

Minutes for October 31, 1958

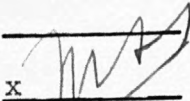

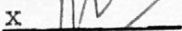
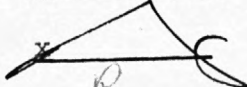

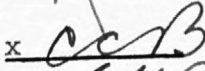

To: Members of the Board

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	<u></u>	<u></u>
Gov. Szymczak	<u></u>	<u>                    </u>
Gov. Vardaman <sup>1/</sup>	<u>                    </u>	<u>X</u>
Gov. Mills	<u></u>	<u>                    </u>
Gov. Robertson	<u></u>	<u>                    </u>
Gov. Balderston	<u></u>	<u>                    </u>
Gov. Shepardson	<u></u>	<u>                    </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 Friday, October 31, 1958. The Board met in the Board Room at 10:00 a.m.

PRESENT: Mr. Balderston, Vice Chairman  
Mr. Szymczak  
Mr. Mills  
Mr. Robertson 1/  
Mr. Shepardson

Mr. Sherman, Secretary  
Mr. Fauver, Assistant Secretary  
Mr. Hackley, General Counsel  
Mr. Masters, Director, Division of Examinations  
Mr. Solomon, Assistant General Counsel  
Mr. Nelson, Assistant Director, Division of  
Examinations  
Mr. Poundstone, Federal Reserve Examiner, Division  
of Examinations

Discount rates. Unanimous approval was given to a telegram to the Federal Reserve Bank of Minneapolis approving the establishment without change by that Bank on October 30, 1958, of the rates on discounts and advances in its existing schedule.

Following this action, the Secretary reported for the information of the Board that three Reserve Banks (Boston, New York, and Kansas City) had now inquired about the lack of a response to their wires last week reporting action by their directors renewing their 2 per cent discount rates. Each was informed that the Board had not acted on those advices and that therefore the old rates continued in effect.

This prompted Governor Mills to observe that while he was not present when the discount rate action was taken on October 23, he

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1/ Attended morning session only.

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gathered that the Board had reversed the procedure followed on previous occasions when some Reserve Banks failed to change their discount rates to make them accord with newly adopted rates at other Banks. He was concerned that this might lead the Reserve Banks to feel they were under compulsion by the Board to bring their rates into conformity. This led to a general discussion of the matter, especially on the point that the Board's action should be consistent from one time to another and that there should be a general understanding among the Reserve Banks of the Board's policy in this respect. During the discussion, the Secretary observed that the topic of discount rate procedure had been suggested by Chairman Bierwirth of the Federal Reserve Bank of New York for discussion at the Chairmen's Conference to be held December 4 and 5, 1958, and that the executive committee of the Conference had placed this subject on the agenda for that meeting.

Governor Robertson suggested that the Legal Division be asked to prepare a memorandum setting forth what action was required by the language of the statute relating to the provision that the Board "review and determine" the discount rates of the Reserve Banks.

This suggestion was approved with the understanding that the matter would be discussed at a later meeting of the Board, and that for the present no action would be taken on advices received from Reserve Banks that their directors had reestablished 2 per cent discount rates.

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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:

Item No.

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|--|---|
| Letter to the Presidents of all Federal Reserve Banks concerning dates for the regular biennial Conference of General Auditors.  | 1 |
| Letter to the Federal Reserve Bank of New York regarding the examination made of American Overseas Finance Company, New York, New York, as of August 11, 1958.   | 2 |
| Letter to the Dutchess Bank & Trust Company, Poughkeepsie, New York, approving the establishment of an out-of-town branch in the Poughkeepsie Shopping Center. (For transmittal through the Federal Reserve Bank of New York)                            | 3 |
| Letter to The County Trust Company, White Plains, New York, approving the establishment of a branch at 622 East Boston Post Road, Village of Mamaroneck. (For transmittal through the Federal Reserve Bank of New York)                                  | 4 |
| Letter to the Coopersville State Bank, Coopersville, Michigan, approving the establishment of a branch in the Village of Marne, Michigan. (For transmittal through the Federal Reserve Bank of Chicago)  | 5 |
| Letter to the Southwest Bank, Inglewood, California, granting permission to maintain reduced reserves. (For transmittal through the Federal Reserve Bank of San Francisco)   | 6 |
| Letter to the Union Bank, Los Angeles, California, approving the establishment of an in-town, drive-in facility in the vicinity of Olympic Boulevard and Hill Street in Los Angeles. (For transmittal through the Federal Reserve Bank of San Francisco) | 7 |

City National Bank of Beverly Hills. Governor Robertson reported a conversation he had yesterday with Mr. Irvin N. Clary,



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Executive Vice President of the City National Bank of Beverly Hills, which had established a branch within the city limits of Los Angeles. The bank had been advised by the San Francisco Reserve Bank that it thus became subject to reserve requirements applicable to reserve city banks, rather than to country banks as heretofore, even though its head office continued outside a reserve city. In response to Mr. Clary's request for a hearing before the Board on this matter, Governor Robertson said that he had suggested that the necessary data be presented in the customary manner through the Federal Reserve Bank of San Francisco, and he understood this procedure would be followed.

Relocation of branch of Old Kent Bank and Trust Company, Grand Rapids, Michigan. Prior to the meeting there had been distributed a memorandum dated October 30, 1958, from Mr. Solomon relating to the proposed relocation of a branch of Old Kent Bank and Trust Company, Grand Rapids, from 800 Leonard Street, N. W., to 805 Leonard Street, N. W., the latter site having been acquired as a result of the merger with Peoples National Bank. Old Kent had advised the Chicago Reserve Bank that it proposed to build a new building at 805 Leonard Street and consolidate both branch operations in the new building. The memorandum brought out that this would ordinarily be considered a nearby relocation of a branch without change in business and that in the usual course the Reserve Bank without referring the matter to the Board would advise the member bank that there was no objection to such relocation. However, in

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view of pending litigation involving the subject bank, the Reserve Bank had taken the matter up informally with the Board's Division of Examinations and the Legal Division.

The Legal Division was of the opinion that the pending Old Kent litigation would not be adversely affected if the proposed relocation were permitted. This view was based partly on the fact that the relocation was a separate question from that being litigated, and also on the additional fact that Old Kent had agreed that the taking of any "action by the Federal Reserve Bank of Chicago or the Board of Governors of the Federal Reserve System shall be without prejudice to or effect upon any action, contention, or objection which the Board of Governors or any defendants in the pending case" may now or later take or assert. In the circumstances, unless the Board had objection, the Legal Division proposed to advise Counsel for the Chicago Reserve Bank that it would seem appropriate to interpose no objection to the proposed relocation.

Governor Mills said that he would have to dissent from the taking of any position that could be interpreted as approving this action by Old Kent Bank. In his view, Old Kent would have been precluded from the proposed relocation if it had heeded the Board's original action concerning the branches of Peoples National Bank. He felt that the Board should not now act on a technicality that would permit Old Kent to have the branch as a "relocation"; instead, it should rely on its original position which denied Old Kent the right

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to operate the branch acquired through merger with Peoples National Bank.

Governor Robertson noted that Old Kent already had a branch at this location and that it proposed merely to move it across the street to a location that it had acquired as a result of the merger with Peoples.

Mr. Hackley commented that the Board did not attempt in its earlier decision to approve or disapprove the merger of Old Kent with Peoples and that it was by the merger that Old Kent acquired the assets of Peoples, including the building at 805 Leonard Street. Thus, it could have moved its existing branch across the street, and in that sense the Legal Division felt the proposed move would not be inconsistent with the Board's former action or with the litigation.

Governor Mills responded that if the two banks had not merged, Old Kent would not have had the 805 Leonard Street location open and available. The effect of the proposed move, in his opinion, would be to permit Old Kent to consolidate two branches at the better of two locations and thus build its competitive position more strongly and in that way lessen competition.

Mr. Hackley's comment on this reasoning was that even if Old Kent had observed the Board's action on the branch applications, they would still have acquired the 805 Leonard Street location through the merger, and the Chicago Reserve Bank in the normal course would have been able to concur in the move of the existing Old Kent Branch across the street.

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Governor Robertson stated that, under existing instructions to the Reserve Banks for handling nearby relocations, there was nothing before the Board at the moment that required either an approval or a disapproval, since the Chicago Bank had taken the question up with the Board's staff on an informal basis. He agreed with the views expressed in Mr. Solomon's memorandum and saw no need to have the matter submitted for formal consideration.

Governors Balderston, Szymczak, and Shepardson concurred with this view and, with Governor Mills objecting for the reasons indicated, it was understood that the Legal Division would advise the Chicago Bank informally that it would seem appropriate to interpose no objection to the proposed relocation of the Old Kent office.

Governor Mills then referred to the brief prepared by the Legal Division in defense of the suit against the Board by the Old Kent Bank and Trust Company, suggesting that the brief might be improved by the addition of more historical information relating to the gradual growth of Old Kent and the extent to which this growth was brought about through the merger and consolidation process.

Thereupon the Board went into executive session.

Actions taken in executive session

The Secretary's Office later was informed that during the executive session the Board approved a recommendation from the Division of Personnel Administration that it waive the physical requirements in



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the case of Mr. Innis D. Harris, who was appointed Coordinator of Defense Planning on October 3, 1958, on the basis of the need for one of his background and qualifications for the specialized work for which he was appointed. The reasons for this action were indicated in a memorandum from Personnel Administration dated October 30, 1958.

The Secretary was also informed that during the executive session the Board approved a proposal that a separate budget be established for the Office of Defense Planning and that the amounts relating to defense planning contained in budgets of other divisions of the Board be transferred to that budget.

The Secretary also was informed that during the executive session the Board approved a revision of the rules covering operations of the Board's private dining rooms, to supersede the last published rules issued April 26, 1946, and all other rules in effect at the present time. The new rules are set forth in Item No. 8.

During the executive session the Board authorized Governor Shepardson to take the steps necessary to secure a replacement for Mr. C. D. Persina, Consulting Architect, whose services were no longer available.

The Board also authorized Governor Shepardson to enter into preliminary negotiations with the architectural firm of Harbeson, Hough, Livingston, and Larson for the preparation of plans relating to the

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provision of a shelter area below ground level on the Board's lot on the north side of C Street.

The Board reconvened in Governor Balderston's office at 12:15 noon with Governors Balderston, Szymczak, Mills, and Shepardson, and Messrs. Sherman, Hackley, and Solomon present.

Discount rates. The Secretary reported to Governor Balderston that Mr. Erickson had just telephoned regarding failure of the Board to act on the 2 per cent discount rate established by the directors of the Boston Bank at their meeting on October 20, 1958. Mr. Erickson had stated that it had been customary at each meeting of the board of directors to report as a matter of course on whether the Board had approved the previous rate action of the directors of that Bank, and that failure to report at the November 3 meeting of the Boston directors or, in the alternative, presentation of a report that the Board had not acted on their discount rate, might cause the directors to feel that the Board was attempting to "force their hand." Mr. Erickson said that, while he understood the reason for the Board's not having acted on reestablishment of the existing discount rate at this particular time, he felt that on balance it would be quite desirable if the customary procedure of acting on the rate could be followed, especially since the Boston directors had reestablished the 2 per cent rate before the meeting of the Federal Open Market Committee on October 21 at which there was a consensus that the rate should be increased promptly.

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Governor Balderston pointed out that the Boston and Atlanta Banks had acted to reestablish the 2 per cent rate on October 20, that the Kansas City and San Francisco Banks had reestablished 2 per cent rates on October 22, and that the Cleveland and New York Banks had reestablished 2 per cent rates on October 23. 1/

Governor Szymczak expressed the view that the best procedure would be to follow the custom of acting on the rates established by the Reserve Bank directors and to dispatch wires to the Banks involved approving the rates as established, supplementing such wires with telephone calls to explain the circumstances resulting in the delay in their receipt of advice of such action.

Governor Mills concurred in this view adding, as he had indicated in the meeting this morning, that failure to act on the rates submitted might cause misunderstanding with the Reserve Bank directors.

Governor Shepardson also concurred. He noted that Governor Mills had pointed out earlier that reestablishment of a discount rate rarely is a matter for press comment. Since the principal reason for not acting to approve a 2 per cent rate at some Banks at the same time the Board was announcing approval of a 2-1/2 per cent rate at other Banks was to avoid misunderstanding or confusion in the press, he thought it preferable to advise the Banks that the rates they had established were approved.

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1/ The Atlanta and Cleveland Reserve Banks subsequently established a rate of 2-1/2 per cent, effective October 28 and 30, respectively.

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Mr. Hackley said that he had been somewhat disturbed by the suggestion at the meeting this morning that the Board not act on rates unless there was a change. It was his view that it would be preferable as a rule for the Board to take action on rates submitted by the Federal Reserve Banks and to advise the Banks of the action taken.

Thereupon, the Secretary was authorized to dispatch appropriate telegrams to the Boston, Kansas City, San Francisco, and New York Banks approving the rates fixed by their directors on October 20, 22, and 23. It was understood that the Secretary also would inform those Banks of the reasons for delay in their receiving approval of those rates.

Thereupon the meeting adjourned.

Secretary's Notes:

On October 30, 1958, advice was received from the Federal Reserve Bank of Chicago that the directors of that Bank had established, subject to the approval by the Board of Governors, rates of 2-1/2 per cent on discounts and advances under sections 13 and 13a of the Federal Reserve Act, 3 per cent on advances to member banks under section 10(b), and other rates in the Bank's existing schedule without change. Pursuant to the authority given by the Board on October 27, 1958, the Secretary advised the Chicago Bank by telegram of approval of these rates, effective October 31, 1958. All Federal Reserve Banks and branches were notified of this action by telegram, a press statement was issued in the usual form, and arrangements were made for publication of a notice in the Federal Register.



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On October 30, 1958, Governor Shepardson approved on behalf of the Board the following items:

Memoranda from appropriate individuals concerned recommending the following items affecting the Board's staff:

Appointment

Mary S. Keagan as Purchasing Assistant, Division of Administrative Services, with basic annual salary at the rate of \$4,940, effective the date she assumes her duties.

Acceptance of resignation

Wilhelmina K. Diegelmann as Substitute Nurse in the Division of Personnel Administration, effective October 31, 1958.

Telegram to the Federal Reserve Bank of Boston approving the appointment of Maurice P. Shea, 3rd, as assistant examiner. A copy of the telegram is attached as Item No. 9.

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

Telegram to the Federal Reserve Bank of Kansas City approving the appointment of William D. Moore as assistant examiner. A copy of the telegram is attached as Item No. 10.

Memorandum from Mr. Leonard, Director, Division of Bank Operations, dated October 30, 1958, recommending that the Board participate in a cooperative arrangement with the Treasury Department and the Bureau of the Budget for stenographic-clerical assistance to the representatives of the three agencies on duty-status at High Point. It was understood that a clerk-stenographer (Grade 5 or Grade 4) would be appointed by the Treasury staff, with the Treasury paying 50 per cent of the cost and the Bureau of the Budget and the Board each paying 25 per cent; and that for administrative and accounting purposes the person to be selected would be placed on the payroll of the Office of Civil and Defense Mobilization and the three participating agencies would be billed for their respective shares of the cost.

Memoranda from appropriate individuals concerned recommending the following items affecting the Board's staff:

Appointment

Shirley M. Almon as Research Assistant, Division of Research and Statistics, with basic annual salary at the rate of \$5,430, effective the date she assumes her duties.

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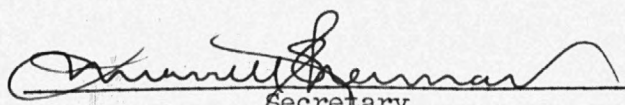
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Reemployment following maternity leave

Barbara J. Wrenn as Statistical Clerk, Division of Bank Operations, with basic annual salary at the rate of \$4,135, effective November 3, 1958.

Salary increases, effective November 2, 1958

<u>Name and title</u>	<u>Division</u>	<u>Basic annual salary</u>	
		<u>From</u>	<u>To</u>
<u>Research and Statistics</u>			
Frank de Leeuw, Economist		\$7,270	\$7,510
Daviette C. Hill, Statistical Clerk		3,945	4,040
Virginia Lambert, Secretary (Change in title from Clerk-Stenographer)		4,515	4,640
Elsie T. Nelson, Economist		6,135	6,285
<u>International Finance</u>			
Mary V. F. Baker, Senior Clerk		4,190	4,340
Patricia C. Fitzmaurice, Clerk		3,850	3,945
Ruth Logue, Economist		8,330	8,570
Allan F. Rau, Jr., Economist		7,030	7,270
<u>Examinations</u>			
Andrew S. MacKenzie, Assistant Federal Reserve Examiner		7,510	7,750
<u>Administrative Services</u>			
Albert C. Bain, Telegraph Operator		4,790	4,940
John Blash, Carpenter-Operating Engineer		5,262	5,533
Saul Clanton, Gardener		3,723	3,910
Morris Mayhew, Gardener		4,181	4,389
John E. Osborne, Steamfitter-Operating Engineer		5,158	5,408
John C. Simmons, Laborer		3,055	3,150
Wilhelmina K. Steele, Operator-Tabulating Equipment		3,590	3,685
Karl J. Steger, Steamfitter-Operating Engineer		5,158	5,408
Herbert W. Young, Building Superintendent		7,176	7,530

  
Secretary

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

Item No. 1  
10/31/58

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

October 31, 1958.



Dear Sir:

The Standing Committee of General Auditors of the Federal Reserve Banks, in consultation with the Board's Division of Examinations, has ascertained that March 11, 12, and 13, 1959, would be convenient dates for the regular biennial Conference of General Auditors, and the holding of such a conference at that time has been cleared with the Chairman of the Chairmen's Conference. Accordingly, a Conference of General Auditors will be held on those dates in the Board's offices in Washington.

The call for the Conference is being issued at this relatively early date in accordance with the desire of the Standing Committee to provide adequate time for the preparation of an agenda and of material for presentation at the Conference.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Merritt Sherman", is written over a horizontal line.

Merritt Sherman,  
Secretary.

TO THE CHAIRMAN OF EACH FEDERAL RESERVE BANK  
COPIES TO THE PRESIDENT OF EACH FEDERAL RESERVE BANK  
AND TO EACH GENERAL AUDITOR.

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

Item No. 2  
10/31/58

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

October 31, 1958

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

Dear Mr. Wiltse:

This will acknowledge receipt of two copies of the report of examination of American Overseas Finance Company, New York, New York, made as of August 11, 1958, by Mr. Harry J. Meyer, in his capacity as a Federal Reserve Examiner.

The report has been reviewed and submitted to the Board of Governors.

It is noted that the Company is considered to be in generally satisfactory condition and that the examination revealed no assets or liabilities which do not conform to Section 25(a) of the Federal Reserve Act or Regulation K.

The report of examination of American Overseas Investing Company, Inc., incorporated in the report and based on a balance sheet and other information furnished by the officers of the two companies, has also been noted.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,  
Secretary.





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

Item No. 3  
10/31/58

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

October 31, 1958



Board of Directors,  
Dutchess Bank & Trust Company,  
Poughkeepsie, New York.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of New York, the Board of Governors of the Federal Reserve System approves the establishment of an out-of-town branch at 425 Albany Post Road, Poughkeepsie Shopping Center (unincorporated area), Town of Poughkeepsie, Dutchess County, New York, by Dutchess Bank & Trust Company, Poughkeepsie, New York, provided the branch is established within six months 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,  
Secretary.

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

Item No. 4  
10/31/58

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

October 31, 1958

Board of Directors,  
The County Trust Company,  
White Plains, New York.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of New York, the Board of Governors of the Federal Reserve System approves the establishment of a branch at 622 East Boston Post Road, Village of Mamaroneck, Westchester County, New York, by The County Trust Company, White Plains, New York, provided the branch is established within six months from the date of this letter and 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,  
Secretary.



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

Item No. 5  
10/31/58

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

October 31, 1958



Board of Directors,  
Coopersville State Bank,  
Coopersville, Michigan.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of Chicago, the Board of Governors of the Federal Reserve System approves the establishment of a branch in the Village of Marne, Michigan, by Coopersville State Bank, Coopersville, Michigan, provided the branch is established within one year from the date of this letter and 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,  
Secretary.

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

Item No. 6  
10/31/58

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

October 31, 1958



Mr. Kenneth S. Clarey,  
Executive Vice President,  
Southwest Bank,  
Inglewood, California.

Dear Mr. Clarey:

Pursuant to your request of October 15, submitted through the Federal Reserve Bank of San Francisco, the Board of Governors, acting under the provisions of Section 19 of the Federal Reserve Act, grants permission to your bank to continue to maintain the same reserves against deposits as are required to be maintained by banks located outside of central reserve and reserve cities, effective as of the date of opening of your branch in the City of Los Angeles.

Your attention is called to the fact that such permission is subject to revocation by the Board of Governors of the Federal Reserve System.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,  
Secretary.



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

Item No. 7  
10/31/58

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

October 31, 1958

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

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of San Francisco, the Board of Governors of the Federal Reserve System approves the establishment of an in-town, drive-in branch in the vicinity of the intersection of Olympic Boulevard and Hill Street, Los Angeles, California, by Union Bank, Los Angeles, California, provided the branch is established within six months 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,  
Secretary.



October 31, 1958

Item No. 8

10/31/58

RULES GOVERNING OPERATIONS OF THE BOARD'S PRIVATE DINING ROOMS

The private dining room area is to be used only by the Board Members, Heads and Assistant Heads of Divisions, certain members of the Board's staff and others to whom invitations have been issued by the Board, and such guests as they may bring with them.

Board Members' Dining Room:

The Board Members' dining room shall be open to the Members of the Board and their guests and such members of the senior staff as the Board may, from time to time, designate. As a general rule, a Member of the Board will take not more than one guest into the Board Members' dining room.

Blue Room:

(a) The Blue Room shall always be reserved for the regular meetings of the Federal Advisory Council, the Presidents' Conference, the Federal Open Market Committee, and the Treasury group which meets with the Chairman of the Board on Wednesdays.

(b) The Blue Room can be reserved by a Board Member for:

- (1) Visiting foreign delegations of bankers or Government officials;
- (2) Visiting United States bankers or groups with whom the Board has business;
- (3) Personal guests;
- (4) The use of a staff group.

All reservations for the Blue Room are to be made directly with the Manager of the Cafeteria.

Staff Dining Room:

The large room, known as the Staff Dining Room, shall be used principally by staff members and others who hold invitations. Board Members may reserve tables in this room should they desire to do so. This room is occasionally reserved for large luncheon groups such as State Bankers' Associations, International Monetary Fund and the World Bank, etc.

All reservations for the Staff Dining Room are to be made directly with the Manager of the Cafeteria.

Luncheon may also be served in the Board Members' offices. Under the arrangement approved by the Board, the Cafeteria will prepare the food and place it in carriers, upon reasonable advance notice, to be called for by the Board Member's messenger not later than 2:00 p.m.

Dining Room checks should be signed by the Board or staff member at the time of service, both for himself and for his guests. However, upon

October 31, 1958.

prior request, the cafeteria will send such checks to the office of the Board or staff member involved for signature following luncheon. A bill will be rendered each month. A surcharge of 15¢ for service is made for each person served. There is no tipping. The hours of service in the Board Members' Dining Room and the Blue Room are from 11:30 a.m. to 2:00 p.m., and in the Staff Dining Room from 1:00 to 2:00 p.m.

The following is a list of persons whose luncheon checks may be charged to the Board:

1. Directors, officers and employees of the Federal Reserve Banks and their Branches; and the members and Secretary of the Federal Advisory Council. In these cases the checks may be signed by the individual served; or, they may be signed by any Member of the Board or of the senior staff and charged to the Board by inserting the name of the guest, his official affiliation, and checking the notation "Official Guest" on the check.
2. Cabinet officers and the Under Secretaries and Assistant Secretaries of all Executive Departments; the Directors of the Federal Deposit Insurance Corporation; the Comptroller and Deputy Comptrollers of the Currency; the Administrator or members of the Board in charge of any independent Federal Agency; and the Directors of any Government-owned corporation. In these cases the check may be charged to the Board when it is signed by a Member of the Board or a member of the senior staff, the name of the guest and his official affiliation inserted, and by checking the notation "Official Guest" on the check.
3. Any Member of the Board or of the senior staff may charge to the Board's account the luncheon check of any other official guest of such member by signing the check and inserting the name and official affiliation of the guest and checking the notation "Official Guest" on the check.

**TELEGRAM**  
LEASED WIRE SERVICEItem No. 9  
10/31/58BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTON

October 30, 1958

GROOT - BOSTON

Reurlet October 23, 1958, Board approves appointment of  
Maurice P. Shea, 3rd as an assistant examiner for the  
Federal Reserve Bank of Boston.

(Signed) Merritt Sherman

SHERMAN



T E L E G R A M  
LEASED WIRE SERVICEBOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTONItem No. 10  
10/31/58

October 31, 1958

WOOLLEY - KANSAS CITY

Reurlet October 28, 1958, Board approves appointment of William D. Moore as assistant examiner for Federal Reserve Bank of Kansas City. Please advise date upon which appointment is made effective and salary rate.

It is noted Moore is indebted to Commerce Trust Company, Kansas City, Missouri, in amount of \$1,040. Approval is given with understanding he will not participate in any examinations of such bank, or any other bank to which loan may be transferred, until indebtedness is liquidated.

(Signed) Merritt Sherman

SHERMAN