A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, April 9, 1956, at 11:30 a.m.

PRESENT: Mr. Broderick, Chairman pro tem
Mr. Ransom
Mr. Morrill, Secretary
Mr. Bethea, Assistant Secretary
Mr. Carpenter, Assistant Secretary
Mr. Clayton, Assistant to the Chairman

Consideration was given to each of the matters hereinafter referred to and the action stated with respect thereto was taken by the Board:

Telegrams to Mr. Delano, Chairman of the Federal Reserve Bank of Richmond, and Mr. Thomas, Chairman of the Federal Reserve Bank of Kansas City, stating that the Board approves the establishment without change by the banks today of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Memorandum dated April 1, 1956, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending the appointment of Miss Cherie LaForge Seaman as a clerk in the Division, with salary at the rate of $1,440 per annum, effective as of the date upon which she enters upon the performance of her duties after having satisfactorily passed the usual physical examination.

Approved unanimously.

Letter to Mr. L. R. Rounds, Chairman of the Retirement Committee of the Retirement System of the Federal Reserve Banks, reading as follows:
"Reference is made to your letter of April 1 inclosing an outline prepared by the Retirement Committee of the way in which the authorizations contained in the Board's letter, X-9405, of December 27, 1935, may be applied to particular cases of employees involuntarily separated from service.

"The outline correctly shows the additional benefits which may be provided for employees under authority of the Board's letter, X-9405, and the Board notes with approval the intention of the Retirement System to furnish copies of this outline to each Federal Reserve bank.

"In this connection it is suggested that paragraphs III-B-1 and III-B-2 of the outline and paragraph A-2 of the summary be revised in accordance with the Board's letter, X-9541, of April 6, a copy of which is inclosed."

Approved unanimously.

Letter to Mr. Young, Assistant Federal Reserve Agent at the Federal Reserve Bank of Chicago, reading as follows:

"Receipt is acknowledged of your letter of March 25, 1936, with its inclosure, advising that Mr. John S. Stefanez had resigned as vice president of the American State Bank, Milwaukee, Wisconsin. New extensions of credit which may have been in violation of Section 22(g) of the Federal Reserve Act had been made to Mr. Stefanez while he was an inactive officer of the bank, and his resignation was apparently with the view to correcting the situation.

"The apparent violation does not seem to have been committed knowingly or as a result of a willful disregard of the provisions of the law. The provisions of Section 22(g) of the Federal Reserve Act would not be applicable to loans made to Mr. Stefanez after his resignation as an officer of the bank and he could, therefore, legally negotiate new borrowings from the bank and use the proceeds thereof to repay credits granted in violation of the provisions of Section 22(g). In view of all of the circumstances, therefore, the matter may be considered closed."

Approved unanimously.

Letter to Mr. C. C. Fichtner, Dean, University of Arkansas, Fayetteville, Arkansas, reading as follows:
"Receipt is acknowledged of your letter of March 31, 1936, inquiring whether this organization has at present, or may have in the near future, openings for which several of the outstanding graduates in commerce of the University of Arkansas may make application.

"The staff of the Board of Governors of the Federal Reserve System is a relatively small organization consisting of about three hundred employees and the rate of turnover in its personnel is quite low. Moreover, employees of the Board of Governors have been encouraged to regard their employment as offering a career affording opportunity for advancement commensurate with their development and capabilities for handling larger responsibilities. Therefore, such vacancies as become available from time to time ordinarily occur in the stenographic, typing or junior clerical grades.

"This office maintains a comprehensive file of applications for positions, which is carefully reviewed if and when a need arises for additional personnel. All appointments are made on the basis of merit, having in mind the applicants' educational background and previous training and experience, with the view to obtaining the services of the applicants best qualified to fill available positions. In the circumstances, this office will be glad to have the graduates to which you refer file applications for positions with the Board's organization, especially if they have a working knowledge of the Federal Reserve System or an educational background in economics, money and banking.

"There are no vacancies on the Board's staff at present, and it would of course be difficult to forecast when any openings in the organization will occur. However, there are transmitted herewith several application for position forms which a few of your graduates may wish to execute and forward to this office in order that they may be placed on file and receive consideration at the proper time. It might be added that each of the twelve Federal reserve banks handles its own personnel requirements, and therefore applications for positions with those institutions should be made directly to the reserve banks."

Approved unanimously.

Thereupon the meeting adjourned.

Approved:  

Chairman pro tem.