

Minutes for August 3, 1959.

To: Members of the Board

From: Office of the Secretary

Attached is a copy of the minutes of a meeting of the available members of the Board of Governors of the Federal Reserve System held 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 <u>mm</u>
Gov. Szymczak	_____	x <u>mm</u>
Gov. Mills	_____	x <u>[Signature]</u>
Gov. Robertson	x <u>R</u>	_____
Gov. Balderston	x <u>CCRB</u>	_____
Gov. Shepardson	x <u>[Signature]</u>	_____
Gov. King	_____	x <u>[Signature]</u>

Minutes of a meeting of the available members of the Board of Governors of the Federal Reserve System which was held in the Board Room at 10:00 a.m. on Monday, August 3, 1959.

PRESENT: Mr. Balderston, Vice Chairman  
Mr. Robertson  
Mr. Shepardson

Mr. Kenyon, Assistant Secretary  
Mr. Molony, Assistant to the Board  
Mr. Farrell, Director, Division of Bank  
Operations  
Mr. Solomon, Director, Division of Examinations  
Mr. Hexter, Assistant General Counsel  
Mr. Smith, Assistant Director, Division of  
Examinations

This meeting was devoted to a discussion of means of improving further the reports of examination of the Federal Reserve Banks and of the procedures that should be followed by the Board in considering such reports.

As the result of this discussion, it was understood (1) that the Division of Examinations would give continuing consideration to the further development of the report of examination in such manner as to present a concise but comprehensive picture of the operations of the Reserve Bank under examination, with full and accurate presentation of all information that should be available to the Board; (2) that the Division of Bank Operations would work in conjunction with the Federal Reserve Banks with a view to the further development of adequate and properly descriptive accounting terminology; and (3) that Mr. Molony would give consideration to holding a meeting with appropriate representatives of the Federal Reserve Banks for the

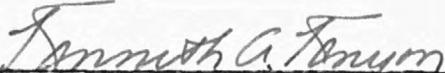
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purpose of reviewing procedures designed to convey information relating to Reserve Bank operations effectively on such occasions as questions might be raised by the press or the public.

With regard to procedures relating to consideration of the reports of examination and taking any necessary follow-up actions, it was the consensus that it would be desirable (1) to continue the practice whereby a representative of the Division of Examinations orally summarizes the reports following their circulation to the members of the Board; (2) for the Board to meet with the President of the Federal Reserve Bank concerned, probably on the occasion of a visit of the President to Washington on other business, to review the examination report with him; and (3) for the Board also to meet with the Chairman of the Reserve Bank concerned whenever special circumstances might warrant. For the purpose of effectively coordinating these procedures with the budget discussions held by a committee of the Board with the individual Reserve Bank Presidents, it was suggested that a representative of the Division of Examinations be among those members of the staff participating in the discussions.

The meeting then adjourned.

  
Assistant Secretary