

Minutes for November 18, 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

Gov. Szymczak

Gov. Mills

Gov. Robertson

Gov. Balderston

Gov. Shepardson

Gov. King

The block contains handwritten initials and signatures written over the list of names. For Chm. Martin, there is a large, stylized signature. For Gov. Szymczak, there are initials. For Gov. Mills, there is a signature. For Gov. Robertson, there is a signature. For Gov. Balderston, there are initials. For Gov. Shepardson, there is a signature. For Gov. King, there is a signature.

Minutes of the Board of Governors of the Federal Reserve System
on Friday, November 18, 1960. The Board met in the Board Room at 10:00 a.m.

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

Mr. Sherman, Secretary
Mr. Shay, Legislative Counsel
Mr. Molony, Assistant to the Board
Mr. Fauver, Assistant to the Board
Mr. Noyes, Director, Division of Research
and Statistics
Mr. Landry, Assistant to the Secretary
Mr. Eckert, Chief, Banking Section, Division
of Research and Statistics
Mr. Keir, Chief, Government Finance Section,
Division of Research and Statistics

Report on money market conditions. Messrs. Keir and Eckert
reported on money market and bank credit developments, respectively.

At the conclusion of these reports all members of the staff
with the exception of Messrs. Sherman and Landry withdrew, and the
following entered the room: Messrs. Hackley, General Counsel; Solomon,
Director, Division of Examinations; Johnson, Director, Division of
Personnel Administration; and Nelson, Assistant Director, Division of
Examinations.

Discount rates. The establishment without change by the Federal
Reserve Banks of New York, Philadelphia, Minneapolis, Kansas City, and
San Francisco on November 17, 1960, of the rates on discounts and advances
in their existing schedules was approved unanimously, with the under-
standing that appropriate advice would be sent to those Banks.

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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:

Item No.

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| Letter to Root River State Bank, Chatfield, Minnesota, approving an investment in bank premises. | 1 |
| Letter to The First National Bank of Beatrice, Beatrice, Nebraska, approving its application for fiduciary powers. | 2 |
| Letter to the Federal Deposit Insurance Corporation advising that no corrective programs have been urged upon or agreed to by Farmers and Merchants Trust Company, Greenville, Pennsylvania, which the Board believes should be incorporated as conditions incident to the proposed purchase of assets and assumption of liabilities of that bank by First Seneca Bank and Trust Company, Oil City, Pennsylvania. | 3 |
| Letter to the Federal Reserve Bank of Boston approving the payment of salary to an officer at the rate fixed by the Board of Directors. | 4 |

With respect to Item No. 4, a letter to the Federal Reserve Bank of Boston approving the payment of salary to a General Auditor, Mr. Johnson said, in reply to a question from Governor Shepardson, that there was a tendency apparent among the Reserve Banks to move their General Auditors into higher salary classifications. Mr. Solomon commented that the Division of Examinations had given thought to this question and had reached the conclusion that the trend referred to by Mr. Johnson was

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desirable in order to make it possible for the Reserve Bank auditors to accomplish the task set for them by their respective boards of directors.

It was noted in discussion that a topic relating to the status of the General Auditors at the Reserve Banks was on the agenda for the forthcoming meeting of the Conference of Chairmen of the Federal Reserve Banks.

The meeting then adjourned.

Secretary's Notes: Pursuant to the recommendations contained in memoranda from appropriate individuals concerned, Governor Shepardson today approved on behalf of the Board increases in the basic annual salaries of the following individuals on the Board's staff, effective November 27, 1960:

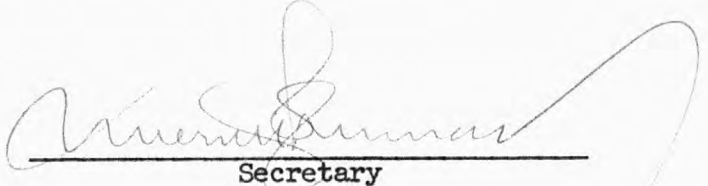
<u>Name and title</u>	<u>Division</u>	<u>Basic annual salary</u>	
		<u>From</u>	<u>To</u>
	<u>Legal</u>		
Eugene C. Harrison, Law Clerk		\$5,490	\$5,655
	<u>Research and Statistics</u>		
Irene Butter, Economist		6,435	6,600
	<u>Bank Operations</u>		
Mary Patricia Barlow, Statistical Clerk		4,675	4,840
Kathryn A. Jackson, Statistical Assistant (with change in title from Statistical Clerk)		4,840	5,160
James A. McIntosh, Data Processing Analyst		6,765	7,560
	<u>Personnel Administration</u>		
Sudelle Rice, Training Technician		5,490	5,655
	<u>Administrative Services</u>		
Mary K. Nantell, Cafeteria Helper		3,290	3,395

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Governor Shepardson also approved today on behalf of the Board a memorandum dated November 16, 1960, from Mr. Solomon, Director, Division of Examinations, recommending that permission be granted to Margaret C. Goodall, Stenographer in that Division, to work an additional period, through December 9, 1960, before beginning maternity leave.

Pursuant to the request contained in a memorandum dated November 15, 1960, from Marian Jean Kline, Draftsman Trainee in the Division of Research and Statistics, Governor Shepardson today granted permission for her to work part time as a salesgirl at Woodward and Lothrop.


Secretary

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

Item No. 1
11/18/60

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 18, 1960

Board of Directors,
Root River State Bank,
Chatfield, Minnesota.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of Minneapolis, the Board of Governors of the Federal Reserve System approves, under the provisions of Section 24A of the Federal Reserve Act, an investment in bank premises of not to exceed \$105,000 by Root River State Bank. This amount includes the cost of land, architect's fee, and building construction costs.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.

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

Item No. 2
11/18/60

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 18, 1960

Board of Directors,
The First National Bank of Beatrice,
Beatrice, Nebraska.

Gentlemen:

The Board of Governors of the Federal Reserve System has given consideration to your application for fiduciary powers and grants The First National Bank of Beatrice authority to act, when not in contravention of State or local law, as executor, administrator, and guardian of estates. The exercise of such rights shall be subject to the provisions of Section 11(k) of the Federal Reserve Act and Regulation F of the Board of Governors of the Federal Reserve System.

A formal certificate indicating the fiduciary powers that your bank is now authorized to exercise will be forwarded in due course.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.



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

Item No. 3
11/18/60

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 18, 1960

The Honorable Jesse P. Wolcott, Chairman,
Federal Deposit Insurance Corporation,
Washington 25, D. C.

Dear Mr. Wolcott:

Reference is made to your letter of November 7, 1960, concerning an application of First Seneca Bank and Trust Company, Oil City, Pennsylvania, for the Corporation's consent to purchase the assets and assume the liabilities of Farmers and Merchants Trust Company, Greenville, Pennsylvania, a member institution.

No corrective programs have been urged upon Farmers and Merchants Trust Company, Greenville, Pennsylvania, or agreed to by it which the Board of Governors believes should be incorporated as conditions incident to the proposal.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.



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

Item No. 4
11/18/60

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 18, 1960

CONFIDENTIAL (FR)

Mr. J. A. Erickson,
President,
Federal Reserve Bank of Boston,
Boston 6, Massachusetts.

Dear Mr. Erickson:

The Board of Governors approves the payment of salary to the following officer of the Federal Reserve Bank of Boston, for the period December 1 through December 31, 1960, at the rate indicated, which is the rate fixed by your Board of Directors as reported in your letter of November 1, 1960:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
Stanley B. Lacks	General Auditor	\$11,500

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.