

Minutes for January 27, 1958

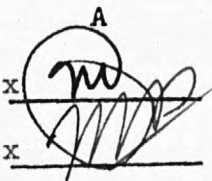


To: Members of the Board

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, if you were present at the meeting, please initial in column A below to indicate that you approve the minutes. If you were not present, please initial in column B below to indicate that you have seen the minutes.

	A	B
Chm. Martin	x 	_____
Gov. Szymczak	x _____	_____
Gov. Vardaman <sup>1/</sup>	_____	x _____
Gov. Mills	x 	_____
Gov. Robertson	x 	_____
Gov. Balderston	_____	x <u>CAB</u>
Gov. Shepardson	x <u>CWS</u>	_____

<sup>1/</sup> In accordance with Governor Shepardson's memorandum of March 8, 1957, these minutes are not being sent to Governor Vardaman for initial.

Minutes of the Board of Governors of the Federal Reserve System

on Monday, January 27, 1958. The Board met in the Board Room at 10:00 a.m.

PRESENT: Mr. Martin, Chairman  
 Mr. Szymczak  
 Mr. Mills  
 Mr. Robertson  
 Mr. Shepardson

Mr. Carpenter, Secretary  
 Mr. Sherman, Assistant Secretary  
 Mr. Kenyon, Assistant Secretary  
 Mr. Riefler, Assistant to the Chairman  
 Mr. Thomas, Economic Adviser to the Board

Messrs. Marget, Furth, Hersey, Sammons,  
 Bangs, Reynolds, and Wood of the  
 Division of International Finance

Messrs. Young, Garfield, Noyes, Koch,  
 Williams, Dembitz, Brill, Eckert,  
 Jones, Miller, Weiner, Altmann,  
 Trueblood, Wernick, and Wood of the  
 Division of Research and Statistics

Economic review. The review of significant international trade and economic developments by the Division of International Finance indicated that although the outlook in certain foreign countries might not be very promising, it would be too strong a statement to say that the foreign economic situation in general seemed likely to exert a seriously depressing influence on the economy of the United States. In fact, if the level of European activity continued to hold up and total dollar payments from the United States did not fall drastically this year, it might well develop that the larger part of this country's export decline had already been experienced. In this connection, it was noted that thus far the level of United States imports had been quite stable.

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To summarize, while it did not appear that developments abroad were likely to provide any substantial lift to the domestic economy in the near future, neither did it seem likely that they would push the economy much below the level that would prevail on the basis of domestic developments alone.

The review of business and financial developments within the United States which was given by the Division of Research and Statistics confirmed a continuation of the downward trend in most important economic indicators through the end of 1957, with the prospect of further declines in those indices for the month of January.

At the conclusion of the economic review all of the members of the staff except Messrs. Carpenter and Kenyon withdrew from the meeting.

Items circulated to the Board. The following items, which had been circulated to the members of the Board and copies of which are attached to these minutes under the respective item numbers indicated, were approved unanimously:

	<u>Item No.</u>
Letter to Lawrence Savings and Trust Company, New Castle, Pennsylvania, approving the establishment of a branch in the Shenango Plaza Shopping Center. (For transmittal through the Federal Reserve Bank of Cleveland)	1
Letter to The First Pennsylvania Banking and Trust Company, Philadelphia, Pennsylvania, approving the establishment of a branch at 5536 Wayne Avenue. (For transmittal through the Federal Reserve Bank of Philadelphia)	2

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	<u>Item No.</u>
Letter to the Federal Reserve Bank of Kansas City approving the payment of salaries to four officers of that Bank, including one officer whose title has been changed and three new officers.	3
Letter to the Federal Reserve Bank of Atlanta approving the payment of salary to a newly appointed officer of that Bank.	4

The meeting then adjourned.

Secretary's Notes: During the day, the Federal Reserve Banks of Boston and Atlanta advised that their directors had established, subject to the approval of the Board of Governors, a rate of  $2\frac{3}{4}$  per cent on discounts and advances under sections 13 and 13a, along with appropriate rates on other discounts and advances. Pursuant to the authority given by the Board of Governors on January 23, 1958, the Secretary notified the Boston and Atlanta Banks that the Board approved for them, effective January 28, 1958, rates as follows:

On discounts for and advances to member banks under sections 13 and 13a --  $2\frac{3}{4}$  per cent;

On advances to member banks under section 10(b) --  $3\frac{1}{4}$  per cent;

On advances to individuals, partnerships, and corporations other than member banks under the last paragraph of section 13 -- for the Federal Reserve Bank of Boston  $3\frac{3}{4}$  per cent and for the Federal Reserve Bank of Atlanta 4 per cent;

On advances direct to industrial or commercial businesses under section 13b, including advances made in participation with financing institutions -- for the Federal Reserve Bank of Boston a range of from  $3\frac{1}{2}$  to 6 per cent and for the Federal Reserve Bank of Atlanta a range of from 3 to  $5\frac{1}{2}$  per cent;

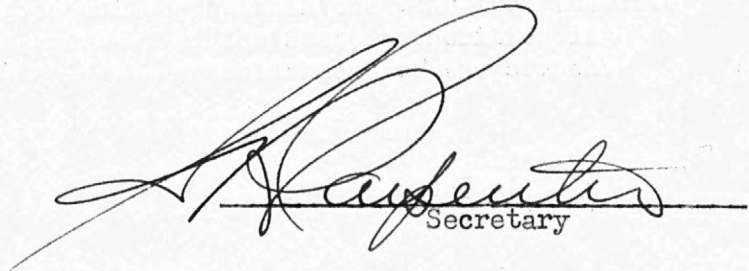
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Without change, the other rates in the Banks' existing schedules.

All Federal Reserve Banks and Branches were advised by telegram of the approval of these rates, press statements were issued in the usual form, and arrangements were made for publication of a notice in the Federal Register.

Governor Shepardson today approved on behalf of the Board letters to the Federal Reserve Banks of Boston and New York approving the appointments of Richard Joseph Matulis and Charles A. Burleson, Jr., as assistant examiners at the respective Banks. Copies of the letters are attached hereto as Items 5 and 6.



Secretary

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

Item No. 1  
1/27/58

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD



January 27, 1958

Board of Directors,  
Lawrence Savings and Trust Company,  
New Castle, Pennsylvania.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of Cleveland, the Board of Governors of the Federal Reserve System approves the establishment of a branch on State Route No. 88 in the Shenango Plaza Shopping Center, Shenango Township, Pennsylvania, by Lawrence Savings and Trust Company, New Castle, Pennsylvania, provided the branch is established within one year from the date of this letter and the approval of the State authorities is in effect as of the date of the establishment of the branch.

Very truly yours,  
(Signed) Merritt Sherman

Merritt Sherman,  
Assistant Secretary.

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

Item No. 2  
1/27/58

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

January 27, 1958

Board of Directors,  
The First Pennsylvania Banking  
and Trust Company,  
Philadelphia, Pennsylvania.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of Philadelphia, the Board of Governors of the Federal Reserve System approves the establishment of a branch at 5536 Wayne Avenue, Philadelphia, Pennsylvania, by The First Pennsylvania Banking and Trust Company, Philadelphia, Pennsylvania, provided the branch is established within one year from the date of this letter, and the approval of the State authorities is in effect as of the date it is established.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,  
Assistant Secretary.

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

Item No. 3  
1/27/58

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

January 27, 1958

Personal and Confidential

Mr. H. G. Leedy, President,  
Federal Reserve Bank of Kansas City,  
Kansas City 6, Missouri.

Dear Mr. Leedy:

The Board of Governors approves the payment of salaries to the following officers of the Federal Reserve Bank of Kansas City for the period January 9, 1958 through December 31, 1958, at the rates indicated, which are the rates fixed by your Board of Directors as reported in your letter of January 15, 1958:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
E. U. Sherman	Vice President	\$12,500
Delmas C. Cawthorne	Financial Economist	13,680
Raymond J. Doll	Agricultural Economist	13,560
Wilbur T. Billington	Industrial Economist	11,160

Very truly yours,

(Signed) S. R. Carpenter

S. R. Carpenter,  
Secretary.



BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

WASHINGTON 25, D. C.

Item No. 4  
1/27/58

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

January 27, 1958

CONFIDENTIAL (FR)

Mr. Walter M. Mitchell, Chairman,  
Federal Reserve Bank of Atlanta,  
Atlanta 3, Georgia.

Dear Mr. Mitchell:

The Board of Governors approves the payment of salary, effective immediately through December 31, 1958, to the following newly appointed officer of the Federal Reserve Bank of Atlanta, at the rate indicated, which is the rate fixed by the Board of Directors as reported in Mr. Patterson's letter of January 14, 1958:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
Thomas R. Atkinson	Economic Adviser to the President	\$11,000

Very truly yours,

(Signed) S. R. Carpenter


S. R. Carpenter,  
Secretary.

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

Item No. 5  
1/27/58

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

January 27, 1958



Mr. Benjamin F. Groot,  
Vice President,  
Federal Reserve Bank of Boston,  
Boston 6, Massachusetts.

Dear Mr. Groot:

In accordance with the request contained in your letter of January 22, 1958, the Board approves the appointment of Richard Joseph Matulis as an assistant examiner for the Federal Reserve Bank of Boston.

Please advise as to the date upon which the appointment is made effective.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,  
Assistant Secretary.

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

Item No. 6  
1/27/58

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

January 27, 1958

Mr. R. B. Wiltse, Vice President,  
Federal Reserve Bank of New York,  
New York 45, New York.

Dear Mr. Wiltse:

In accordance with the request contained in your letter of January 22, 1958, the Board approves the appointment of Charles A. Burleson, Jr., as an assistant examiner for the Federal Reserve Bank of New York.

Please advise the Board if the appointment is not made effective February 10, 1958, as planned.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,  
Assistant Secretary.

