

Minutes for May 20, 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

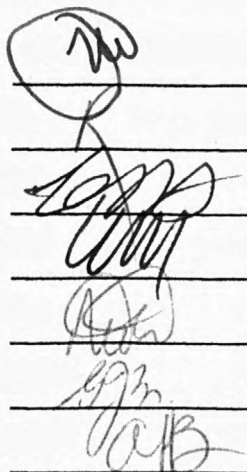
Gov. Shepardson

Gov. Mitchell

Gov. Daane

Gov. Maisel

Gov. Brimmer

A series of handwritten initials and signatures corresponding to the names listed on the left. From top to bottom: a circled 'M' for Chm. Martin; a signature for Gov. Robertson; a signature for Gov. Shepardson; a signature for Gov. Mitchell; a signature for Gov. Daane; a signature for Gov. Maisel; and a signature for Gov. Brimmer.

Minutes of the Board of Governors of the Federal Reserve System on Friday, May 20, 1966. The Board met in the Board Room at 10:00 a.m.

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

Mr. Sherman, Secretary
Mr. Kenyon, Assistant Secretary
Mr. Broida, Assistant Secretary
Mr. Holland, Adviser to the Board
Mr. Molony, Assistant to the Board
Mr. Cardon, Legislative Counsel
Mr. Morgan, Staff Assistant, Board Members' Offices

Messrs. Koch, Partee, Williams, Axilrod, Gramley, Bernard, Eckert, Ettin, Fry, Keir, and Kelty, and Mrs. Peskin of the Division of Research and Statistics

Messrs. Sammons, Hersey, Katz, Reynolds, Baker, and Gemmill of the Division of International Finance

Money market review. Mr. Bernard commented on the Government securities market and reviewed a table that had been distributed showing trends in selected short-term interest rates. In the ensuing discussion Governor Brimmer suggested that it would be helpful if the Board could have information on the upcoming calendar of Federal agency issues, and the staff indicated that estimates would be developed.

Mr. Fry commented concerning the May projections in the distributed table affording perspective on bank reserve utilization, following which Mr. Ettin discussed the recent growth of time and savings deposits

5/20/66

-2-

at commercial banks, and the implications thereof, in which connection he referred to a series of distributed tables and charts.

Mr. Hersey summarized foreign exchange market developments and then analyzed U.S. balance of payments prospects, with emphasis on corporate capital outflows.

All members of the staff who had been present except Messrs. Sherman, Kenyon, Broida, Holland, Molony, Cardon, Koch, Partee, and Gramley then withdrew from the meeting and the following entered the room:

Mr. Farrell, Director, Division of Bank Operations
Mr. Hexter, Associate General Counsel
Mr. O'Connell, Assistant General Counsel
Mr. Kiley, Assistant Director, Division of Bank Operations
Mr. Leavitt, Assistant Director, Division of Examinations
Mr. Smith, Assistant Director, Division of Examinations
Mr. Forrestal, Senior Attorney, Legal Division
Mr. Egertson, Supervisory Review Examiner, Division of Examinations

Discount rates. The establishment without change by the Federal Reserve Banks of New York, Philadelphia, Chicago, and San Francisco on May 19, 1966, of the rates on discounts and advances in their existing schedules was approved unanimously, with the understanding that appropriate advice would be sent to those Banks.

Approved items. The following items, copies of which are attached under the respective numbers indicated, were approved unanimously after consideration of background information that had been made available to the members of the Board:

5/20/66

-3-

	<u>Item No.</u>
Letter to Valley Bank and Trust Company, Springfield, Massachusetts, approving the establishment of a branch in Wilbraham.	1
Letter to Chemung Canal Trust Company, Elmira, New York, approving the establishment of a branch in The Mall Shopping Center, Chemung County.	2
Letter to Wells Fargo Bank, San Francisco, California, approving the establishment of a branch in the Campus Commons Development, Sacramento.	3
Letter to The Provident Bank, Cincinnati, Ohio, granting an extension of time to establish a branch in Colerain Township.	4
Letter to the Fiscal Assistant Secretary of the Treasury and telegram to the Federal Reserve Banks regarding regulations and procedures for the local destruction of unfit Federal Reserve notes.	5-6

Competitive factor report. Unanimous approval was given to the transmittal to the Comptroller of the Currency of a report on the competitive factors involved in the proposed merger of The Portsmouth Banking Company, Portsmouth, Ohio, into The National Bank of Portsmouth. The conclusion read as follows:

Consummation of the proposed merger of The National Bank of Portsmouth, a subsidiary of BancOhio Corporation, Columbus, Ohio, a registered bank holding company, and The Portsmouth Banking Company would reduce from three to two the alternate sources of commercial banking services in Scioto County. The National Bank of Portsmouth would increase its control of area deposits from about 25 per cent to 44 per cent. It appears that the effect of the proposed merger may be substantially to lessen competition.

5/20/66

-4-

Proposed legislation on certificates of deposit. Pursuant to the understanding at yesterday's meeting, there had been distributed under date of May 19 a revised draft of statement to be presented by Vice Chairman Robertson on behalf of the Board next Tuesday before the House Banking and Currency Committee in connection with hearings on two bills, H.R. 14026 and H.R. 14422, one of which would prohibit the issuance of certificates of deposit by insured banks and the other of which would prohibit such banks from issuing certificates in denominations of less than \$15,000.

The draft statement would take a position adverse to the bills, indicating that in the Board's judgment they represented efforts to circumscribe competitive processes in ways that would be harmful to the public interest.

The proposed statement also would recognize that yesterday the Secretary of the Treasury had submitted to the Committee a proposal that the Federal Reserve Act be amended to give the Board temporary authority to differentiate maximum rates of interest on time and savings deposits according to a criterion not now available to the Board, namely, the extent to which a deposit was afforded protection through insurance by the Federal Deposit Insurance Corporation. The rationale underlying this proposal was that returns on investment should be scaled according to the risk assumed by the investor.

The draft statement would say that the Board did not interpose objection to the suggested amendment and that if the proposal were

5/20/66

-5-

adopted by the Congress the Board would implement it to the best of its ability. The statement would go on to say that the Board welcomed consideration of any measures that would increase its flexibility in administering ceiling rates on time and savings deposits, but that it might well prove difficult, in administering the amendment, to achieve the stated objectives and still preserve the principles of equitable treatment as among small and large depositors and among various types of savings intermediaries. In any event, the statement would continue, the contribution such additional authority might make to resolving the present competitive situation among financial institutions could be overestimated. Under economic conditions requiring monetary restraint, the tug of rising market rates of interest was attracting interest-sensitive funds from all intermediaries, bank and nonbank. As an increasing share of savings flowed directly into financial markets, it was to be expected that competition among intermediaries would sharpen.

The statement would conclude with comments to the effect that changes in the competitive situation among financial intermediaries deserved close surveillance, that the Board was watching developments closely and recently had ordered a new survey of changes in the rates banks were paying on various classes of time and savings deposits, and that if supervisory action seemed called for, in the light of unfolding developments, the Board would not hesitate to take whatever action was within its power, nor would it hesitate to suggest additional legislative changes that were deemed necessary and desirable.

5/20/66

-6-

At this meeting, suggested replacements for portions of the language of the draft statement were distributed. The proposed revision would state, at one point, that the Board did not interpose objection to the suggested amendment and if it were adopted by the Congress the Board "would conscientiously assume the responsibility to act thereunder as the public interest required." The sentence stating that the Board welcomed consideration of any measures that would increase its flexibility in administering ceiling rates on time and savings deposits would be eliminated. The testimony would conclude by saying that the Board believed its powers under existing legislation were adequate to enable it to cope with any problem likely to emerge.

The discussion at this meeting related almost exclusively to the portion of the statement having to do with the Fowler proposal.

Vice Chairman Robertson, in commenting on the proposed substitutions, said he thought the Board had the power, under existing legislative authority, to deal with the situation as necessary. He felt that it would be well to conclude the statement on such a note.

Governor Mitchell shared the view that the Board's powers were adequate to deal with the existing situation. He questioned, however, whether it was prudent to go further and state that the Board had adequate powers prospectively, and there was general agreement that the comment in the statement should be confined to problems that were foreseeable at this time.

5/20/66

-7-

In this connection, Governor Shepardson inquired whether the Board was fully satisfied that it had adequate powers. It was noted, in reply, that the Federal Reserve Act now specified four criteria that the Board could use in setting maximum rates, namely, maturity of deposit, conditions respecting withdrawal or repayment, location of bank, and the discount rate in the several Federal Reserve Districts. Thus, the principal remaining criterion would appear to be a differentiation based on size of deposit.

There followed some discussion regarding the proper technical interpretation of the Fowler proposal, during which reference was made to the text of the Secretary's statement before the Committee. The possibility was suggested that the problem of interpretation might be raised in the Vice Chairman's statement. However, it was also suggested that such matters should more appropriately be clarified through discussion with the Treasury than debated before the Committee.

Governor Mitchell expressed the view that it would be unwise to overemphasize the specific proposal. The approach he suggested for the statement was to indicate that the Board welcomed consideration of measures that would increase its flexibility in administering ceiling deposit rates, that the Secretary's proposal was one such measure to be considered, but that its administration would involve certain difficulties, for reasons developed in the draft statement.

Governor Brimmer noted that the fact could not be overlooked that the Secretary had put a proposal on the table. The Board could

5/20/66

-8-

choose not to deal with the proposal in the prepared statement, but the Board had to have an attitude toward it. He thought it would be difficult and embarrassing for the Board just to say that it opposed the bills presently before the Committee and then have nothing else to offer. This would amount to saying that the Committee was wasting its time and that there was either no real problem or, if there was, that the Board failed to see it.

Governor Mitchell said it was his understanding that the Board had determined its basic position, namely, that it had the power needed to deal with any existing problem. The Board, he continued, should never take the position that people should not be reviewing its judgments and considering various proposals. However, the Board, by not acting in some fashion on the ceiling rates, had in effect taken the position for several months that such action was not needed. The matter had been considered by the Board at length around the turn of the year, at a time when considerable pressure was being exerted upon the Board to take some action.

Governor Maisel noted that the April savings flow figures might indicate a need to re-examine the earlier decision. A decision had been made earlier, and he still felt it was right. However, if the most recent figures presented a case for a change, the Board had the power to make such a decision.

Governor Brimmer said he was not suggesting that the Board debate the correctness of an earlier decision. The question was whether, in

5/20/66

-9-

view of the April experience and in view of what could be anticipated around the middle of the year, the Board still felt there was no need to modify its position.

Governor Mitchell replied that this was why the Board was presently collecting full current data. The Board had been in receipt of a lot of miscellaneous allegations, especially those brought to its attention by people with axes to grind. But the situation required examination in broad perspective, and there had not yet been an opportunity to do that. It was his general feeling that if the situation called for taking some action, the Board had adequate power to deal with the problem. However, the difficulties confronting the savings and loans did not, in his opinion, reflect commercial bank competition so much as the attractiveness of market rates.

The Vice Chairman then suggested returning to the wording of the draft statement, and several amendments were offered by members of the Board. Members of the staff suggested at this point that consideration be given to the overall thrust of the statement, particularly in respect to the Fowler proposal. They noted that the Board had originally advised the Treasury that it would not object to the proposal, though withholding any commitment to use the authority if the proposal was passed by the Congress. Now, as additional suggestions were made, the statement seemed to take the form of a document presenting a number of reasons why the Committee should not adopt the proposal.

5/20/66

-10-

The Vice Chairman indicated that this was a reason for including the sentence stating specifically that the Board did not interpose objection to the proposed amendment. After Governors Maisel and Brimmer expressed their concurrence, Governor Mitchell indicated that he did not care to pursue the point, although his preference continued to be to emphasize the thought that the Board welcomed consideration of any measures that would increase the flexibility of its powers in this area.

Question was raised whether the Board had a firm view about using the authority if it were provided, and Governor Mitchell said he did not believe the authority would be particularly useful as of the present time. Governor Maisel said he thought this comment was valid; the costs of action would be greater than the gains. The Vice Chairman noted that it did not appear necessary to take a position on this point in the statement.

Governor Shepardson asked if he was correct in assuming that the Board was prepared to say definitely that it did not need additional flexibility, and the ensuing discussion tended to confirm this assumption. Governor Brimmer asked whether the Board had ever reached such a conclusion specifically in respect to authority to differentiate by size of deposit, and Governor Maisel replied that thus far, at least, the record indicated this to have been the Board's position.

Governor Mitchell then suggested that the draft statement be referred to the Vice Chairman for further editing in light of today's discussion, and there was agreement with this suggestion.

5/20/66

-11-

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 Boston (copy attached as Item No. 7) approving the designation of 13 employees as special assistant examiners.

Letter to the Federal Reserve Bank of Atlanta (copy attached as Item No. 8) approving the designation of Alfred G. Abdalla and James A. McQueen as special assistant examiners.

Letter to the Federal Reserve Bank of Richmond (copy attached as Item No. 9) approving the appointment of Raymond H. Johnson as Alternate Assistant Federal Reserve Agent.

Letter to the Federal Reserve Bank of Dallas (copy attached as Item No. 10) approving the appointment of William L. Wilson as Federal Reserve Agent's Representative at the El Paso Branch.

Memoranda from the Division of Research and Statistics dated May 17, 1966, recommending the establishment of the following positions in that Division: (1) position of "visiting professor" in the Banking Markets Section, (2) an additional economist position in the Business Conditions Section, and (3) an additional economist position in the Flow of Funds and Savings Section.

Memorandum from the Division of Personnel Administration dated May 20, 1966, recommending that the Board's summer employment program be enlarged to include five additional positions.

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

Appointment

Herman O. Stekler as Economist, Division of Research and Statistics, with basic annual salary at the rate of \$16,204, effective the date of entrance upon duty.

5/20/66

-12-

Salary increases, effective May 22, 1966

<u>Name and title</u>	<u>Division</u>	<u>Basic annual salary</u>	
		<u>From</u>	<u>To</u>
<u>Office of the Secretary</u>			
Betty J. Abbott, Records Clerk		\$ 5,265	\$ 5,421
Joyce M. Hile, Secretary		5,352	5,523
<u>Research and Statistics</u>			
Lynda Fein, Clerk-Typist		4,149	4,289
Janice Peskin, Economist		9,573	9,879
Katharyne P. Reil, Economist		10,797	11,723
<u>International Finance</u>			
Christine Cushman, Senior Clerk		5,181	5,352
<u>Bank Operations</u>			
Dorothy M. Vereb, Statistical Clerk		4,953	5,109
<u>Examinations</u>			
Roger A. Haskell, Assistant Federal Reserve Examiner		8,241	8,495
<u>Administrative Services</u>			
Allen E. Simmons, Mail Clerk		3,943	4,072
<u>Data Processing</u>			
Wilhelmina K. Steele, Operator, Tabulating Equipment		5,577	5,733
Adeline R. Tweed, General Assistant		7,479	7,733
<u>Transfer</u>			

Gloria J. Ogden, from the position of Secretary in the Division of Research and Statistics to the position of Secretary in the Office of the Secretary, with no change in basic annual salary at the rate of \$5,702, effective upon assuming her new duties.

5/20/66

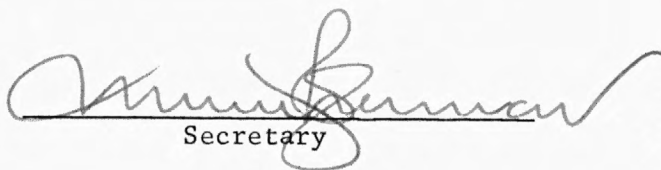
-13-

Acceptance of resignation

Edward T. Bernard, Economist, Division of Research and Statistics, effective at the close of business May 30, 1966.

Permission to engage in outside activity

Theodore L. Jones, Operator (Duplicating Devices), Division of Administrative Services, to work for a local store on a part-time basis.



Secretary

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

Item No. 1
5/20/66



ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

May 20, 1966

Board of Directors,
Valley Bank and Trust
Company,
Springfield, Massachusetts.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment by Valley Bank and Trust Company, Springfield, Massachusetts, of a branch at 463 Main Street, Wilbraham, Massachusetts, 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
5/20/66

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD



May 20, 1966

Board of Directors,
Chemung Canal Trust Company,
Elmira, New York.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment by Chemung Canal Trust Company, Elmira, New York, of a branch in The Mall Shopping Center at the northeast corner of the intersection of New York Route 17 and Chambers Road in an unincorporated area of Chemung County, New York, 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
5/20/66

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

May 20, 1966

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

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment by Wells Fargo Bank, San Francisco, California, of a branch at 350 University Avenue, in the Campus Commons Development, Sacramento, California, 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. 4
5/20/66

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

May 20, 1966

Board of Directors,
The Provident Bank,
Cincinnati, Ohio.

Gentlemen:

The Board of Governors of the Federal Reserve System extends to December 26, 1966, the time within which The Provident Bank, Cincinnati, Ohio, may establish a branch at the southwest corner of Springdale Road and Colerain Avenue, in an unincorporated area of Colerain Township, Hamilton County, Ohio.

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. 5
5/20/66

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

May 20, 1966.



Mr. John K. Carlock,
Fiscal Assistant Secretary,
Room 3464,
Main Treasury Department,
Washington, D. C. 20220.

Dear Mr. Carlock:

The Board has reviewed the proposed regulations for the verification and destruction of unfit Federal Reserve notes, and the implementing procedures to the extent that they have been drafted. The Board finds no reason to object to issuance of the regulations and procedures reviewed to date.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

5/20/66

T E L E G R A M
LEASED WIRE SERVICEBOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON

May 20, 1966

TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS:

Upon President's signature of bill now before him, and pursuant thereto, you will be advised by Treasury to begin local destruction of unfit \$1 Federal Reserve notes as a Fiscal Agency operation.

Board recognizes that, as matter of principle, reimbursement is usually requested for Fiscal Agency operations, but is of opinion that no reimbursement should be requested for verification and destruction of Federal Reserve notes in view of fact that the eleventh paragraph of Section 16 of Federal Reserve Act expressly provides that "expenses necessarily incurred in executing the laws relating to the procuring of such notes, and all other expenses incidental to their issue and retirement, shall be paid by the Federal reserve banks."

Reimbursement should continue to be claimed, however, for verification and destruction of Treasury currency in accordance with established procedures.

(Signed) Merritt Sherman

SHERMAN



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

Item No. 7
5/20/66

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

May 23, 1966.

Mr. Luther M. Hoyle, Jr., Vice President,
Federal Reserve Bank of Boston,
Boston, Massachusetts. 02106

Dear Mr. Hoyle:

In accordance with the request contained in your letter of May 16, 1966, the Board approves the designation of each of the following employees as a special assistant examiner for the Federal Reserve Bank of Boston:

Joseph W. Conway	Patricia A. Harrington
Marguerite E. Coughlin	Janice F. Jacob
Frances A. Croy	Mary G. Kadlick
Josephine C. Freddura	Mabel J. Sprague
Irene A. Glowacki	Rita J. Sullivan
Pamela J. Goodwin	Ira S. Swerling
Paul M. Truscello	

Appropriate notations have been made of the names to be deleted from the list of special assistant examiners.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

Item No. 8
5/20/66

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

May 23, 1966

Mr. George W. Sheffer, Jr., Chief
Examiner and Assistant Vice President,
Federal Reserve Bank of Atlanta,
Atlanta, Georgia. 30303

Dear Mr. Sheffer:

In accordance with the request contained
in your letter of May 18, 1966, the Board approves
the designation of Alfred G. Abdalla and James A.
McQueen as special assistant examiners for the
Federal Reserve Bank of Atlanta.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

Item No. 9
5/20/66

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD



May 23, 1966

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

Dear Mr. Hyde:

In accordance with the request contained in your letter of May 12, 1966, the Board of Governors approves the appointment of Mr. Raymond H. Johnson as Alternate Assistant Federal Reserve Agent to succeed Mr. George E. Thompson, Jr.

This approval is given with the understanding that Mr. Johnson will be solely responsible to the Federal Reserve Agent and the Board of Governors for the proper performance of his duties, except that, during the absence or disability of the Federal Reserve Agent or a vacancy in that office, his responsibility will be to the Assistant Federal Reserve Agent and the Board of Governors.

When not engaged in the performance of his duty as Alternate Assistant Federal Reserve Agent Mr. Johnson may, with the approval of the Federal Reserve Agent and the President, perform such work for the Bank as will not be inconsistent with his duties as Alternate Assistant Federal Reserve Agent.

It will be appreciated if Mr. Johnson is fully informed of the importance of his responsibilities as a member of the staff of the Federal Reserve Agent and the need for maintenance of independence from the operations of the Bank in the discharge of these responsibilities.

It is noted from your letter that with the approval of his appointment by the Board of Governors, Mr. Johnson will execute the usual Oath of Office which will be forwarded to the Board together with advice of the effective date of his appointment.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.



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

Item No. 10
5/20/66

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

May 23, 1966

Mr. Carl J. Thomsen,
Chairman of the Board and
Federal Reserve Agent,
Federal Reserve Bank of Dallas,
Dallas, Texas. 75222.

Dear Mr. Thomsen:

In accordance with the request contained in your letter of May 12, 1966, the Board of Governors approves the appointment of Mr. William L. Wilson as a Federal Reserve Agent's Representative at the El Paso Branch to succeed Mr. Lorenzo E. McCluskey, Jr.

This approval is given with the understanding that Mr. Wilson will be solely responsible to the Federal Reserve Agent and the Board of Governors for the proper performance of his duties, except that, during the absence or disability of the Federal Reserve Agent or a vacancy in that office, his responsibility will be to the Assistant Federal Reserve Agent and the Board of Governors.

When not engaged in the performance of his duties as Federal Reserve Agent's Representative, Mr. Wilson may, with the approval of the Federal Reserve Agent and the Vice President in charge of the El Paso Branch, perform such work for the Branch as will not be inconsistent with his duties as Federal Reserve Agent's Representative.

It will be appreciated if Mr. Wilson is fully informed of the importance of his responsibilities as a member of the staff of the Federal Reserve Agent and the need for maintenance of independence from the operations of the Bank in the discharge of these responsibilities.

It is noted from your letter that, with the approval of Mr. Wilson's appointment by the Board of Governors, he will execute the usual Oath of Office which will be forwarded to the Board together with advice of the effective date of his appointment.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.