

Minutes for July 11, 1960

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	<u>                    </u> <i>(circled M)</i>
Gov. Szymczak	<u>                    </u> <i>MS</i>
Gov. Mills	<u>                    </u> <i>[Signature]</i>
Gov. Robertson	<u>                    </u> <i>[Signature]</i>
Gov. Balderston	<u>                    </u> <i>CSB</i>
Gov. Shepardson	<u>                    </u> <i>[Signature]</i>
Gov. King	<u>                    </u> <i>[Signature]</i>

Minutes of the Board of Governors of the Federal Reserve System  
on Monday, July 11, 1960. The Board met in the Board Room at 10:00 a.m.

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

Mr. Sherman, Secretary  
Mr. Thomas, Adviser to the Board  
Mr. Young, Adviser to the Board  
Mr. Molony, Assistant to the Board  
Mr. Koch, Adviser, Division of Research and  
Statistics  
Mr. Furth, Associate Adviser, Division of  
International Finance  
Mrs. Semia, Technical Assistant, Office of  
the Secretary  
Mr. Keir, Chief, Government Finance Section,  
Division of Research and Statistics

Economic review. At Chairman Martin's request Mr. Furth commented on recent gold movements and their possible significance. Following his remarks, Mr. Furth left the meeting.

Mr. Keir then reported on recent developments in the Government securities market and in Treasury financing, Mr. Thomas summarized bank credit data and the outlook for bank reserves, and there followed a general discussion bearing upon the situation with respect to inventories and unemployment.

Messrs. Thomas, Young, Koch, and Keir then withdrew, and the following entered the meeting:

Mr. Hackley, General Counsel  
Mr. Farrell, Director, Division of Bank Operations

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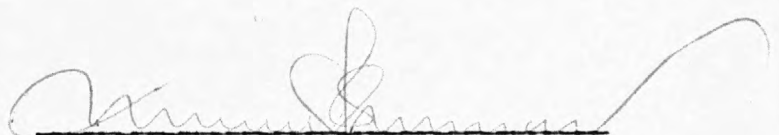
Mr. Solomon, Director, Division of Examinations  
 Mr. Daniels, Assistant Director, Division of  
 Bank Operations  
 Mr. Nelson, Assistant Director, Division of  
 Examinations

Items circulated to the Board. The following items, which had been circulated to 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 the Bound Brook Trust Company, Bound Brook, New Jersey, approving an extension of time to establish a branch at West Union Avenue and Vosseller Avenue.	1
Letter to the Bank of Arkansas, Little Rock, Arkansas, approving an extension of time to establish a branch in Pulaski County.	2
Letter to the State Bank of Barnum, Barnum, Minnesota, waiving the requirement of six months* notice of withdrawal from membership in the Federal Reserve System.	3
Telegram to the Federal Reserve Bank of Atlanta authorizing acceptance of the low bid for construction of an addition to its parking garage and a total expenditure of approximately \$146,000.	4

The meeting then adjourned.

Secretary's Note: Governor Shepardson today approved on behalf of the Board a letter to the Federal Reserve Bank of Richmond (attached Item No. 5) approving the designation of Robert R. Beasley as a special assistant examiner.

  
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 Secretary

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

Item No. 1  
7/11/60

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

July 11, 1960



Board of Directors,  
Bound Brook Trust Company,  
Bound Brook, New Jersey.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of New York, the Board of Governors of the Federal Reserve System extends to January 9, 1961, the time within which Bound Brook Trust Company, Bound Brook, New Jersey, may establish a branch at the southwest corner of West Union Avenue and Vosseller Avenue, Bound Brook, New Jersey.

At the time of approval of the establishment of this branch, it was understood that additional capital funds of not less than \$200,000 were to be provided through the sale of additional common stock. In view of the subsequent improvement in the bank's capital position, the Board waives the requirement for additional capital in connection with the establishment of this branch.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,  
Secretary.

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

Item No. 2  
7/11/60

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

July 11, 1960



Board of Directors,  
Bank of Arkansas,  
Little Rock, Arkansas.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of St. Louis, the Board of Governors extends to November 19, 1960, the time within which the Bank of Arkansas, Little Rock, Arkansas, may, under the authority granted in the Board's letter of January 19, 1960, establish a branch in an unincorporated area in Pulaski County about one-half mile south of the city limits of Little Rock, Arkansas.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,  
Secretary.

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

Item No. 3  
7/11/60

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

July 11, 1960



Board of Directors,  
State Bank of Barnum,  
Barnum, Minnesota.

Gentlemen:

The Federal Reserve Bank of Minneapolis has forwarded to the Board of Governors your letter of June 14, 1960, together with the accompanying resolution signifying your intention to withdraw from membership in the Federal Reserve System and requesting waiver of the six months' notice of such withdrawal.

In accordance with your request, the Board of Governors waives the requirement of six months' notice of withdrawal. Upon surrender to the Federal Reserve Bank of Minneapolis of the Federal Reserve Bank stock issued to your institution, such stock will be cancelled and appropriate refund will be made thereon. Under the provisions of Regulation H, your institution may accomplish termination of its membership at any time within eight months from the date the notice of intention to withdraw from membership was given.

It is requested that the certificate of membership be returned to the Federal Reserve Bank of Minneapolis.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,  
Secretary.

TELEGRAM  
LEASED WIRE SERVICEItem No. 4  
7/11/60BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTON

July 11, 1960

Bryan - Atlanta

Re Mr. Patterson's letter of June 27, 1960, Board authorizes acceptance of low bid and award of contract to Barge and Company for construction of addition to Atlanta parking garage; and total expenditure of approximately \$146,000, including architect's fee and contingency allowance.

(Signed) Merritt Sherman

SHERMAN

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

Item No. 5  
7/11/60

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

July 11, 1960



Mr. N. L. Armistead, Vice President,  
Federal Reserve Bank of Richmond,  
Richmond 13, Virginia.

Dear Mr. Armistead:

In accordance with the request contained in your letter of July 7, 1960, the Board approves the designation of Robert R. Beasley as a special assistant examiner for the Federal Reserve Bank of Richmond for the purpose of participating in examinations of State member banks only.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,  
Assistant Secretary.