1410 computers. Such computers were no longer being produced, and they were apparently in some demand. It had been determined that two trade journals appeared to offer the most advantageous advertising media; but, should they be used, it would probably be well past June 30 before bids could be received and a sale consummated. It had developed in the meantime that the Treasury Department was willing to increase its offer from $130,000 to $230,000, using funds available for the current fiscal year. A letter to Chairman Martin from Fiscal Assistant Secretary Carlock, dated April 21, 1966, cited reasons why it was believed that the computer should be sold to the Treasury rather than to a private party, the most persuasive argument being the net saving that would

accrue to the Government. In essence, the Bureau of the Public Debt reportedly could effect a substantial reduction in operating costs by having the equipment available, and it apparently intended to obtain such equipment, either from the Board or elsewhere. The question before the Board, therefore, was whether it would be preferable to sell the 1410 computer system to the Treasury or to proceed with advertising for bids.

There followed a full discussion of the alternatives, at the conclusion of which it was agreed that a sale of the computer to the Treasury, on a negotiated basis, for $230,000 or better would be justified in view of the potential net saving to the Government. It was understood that the reasons for the decision to follow this course would be adequately documented in the Board's files.

The meeting then adjourned.

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

Letter to the Federal Reserve Bank of Chicago (copy attached as Item No. 5) approving the appointment of Joseph L. Parrish, Jr., and James A. Pelegrin as assistant examiners.

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

Appointment

Sonia Marie DeAraujo as Statistical Clerk, Division of Research and Statistics, with basic annual salary at the rate of $4,149, effective the date of entrance upon duty.

Acceptance of resignation

Janet M. Davison, Draftsman, Division of Data Processing, effective at the close of business May 6, 1966.

Permission to engage in outside activity

James M. Howell, Economist, Division of Research and Statistics, to teach a course in Money and Banking at the University of Maryland.

Secretary

Item No. 1
5/2/66

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

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

May 2, 1966

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

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment by United California Bank, Los Angeles, California, of a branch in the vicinity of the intersection of Colorado and Sierra Madre Boulevards, Pasadena, California, 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.)

1555

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

Item No. 2
5/2/66

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

May 2, 1966

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

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment by United California Bank, Los Angeles, California, of a branch in the vicinity of the intersection of Highland and Sterling Avenues, San Bernardino, California, 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. 3
5/2/66

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

May 2, 1966

CONFIDENTIAL (FR)

Mr. Joseph B. Hall, Chairman,
Federal Reserve Bank of Cleveland,
Cleveland, Ohio. 44101.

Dear Mr. Hall:

The Board of Governors approves the payment of salary to Mr. Irwin W. Robinson as Assistant General Auditor of the Federal Reserve Bank of Cleveland at the rate of $15,000 per annum for the period June 1 through December 31, 1966. This is the rate fixed by your Board of Directors as reported in your letter of April 14, 1966.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

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

Item No. 4
5/2/66

OFFICE OF THE CHAIRMAN

May 2, 1966

The Honorable A. Willis Robertson,
Chairman,
Committee on Banking and Currency,
United States Senate,
Washington, D. C. 20510

Dear Mr. Chairman:

This is in reply to your letter of April 26, 1966, requesting the Board's comments on a number of amendments to the Bank Holding Company Act of 1956 which have been proposed by the Independent Bankers Association and the Association of Registered Bank Holding Companies.

The most important of these amendments relates to expansion of bank holding company systems by mergers of subsidiary banks. A principal purpose of the Bank Holding Company Act was to require Board approval of expansion of bank holding companies through the acquisition of additional banks. The Board believes that expansion within the holding company's home State through mergers of independent banks into its subsidiary banks should be subject to approval by the Board, in order to ensure that the standards of this Act, as well as those of the Bank Merger Act, are considered and applied. We recognize that approval of two separate Federal supervisory agencies for such mergers should not be required, and suggest, therefore, that approval by the Board should be in lieu of approval by any other such agency.

Whether or not such home-State mergers are made subject to Board approval, the Board believes that expansion outside the home State through mergers of subsidiary banks should be subject to the most rigorous scrutiny by the Board, in view of the general prohibition incorporated in section 3(d) of the Act against expansion across State lines. The Act allowed holding companies to retain banks that they had previously acquired outside their home States. By virtue of other provisions of section 3, the prohibition in section 3(d) does not apply where one of these previously-acquired subsidiary banks acquires another bank by merger. This raises the question of whether this form of out-of-State expansion should be authorized when a direct acquisition by the holding company is prohibited.

Two general principles have been advanced in favor of retaining the present exemption. First, it is argued that the merger of an independent bank into an out-of-State subsidiary bank should be governed by the Bank Merger Act without regard to the Bank Holding Company Act. Second, it is argued that regulation under the Bank Holding Company Act should be confined to the holding company per se, and should not be extended to cover bank-level operations. The Board believes, however, that these general principles should not be applied in a way that converts a "grandfather clause" into an avenue for out-of-State expansion.

On the basis of another general principle--that bank holding companies should be confined to one State--the Congress might logically have required holding companies that had already expanded across State lines to divest their out-of-State banks. Instead, the Congress permitted the eight domestic and three foreign companies involved to retain these banks, presumably in the belief that divestiture would involve too great a hardship. Having done so, the Congress must now decide whether it would also involve undue hardship if these banks were barred from expanding the holding company system outside the home State by acquiring other banks through merger. Roughly 100 banks are involved. If they were prohibited from merging, it is argued, they would be placed at an unfair disadvantage in relation to their competitors. Presumably they would be at a disadvantage, but the Board does not believe it would be unfair. They would be treated differently because of a difference in their situation which should in fairness be recognized. They are subsidiary banks in a holding company system, outside the holding company's home State, allowed to operate as a part of that system only because they were acquired before enactment of the Act. We do not believe that equity requires the Congress to close its eyes to this fact.

The Board believes, therefore, that mergers of out-of-State subsidiary banks should be prohibited as a general rule. At the same time, we believe one exception should be recognized. As you know, it has been possible on occasion to prevent a bank failure by arranging for a bank that is threatened with insolvency to be merged into a sound bank. In a few States it is conceivable that in such a situation the only bank with which such a merger could be arranged would be a subsidiary of an out-of-State holding company. We would hope that this would not happen, but it seems prudent to allow for such a contingency.

Draft amendments to S. 2353 to carry out the Board's recommendations as to mergers of subsidiary banks are enclosed. Alternative A would subject all mergers of subsidiary banks to Board approval, whether inside or outside the holding company's home State, but require disapproval of an out-of-State merger unless it was necessary to prevent a bank failure. Alternative B would incorporate only the latter provision, as to out-of-State mergers.

As the President of the Independent Bankers Association recognized in his testimony before your Committee, the other amendments the Association proposes to strengthen the Act involve fundamental changes that require careful study. The Board would prefer to withhold comment on these amendments at this time. We cannot, however, agree with the Association's suggestion that a "freeze bill" be enacted pending further study of the long-range proposals.

The principal amendment proposed by the Association of Registered Bank Holding Companies would apply the same procedures regarding antitrust suits to cases under the Bank Holding Company Act as now apply to cases under the Bank Merger Act. In broadest outline, this would mean that any proposed acquisition, merger, or consolidation transaction approved by the Board under the Holding Company Act could not be consummated for thirty days; any antitrust suit attacking such a transaction would have to be brought within the thirty-day period; and the standards applied by the court in such a suit (except for suits brought under section 2 of the Sherman Act) would be identical with those that the Board must apply in making its original determination. The Board believes that the considerations of equity and protection of the public against the "unscrambling" problems involved in merger cases, with which your Committee is so familiar, apply also to holding company cases, although perhaps less strongly. Accordingly, the Board recommends favorable consideration of this amendment by your Committee. As a technical matter, the Board believes that references in the proposed amendment to section 3(c) of the Act should be broadened to refer to section 3, so as to include the prohibitions contained in subsection (d) of section 3, and (if it is adopted) the new subsection (e) proposed by the Board.

Another amendment would reduce the time permitted for appealing for court review of an order of the Board from sixty days, as now provided in section 9, to thirty days. This would conform to the procedures referred to in the previous paragraph, and the Board recommends adoption of the amendment.

Another amendment would make a conforming change--purely technical--by inserting "or advance" after "loan" on page 10, line 11, of S. 2353. The Board recommends adoption of this amendment.

The Association recommends striking the word "banking" in section 4(c)(1) of the Act, "to make it clear that subsidiaries of a bank holding company are permitted to provide services to all other subsidiaries of the bank holding company and not be limited to providing services only to 'banking' subsidiaries." The Board is not aware of any situation in which the Act as now written has proved to be too restrictive. In the absence of such a showing, the Board would not recommend adoption of such an amendment.

Another amendment relates to nonbank securities acquired by a subsidiary bank in satisfaction of a debt. Section 4 of the Act now requires the bank to dispose of such securities within two years. The proposed amendment would substitute for the two-year period "such period as is prescribed by the Comptroller of the Currency if the bank is a national bank or by state law or by the appropriate state supervisory authority if the bank is a state bank." The testimony in support of this proposed amendment states that the Comptroller "as a matter of policy, permits national banks to retain (such securities) until the banks can dispose of the securities on favorable terms." It also cites New York law to the effect that such securities "may be held for such period as the board of directors deems advisable." The Board does not believe that allowing retention for such indefinite periods would be consistent with the purposes of the Act in requiring divestiture. If the two-year period can be shown to be too restrictive, perhaps the Board should be authorized to extend it. We would have no objection to an amendment authorizing one-year extensions, up to a total of five years, in such cases, following the pattern now established in section 4(a) of the Act.

Sincerely yours,

Wm. McC. Martin, Jr.

Enclosures

ALTERNATIVE A

Amendment to S. 2353 to Prohibit Mergers
of All Subsidiary Banks Without Board Approval

On page 6, after line 14, insert the following new subsection:

(d) Section 3 of the Bank Holding Company Act (12 U.S.C. 1842) is amended by adding at the end thereof the following new subsection:

"(e) Notwithstanding the provisions of section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)), no merger transaction (as defined in that section) where the acquiring, assuming, or resulting bank is a subsidiary of a bank holding company shall be consummated without prior approval of the Board, which shall be in lieu of approval by any other Federal supervisory agency under that section. Where the acquiring, assuming, or resulting bank is located within the State in which the operations of the parent bank holding company's banking subsidiaries were principally conducted on the effective date of this amendment or the date on which such company became a bank holding company, whichever is later, the Board shall consider the transaction in accordance with section 18(c) of the Federal Deposit Insurance Act, taking into account the factors specified in subsection (c) of this section. Where the acquiring, assuming, or resulting bank is located outside of such State, the Board shall disapprove the transaction unless it determines that the transaction is necessary to prevent the probable failure of the other bank involved."

ALTERNATIVE B

Amendment to S. 2353 to Prohibit Mergers of Out-of-State Subsidiary Banks Except to Prevent Bank Failures

On page 6, after line 14, insert the following new subsection:

(d) Section 3 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842) is amended by adding at the end thereof the following new subsection:

"(e) Notwithstanding the provisions of section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)), no merger transaction (as defined in that section) where the acquiring, assuming, or resulting bank is a subsidiary of a bank holding company and is located outside of the State in which the operations of such company's banking subsidiaries were principally conducted on the effective date of this amendment or on the date on which such company became a bank holding company, whichever is later, shall be consummated without prior approval of the Board, which shall be in lieu of approval by any other Federal supervisory agency under that section. The Board shall disapprove the transaction unless it determines that the transaction is necessary to prevent the probable failure of the other bank involved."

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

Item No. 5
5/2/66

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

May 3, 1966

Mr. Leland M. Ross, Vice President,
Federal Reserve Bank of Chicago,
Chicago, Illinois. 60690

Dear Mr. Ross:

In accordance with the request contained in your letter of April 27, 1966, the Board approves the appointments of Joseph L. Parrish, Jr., and James A. Pelegrin as assistant examiners for the Federal Reserve Bank of Chicago. Please advise the effective dates of the appointments.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.