

FR 609
Rev. 10/59

Minutes for January 30, 1961

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

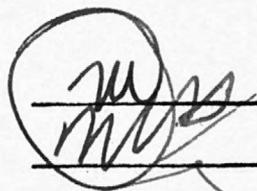
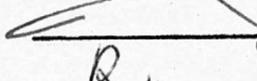
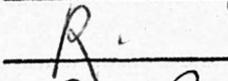
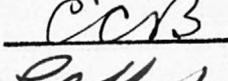
Gov. Mills

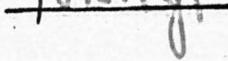
Gov. Robertson

Gov. Balderston

Gov. Shepardson

Gov. King



Minutes of the Board of Governors of the Federal Reserve System
on Monday, January 30, 1961. The Board met in the Board Room at 10:00 a.m.

PRESENT: Mr. Martin, Chairman
Mr. Balderston, Vice Chairman
Mr. Szymczak
Mr. Mills
Mr. Robertson
Mr. King

Mr. Sherman, Secretary
Mr. Kenyon, Assistant Secretary
Mr. Young, Adviser to the Board
Mr. Fauver, Assistant to the Board
Mr. Hackley, General Counsel
Mr. Farrell, Director, Division of Bank Operations
Mr. Solomon, Director, Division of Examinations
Mr. Hooff, Assistant General Counsel
Mr. Landry, Assistant to the Secretary
Mr. Leavitt, Supervisory Review Examiner, Division
of Examinations

Report on competitive factors (Bedford and Roanoke, Virginia).

Under date of January 26, 1961, copies had been distributed of a draft of report to the Comptroller of the Currency on the competitive factors involved in a proposed merger of The Citizens National Bank of Bedford, Bedford, Virginia, into The First National Exchange Bank of Roanoke, Roanoke, Virginia.

Following discussion, unanimous approval was given to the report, which contained the following conclusion:

First National presently operates, as a branch, one of two banking offices in Bedford. It now proposes to merge into itself the remaining independent bank in Bedford, thereby eliminating competition almost entirely in the community. Minor remaining competition would be principally from much smaller banks in Roanoke and Lynchburg, 29 and 24 miles distant, respectively. It is not definitely established at present, but there is also a possibility that the banking resources in Bedford would be consolidated under one roof, reducing by 50 per cent the number of banking offices.

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Further, the present deposit volume of First National compared to other area banks and number of offices suggests a tendency toward monopoly.

Messrs. Hooff and Leavitt then withdrew from the meeting.

Letter to all Reserve Banks regarding savings bonds. A distributed memorandum from Mr. Young dated January 24, 1961, referred to recent discussion between representatives of the Treasury Department and the Board's staff regarding a special effort in 1961 to promote the sale of United States savings bonds, to be related to the fact that the beginning of 1961 marked the Twentieth Anniversary of the "Series E" savings bond program. The Treasury Department had expressed the hope that the Federal Reserve Bulletin and the monthly reviews of the Reserve Banks would include articles during the year relating to savings bonds. It was Mr. Young's view, as expressed in his memorandum, that it would not be inappropriate to express interest in this matter to the Presidents of the Reserve Banks. Accordingly, there was attached to the memorandum a suggested draft of letter for this purpose.

Mr. Young commented on the apparent desirability of cooperating with the Treasury in the manner suggested in the memorandum, noting in his remarks that plans were under way for inclusion of an article on savings bonds in a forthcoming issue of the Bulletin.

Governor Balderston inquired as to the advisability of deferring transmission of the proposed letter pending consideration at the next joint meeting of the Board and the Presidents' Conference. Following a

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discussion, however, it was decided to send a letter on this subject in a form satisfactory to the Chairman, particularly in view of the fact that the next meeting of the Presidents' Conference was not scheduled to be held until early March.

The meeting then adjourned.

Secretary's Note: Pursuant to the recommendations contained in memoranda from appropriate individuals concerned, Governor Robertson, acting in the absence of Governor Shepardson, today approved on behalf of the Board increases in the basic annual salaries of the following persons on the Board's staff to the rates indicated, effective February 5, 1961:

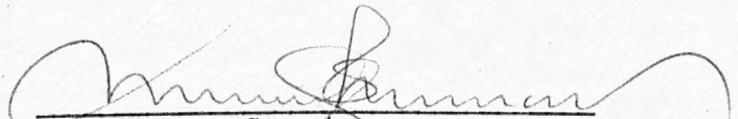
<u>Name and title</u>	<u>Division</u>	<u>Basic annual salary</u>	
		<u>From</u>	<u>To</u>
<u>Office of the Secretary</u>			
Diane Quick, Secretary (change in title from Clerk-Stenographer)		\$ 4,460	\$ 4,675
<u>Research and Statistics</u>			
Katherine G. Black, Statistical Assistant		5,005	5,170
Lindsay M. Catterton, Library Assistant		4,145	4,250
<u>International Finance</u>			
Mary V. F. Baker, Senior Clerk		5,170	5,335
Robert F. Emery, Economist		7,820	8,080
Margaret Garber, Economist		7,820	8,080
Pauline Major, Statistical Assistant		4,840	5,005
<u>Bank Operations</u>			
Raymond J. Collier, Chief, Current Series Section		11,155	11,415
Lee W. Langham, Chief, Call Report Section		11,155	11,415

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Salary increases, effective February 5, 1961 (continued)

<u>Name and title</u>	<u>Division</u>	<u>Basic annual salary</u>	
		<u>From</u>	<u>To</u>
<u>Administrative Services</u>			
Donald B. Fitzhugh, Data Processing Planner		\$7,560	\$7,820
Andrew Fassino, Assistant Foreman of Laborers		4,840	5,005
James R. Jordan, Operator, Duplicating Devices		4,130	4,306



 Secretary