FR 609

Minutes for September 9, 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 _M_

Gov. Robertson _R_

Gov. Shepardson _______

Gov. Mitchell _______

Gov. Daane _______

Gov. Maisel _______

Gov. Brimmer _______

Minutes of the Board of Governors of the Federal Reserve System on Friday, September 9, 1966. The Board met in the Board Room at 10:00 a.m.

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

Mr. Sherman, Secretary
Mr. Kenyon, Assistant Secretary
Mr. Broida, Assistant Secretary
Mr. Bakke, Assistant Secretary
Mr. Young, Senior Adviser to the Board and Director, Division of International Finance
Mr. Holland, Adviser to the Board
Mr. Solomon, Adviser to the Board
Mr. Molony, Assistant to the Board
Mr. Fauver, Assistant to the Board
Mr. Leavitt, Assistant Director, Division of Examinations
Mr. Morgan, Staff Assistant, Board Members' Offices
Mr. Furth, Consultant

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

Messrs. Reynolds, Baker, Gekker, and Gemmill of the Division of International Finance

Money market review. Mr. Bernard reported on the Government securities market and prospective Treasury financing, Mr. Axilrod on credit developments, Mr. Keir on the capital markets and possible implications of a suspension of the investment tax credit, and Mr. Baker on foreign exchange market developments. Copies of tables and charts distributed for the purpose of today's review have been placed in the Board's files.

All members of the research divisions except Mr. Brill then withdrew, along with Messrs. Morgan and Furth, and the following entered: Messrs. Hexter, O'Connell, Shay, and Robinson of the Legal Division, and Mr. Egertson of the Division of Examinations.

Discount rates. The establishment without change by the Federal Reserve Bank of Minneapolis on September 2 and by the Federal Reserve Banks of Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, and Dallas on September 8, 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.

Application of International Banking Corporation (Item No. 1). Unanimous approval was given to a letter to International Banking Corporation, New York, New York, (copy attached as Item No. 1), granting its request for permission to purchase additional shares of Waltons Credit Corporation Limited, Sydney, Australia.

Reports on competitive factors. There had been distributed a draft of report to the Federal Deposit Insurance Corporation on the competitive factors involved in a proposed merger of Industrial Valley Bank and Trust Company, Jenkintown, Pennsylvania, and The Security Trust Company, Pottstown, Pennsylvania.

In light of circumstances to which Governor Brimmer called attention, it was agreed that the body of the report should include a paragraph as follows:

On June 30, 1961, Jenkintown Bank and Trust Company, Jenkintown (Montgomery County), Pennsylvania (deposits about $24 million), merged with Industrial Trust Company, Philadelphia (Philadelphia County), Pennsylvania (deposits about $48 million), under the charter of the Jenkintown Bank and with the title Industrial Valley Bank and Trust Company, with the resulting bank's head office in Jenkintown. Under Pennsylvania law, a bank may have branches in the county where the head office is located and in counties contiguous to the head office county. Thus, a bank with its head office in Philadelphia County could have branches in four counties, while a bank with its head office in Montgomery County could have branches in seven counties.

Unanimous approval then was given to the transmittal of the report in a form in which the conclusion read as follows:

While the proposed merger of Industrial Valley Bank and Trust Company, Jenkintown, Pennsylvania, and The Security Trust Company, Pottstown, Pennsylvania, would not result in any particular concentration of banking resources, it would remove the last locally headquartered commercial bank from the Pottstown area, and eliminate minor competition presently existing between the two institutions.

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 Citizens Bank, Marion, South Carolina, into The First National Bank of South Carolina, Columbia, South Carolina, the conclusion reading as follows:

There appears to be no competition existing between The Citizens Bank, Marion, and The First National Bank of South Carolina, Columbia. Consummation of the proposed merger would result in the remaining banks in Citizens Bank's area competing with an office of a substantially larger institution and, thus, change the nature of competition in the area.

Although the transaction would further slightly the trend in South Carolina toward concentration of banking resources, the overall competitive effect would not be significantly adverse.

Request for extension of time (Item No. 2). Unanimous approval was given to the issuance of an order granting the request of Barnett National Securities Corporation, Jacksonville, Florida, for an extension until November 4, 1966, of the period within which it could acquire stock of The First Bank & Trust Company of Pensacola, Pensacola, Florida, under the Board's order dated June 21, 1966. A copy of the order granting the extension of time is attached as Item No. 2.

Publication of condition reports (Item No. 3). Unanimous approval was given to a proposed letter to the Federal Reserve Bank of Boston responding to a question raised by the Reserve Bank as to whether publication of a condition report in form required by the Massachusetts State Banking Department would satisfy publication requirements of the Federal Reserve Act in light of recent changes in the Massachusetts form. A copy of the approved letter is attached as Item No. 3.

Report on enrolled bill (Item No. 4). The Bureau of the Budget had requested a report on enrolled bill S.J. Res. 178, "to delete the interest rate limitation on debentures issued by the Federal intermediate credit banks." As explained in a distributed memorandum from the Legal Division dated September 8, 1966, the bill would delete the 6 per cent interest rate limitation presently imposed on debentures issued by the 12 Federal Intermediate Credit Banks. The memorandum pointed out that those banks obtained the funds needed for their loan and discount functions chiefly through the sale of consolidated debentures, which were of nine-month term and averaged about $350 million.

An issue of such debentures on July 20, 1966, required a price of 5.875 per cent. The U.S. Government did not guarantee or otherwise assume any liability with regard to such debentures.

It was agreed that a reply to the Budget Bureau interposing no objection to approval of the enrolled bill would be appropriate. Accordingly, unanimous approval was given to a letter to the Bureau in the form attached as Item No. 4.

The meeting then recessed and reconvened in the Board Room at 2:30 p.m. with the same members of the Board present, along with Messrs. Sherman, Kenyon, Shay, Smith (Research), Leavitt, Via, Golden, Egertson, and Maguire of the Board's staff. Vice President Ross, Assistant Vice President Fults, and Economist Morse of the Federal Reserve Bank of Chicago also were present.

Application of St. Joseph Valley Bank. The representatives of the Chicago Reserve Bank had been invited to meet with the Board for discussion of the pending application of St. Joseph Valley Bank, Elkhart, Indiana, to merge with First Old State Bank, also of Elkhart, prior to the forthcoming private hearing on the matter that had been ordered by the Board.

Vice President Ross, who was invited to comment generally on the matter, said the Chicago Reserve Bank had submitted a recommendation for approval of the merger on the basis of highly unsatisfactory conditions at First Old State Bank and the belief that while that bank had been a competitive factor in the Elkhart community it was unlikely to be as much of a factor in the future. The banking community was well aware of the conditions at Old State Bank, and he felt sure that many businessmen in the community were also aware of them. Thus, it seemed quite likely that the bank's competitive position would deteriorate. There was a serious management problem, and he doubted whether it could be resolved without creating quite a bit of turmoil.

There followed questions on the relative size of the three banks now operating in Elkhart, following which Mr. Ross returned to the problems of Old State Bank. He pointed out that $186,000 of losses had been charged off following the examination of the bank in January of this year, and said he doubted whether those were all of the losses in the bank's portfolio. As a result, the bank's capital structure was inadequate. He then cited the volume of doubtful and substandard items and related that volume to the total loan portfolio. He characterized the bank as a "one-man shop," with policies dominated by the President and the directors apparently unable to control the President's activities. There had been in the past several meetings of the directors with the State authorities, followed each time by slight improvement, but for a short period only. The bank had been given a problem-bank rating at four of the last five examinations. Ownership of the bank's stock was widely distributed, with the President's holdings of 8 per cent being the largest block, but the President had quite a following among the shareholders and probably could control a proxy contest.

Mr. Ross also reviewed the bank's earnings record, citing both gross earnings and earnings after charge-offs over the past five years, along with the record of dividends paid.

Governor Mitchell noted that the competitive factor was hostile to the proposed merger. He inquired whether the objections to President Martin on the part of the banking community might not be based to some extent upon his aggressive competition. For example, some of the area bankers referred to Old State as a "poor man's bank" catering to smaller customers. There was evidence in the profile of the bank's deposits to suggest that the merger would result in a serious loss of competition in the Elkhart area. The question appeared to be, then, whether President Martin was really performing a public service or simply running a slipshod operation.

Mr. Ross expressed the view that President Martin had been trying to do too many things in the bank and had not surrounded himself with capable officers. One capable officer, who had brought about some improvements, apparently became discouraged and left the bank. The bank needed a whole new slate of officers, so the problem was not simply one of replacing Mr. Martin but bringing in several competent men. For example, the bank had no qualified trust officer. In terms of lending operations, it appeared that Mr. Martin was either a poor credit man or simply unable to reject loan requests. The directors of the bank became quite concerned in the second half of 1965 due to the bank's involvement with a used-car dealer, but they apparently were unable to restrain further extensions of credit, with the result that a loss of $120,000 had now been charged off.

Governor Maisel raised a question as to who would really be running the risk--the shareholders, the Federal Deposit Insurance Corporation, or the community--if Mr. Martin continued to operate the bank in his present fashion. Mr. Ross replied that the shareholders had the first risk and the Corporation the second risk. Governor Maisel then inquired whether the type of operation was one that seemed likely, between examinations, to result in losses beyond the shareholders' equity. Mr. Ross said he would not expect that to happen in a year's time, but over a longer period there might be a gradual deterioration leading to an insolvent condition.

There followed reference by Governor Robertson to the possibility of using the pending legislative authority to issue cease and desist orders and additional discussion of the bank's capital position, including the circumstances surrounding the sale of capital stock about a year ago. Mr. Ross expressed some doubt as to whether full disclosure of the bank's condition was made to shareholders when that stock was sold; he noted that the directors did not take up their rights to the additional stock. This led to questions about the status of the directors, and it was mentioned that several of them appeared to be retired or semi-retired persons, which might account for their not having purchased additional stock. Mr. Ross indicated, however, that he felt the more knowledgeable directors and shareholders did not view the stock as a good investment. In answer to a further question, he said that most of the directors had been in office for a number of years, except for Chairman Walker, who had been elected rather recently.

Governor Daane then inquired if it was a fact that there were no practical alternatives to the proposed merger, and Mr. Ross referred to certain possibilities that had to be ruled out of consideration by virtue of provisions of the Indiana State banking law. He had heard at times rumors of offers being made for the bank, but he believed they reflected nothing more than exploratory discussions. He knew of no firm offer.

In response to a question by Governor Shepardson regarding relationships between Chairman Walker and President Martin, Mr. Ross said that Mr. Martin formerly held the title of Chairman as well as President. The title of Chairman was transferred to Mr. Walker at the last annual meeting, apparently in an effort to curb President Martin in some way.

Questions next were directed to the bank's record of loan losses, and particularly to whether the losses were attributable to a few large lines or whether they were more scattered. Mr. Ross indicated that in most years the losses had been fairly well scattered over a number of smaller accounts, but that from time to time there had been sizable losses on large accounts also. He reviewed the record of net losses for the past five years.

Governor Robertson inquired whether President Martin could control a majority of the shareholders, and Mr. Ross expressed the view that such was probably the case. He noted, in this connection, that Mr. Martin had agreed to go along with the proposed merger, through which he would become a participant in the St. Joseph Valley Bank's pension fund after service for a period of two or three years.

Governor Maisel noted that a report from the Reserve Bank's Research Department reflected a view that although the effect of the merger on meeting the needs of the community would not be great, the net effect probably would be adverse. Mr. Ross replied that he questioned whether Old State Bank could continue to operate successfully if the merger was not consummated. He would expect it to go downhill and suffer a loss of public confidence. He doubted whether it could adequately serve the community under those circumstances.

Governor Robertson referred to Old State's deposit growth record over the past five years, which compared favorably with those of the other local banks in percentage terms, and it was agreed that the loan growth record also compared favorably.

Governor Mitchell observed that the Reserve Bank's reports seemed to indicate that President Martin was rather well known and well regarded in the community, and Mr. Ross agreed that President Martin had quite a following, particularly among certain segments of the community.

Mr. Morse, upon being asked for his views, noted that the Reserve Bank's research staff had considered the proposed merger only from the standpoint of competition and the convenience and needs factor. He said no statements had been made thus far during this meeting with which he disagreed. When asked whether he felt that Old State Bank had served a purpose from the standpoint of competition and convenience and needs, Mr. Morse replied affirmatively. When asked whether he felt that the merger could be justified solely on the basis of eliminating a problem bank, Mr. Morse said he had not made any judgment on the bank's prospects.

Governor Brimmer returned to the question of possible alternatives and asked how much credence could be given to the rumor that certain out-of-town interests might want to buy Old State Bank. Mr. Ross said that he did not attach much significance to the rumor; apparently the parties concerned had heard that the bank might be for sale and had made some inquiry. He did not think matters went much beyond that stage.

Governor Brimmer also inquired about the prospects for employing another top-level officer to help manage the bank in a responsible manner, and Mr. Ross expressed the view that it would be difficult to find a capable person to come into the bank in such a capacity if President Martin remained with the institution. When asked by Governor Daane what he felt might happen if the merger application were denied, Mr. Ross said

Chairman Walker had indicated that under such circumstances it would be necessary to replace Mr. Martin, regardless of the consequences.

Governor Brimmer inquired whether it would be fair to say that the merger was simply an easy way out of a difficult situation so far as Chairman Walker was concerned, and Mr. Ross said there was apprehension about a struggle for control within the bank and what that might do to the bank's image in the community. He added that the bank's net earnings would, of course, be reduced substantially if the proper officer staff was obtained for the bank. Question was raised why a bank of such size should not be able to afford adequate management, and Mr. Ross observed that its deposit structure was heavily weighted toward time and savings deposits. He went on to say that the two large banks in Elkhart were very competitive and obtained between them the best of the banking business in the community. This led to a question whether banking services would continue to be available to other than prime customers if Old State Bank went out of existence, and there followed a brief discussion of the types of service, including longer banking hours, that Old State had made available. Mr. Ross repeated that he would expect a deterioration in public confidence if the proposed merger was turned down.

The discussion concluded with a comment relating to the possibility that the largest bank in Elkhart (a national bank) might at some point endeavor to take over First Old State Bank if the merger with St. Joseph Valley Bank was denied.

The meeting then adjourned.

Secretary's Notes: On September 8, 1966, Governor Shepardson approved on behalf of the Board memoranda recommending the following actions relating to the Board's staff:

Acceptance of resignations	Effective the close of business
Division of Research and Statistics	
Billy D. Bradford, Summer Assistant	September 16, 1966
Cheryl P. Dobbins, Statistical Clerk	September 28, 1966
Frank E. Hopkins, Summer Research Assistant	September 16, 1966
Charles Allen Luckett, Summer Research Assistant	September 16, 1966
John E. Petersen, Summer Research Assistant	September 30, 1966
Michael D. Sherman, Summer Research Assistant	September 9, 1966
Kathleen W. Tener, Summer Research Assistant	September 9, 1966
Division of Data Processing	
Dale R. Osborne, Economist	September 14, 1966

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

Letter to Covington & Burling, Washington, D. C., (copy attached as Item No. 5) transmitting copies of two documents from the Board's files for use in connection with legal matters involving German reparations on behalf of a client of that firm.

Letter to the Federal Reserve Bank of New York (copy attached as Item No. 6) approving the appointment of Edward O. Vaughan as assistant examiner.

Letter to the Federal Reserve Bank of Atlanta (copy attached as Item No. 7) approving the appointment of John V. Stiller as examiner.

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

Appointments

Margaret F. Cherry as Clerk-Librarian (half-time position), Division of Personnel Administration, with annual salary at the rate of $2,351, effective the date of entrance upon duty.

Appointments (continued)

Valerie M. Parry as Payroll Clerk (Trainee), Office of the Controller, with basic annual salary at the rate of $4,269, effective the date of entrance upon duty.

Extension of appointment

Robert J. Stonebraker, Summer Assistant, Division of Research and Statistics, through January 31, 1967, on a part-time basis (5 hours a day for two days each week), with salary at the rate of $1,194, effective September 19, 1966.

Salary increases, effective September 11, 1966

Name and title	Division	Basic annual salary From	To
	Research and Statistics		
Bernard N. Freedman, Economist		$15,561	$16,675
William W. Wiles, Economist		9,536	10,927
	Administrative Services		
William T. Houser, General Mechanic-Operating Engineer		5,970	6,157
Arthur S. Myers, Mechanical Foreman		8,486	8,840

Transfer

Mary A. Edgar, Secretary, Office of the Secretary, to another secretarial position in that Office, with no change in basic annual salary at the rate of $5,683, effective September 11, 1966.

Governor Shepardson today noted on behalf of the Board a memorandum from the Division of Data Processing dated September 8, 1966, describing certain lateral transfers and title changes that would become effective September 11, 1966, pursuant to the reorganization of the Division that was approved by the Board in August.

Secretary

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

Item No. 1
9/9/66

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

September 9, 1966.

International Banking Corporation,
399 Park Avenue,
New York, New York. 10022

Gentlemen:

As requested in your letter of August 17, 1966, the Board of Governors grants consent for your Corporation ("IBC") to purchase and hold additional shares, up to 50 per cent of the outstanding shares, of Waltons Credit Corporation Limited ("WCC"), Sydney, New South Wales, Australia, at a cost of approximately US$2,250,000, provided such stock is acquired within one year from the date of this letter. In this connection, the Board also approves the purchase and holding of such shares in excess of 10 per cent of IBC's capital and surplus.

The Board's consent is granted subject to the same conditions prescribed in the Board's letter of June 17, 1966, granting consent to the purchase of shares of WCC by IBC.

The foregoing consent is given with the understanding that the investment now being approved, combined with the other foreign loans and investments of IBC, First National City Bank, and First National City Overseas Investment Corporation will not cause the total of such loans and investments to exceed the guidelines established under the voluntary foreign credit restraint effort now in effect and that due consideration is being given to the priorities contained therein.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.

Item No. 2
9/9/66

UNITED STATES OF AMERICA

BEFORE THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

WASHINGTON, D. C.

In the matter of the Application of

BARNETT NATIONAL SECURITIES CORPORATION,
JACKSONVILLE, FLORIDA,

for approval of the acquisition of voting shares of The First Bank & Trust Company of Pensacola, Pensacola, Florida.

ORDER EXTENDING PERIOD OF TIME PRESCRIBED
BY PROVISO IN ORDER OF APPROVAL

WHEREAS, by Order dated June 21, 1966, the Board of Governors, pursuant to section 3(a)(2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(2)) and section 222.4(a)(2) of Federal Reserve Regulation Y (12 CFR 222.4(a)(2)), approved the acquisition by Barnett National Securities Corporation, Jacksonville, Florida, a registered bank holding company, of 80 per cent or more of the outstanding voting shares of The First Bank & Trust Company of Pensacola, Pensacola, Florida; and said Order was made subject to the proviso "that the acquisition so approved shall not be consummated . . . (b) later than three months after said date [of Order]"; and

WHEREAS, Barnett National Securities Corporation has applied to the Board for an extension of time within which the approved acquisition may be consummated, and it appearing to the Board that reasonable cause has been shown for the extension of time requested, and that such extension would not be inconsistent with the public interest;

IT IS HEREBY ORDERED, that the Board's Order of June 21, 1966, as published in the Federal Register on June 28, 1966 (31 Federal Register 8930), be, and it hereby is, amended so that the proviso relating to the date by which the acquisition approved shall be consummated shall read "(b) later than November 4, 1966."

Dated at Washington, D. C., this 9th day of September, 1966.

By Order of the Board of Governors.

(SEAL)

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

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

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

Item No. 3
9/9/66

September 9, 1966.

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

Dear Mr. Hoyle:

This is in response to your letter of August 29, 1966, regarding recent changes in the publisher's copy of the condition report form required by the Massachusetts State Banking Department and their effect on joint publication of reports of condition of State member banks in Massachusetts in satisfaction of State and Federal Reserve requirements. Existing arrangements (Board's letters of September 17, 1946 and December 27, 1961) are that both State and Federal requirements may be satisfied by a single publication of either the form prescribed by the State Banking Department or of FR 105e, the corresponding Federal Reserve form.

In most respects the differences between the State form and Form FR 105e are not of sufficient substance to require separate publication of each form by State member banks. Differences in the balance sheet portion of the forms with respect to "Deposits of foreign governments and official institutions, etc.," and "Deposits of banks" represent only minor differences in combination of items. The inset to the "Other liabilities" item showing "Mortgages and other liens on bank premise and other real estate," which is not shown on the State form, is also not an important difference. This inset was provided on the State member form for statistical purposes and was also suggested by representatives of National Association of State Bank Supervisors. It is not included in reports of national banks. It is also noted that no State member bank in Massachusetts reported an amount for this item at the most recent call date. The Board would not object to the absence of this item from a joint publication.

Publication of the two items in the Memoranda section relating to valuation reserves on loans and on securities are optional for member banks, and the absence of these items from the State publication form also is not a substantive difference.

However, the absence of items in the Memoranda section showing fifteen-day averages of total deposits and of total loans is substantive and important. Such items were included in the publisher's copy by agreement with the Comptroller of the Currency primarily as a window dressing deterrent, and the Board agreed this was a useful suggestion. It was agreed at the time that this requirement should apply equally to State and national member banks. Publication of these items as a window dressing deterrent was also urged by a Congressional Committee looking at bank reporting procedures.

It is the Board's opinion that the proposed State form for publication as submitted with your letter would not satisfy publication requirements under the Federal Reserve Act because of the absence of the average deposit and average loan items discussed above. There appear to be three alternatives to requiring State member banks to publish on both the State form and on FR 105e as of the year-end call date: (1) The State form might be revised to include these two items; (2) The State Banking Department might accept publication of Form FR 105e in satisfaction of its requirements; (3) State member banks might be required to insert these two items on the publisher's copy if the State format is used.

The Board will appreciate your informing it of the procedure ultimately decided upon by the State authorities.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

Item No. 4
9/9/66

OFFICE OF THE VICE CHAIRMAN

September 9, 1966

Mr. Wilfred H. Rommel,
Assistant Director for
Legislative Reference,
Bureau of the Budget,
Washington, D. C. 20503

Attention: Mrs. Garziglia

Dear Mr. Rommel:

This is in response to your communication of September 7, with respect to the enrolled bill, S.J.Res. 178, "To delete the interest rate limitation on debentures issued by the Federal intermediate credit banks."

The Board of Governors has no objection to Presidential approval of the bill.

Sincerely,

(Signed) J. L. Robertson

J. L. Robertson.

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

Item No. 5
9/9/66

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

September 9, 1966.

Covington & Burling,
Union Trust Building,
Washington, D. C. 20005

Gentlemen:

Pursuant to the request in Mr. Temko's letter of September 8, 1966, the Board has agreed to make available to you copies of the following documents from the Board's files:

(a) Control of Inflation in Germany by Randall Hinshaw, January 1944

(b) Exchange Rates and Purchasing-Power Parities of German Reparations Creditors by Alexander Gerschenkron and Randall Hinshaw, May 1945

Copies of the two documents are attached.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

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

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

Item No. 6
9/9/66

September 9, 1966

Mr. Fred W. Piderit, Jr., Vice President,
Federal Reserve Bank of New York,
New York, New York. 10045

Dear Mr. Piderit:

In accordance with the request contained in your letter of September 6, 1966, the Board approves the appointment of Edward O. Vaughan as an assistant examiner for the Federal Reserve Bank of New York. Please advise the effective date of the appointment.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.

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

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

Item No. 7
9/9/66

September 9, 1966.

Mr. R. M. Stephenson, Vice President,
Federal Reserve Bank of Atlanta,
Atlanta, Georgia. 30303

Dear Mr. Stephenson:

In accordance with the request contained in your letter of September 7, 1966, the Board approves the appointment of John V. Stiller as an examiner for the Federal Reserve Bank of Atlanta, effective today.

Very truly yours,

Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.