

Minutes for March 24, 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	<u><i>M</i></u>
Gov. Szymczak	<u><i>[Signature]</i></u>
Gov. Mills	<u><i>[Signature]</i></u>
Gov. Robertson	<u><i>R</i></u>
Gov. Balderston	<u><i>CCB</i></u>
Gov. Shepardson	<u><i>[Signature]</i></u>
Gov. King	<u><i>[Signature]</i></u>

Minutes of the Board of Governors of the Federal Reserve System
on Friday, March 24, 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. Shepardson
Mr. King

Mr. Sherman, Secretary
Mr. Kenyon, Assistant Secretary
Mr. Thomas, Adviser to the Board
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. Holland, Adviser, Division of Research and
Statistics
Mr. Koch, Adviser, Division of Research and
Statistics
Mrs. Semia, Technical Assistant, Office of
the Secretary
Mr. Petersen, Special Assistant, Office of
the Secretary
Mr. Eckert, Chief, Banking Section, Division of
Research and Statistics
Mr. Yager, Economist, Division of Research and
Statistics

Money market review. Mr. Thomas reported briefly on preliminary results of the Treasury's exchange refunding offer, after which Mr. Yager discussed the course of the Government securities market, distributing a set of charts showing trends in yields and dealer positions. Mr. Eckert then reviewed developments with regard to bank reserves.

After a brief discussion during which certain questions were raised on the basis of the information presented by the staff, all of

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the members of the staff withdrew except Messrs. Sherman, Kenyon, and Fauver, and Mrs. Semia.

Discount rates. The establishment without change by the Federal Reserve Banks of New York, Philadelphia, Cleveland, Richmond, St. Louis, Minneapolis, Kansas City, and Dallas on March 23, 1961, of the rates on discounts and advances in their existing schedules was approved unanimously, with the understanding that appropriate advice would be sent to those Banks.

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 First National Bank of Borger, Borger, Texas, approving its application for fiduciary powers. | 1 |
| Letter to all Federal Reserve Agents regarding revision of the form of "Receipt of Federal Reserve Agent for Federal Reserve Notes" so that any duly authorized representative of a Reserve Bank, whether or not an officer, may sign as witness to delivery of Federal Reserve notes to the Federal Reserve Agent. (With a copy to the President of each Federal Reserve Bank) | 2 |
| Letter to the Presidents of all Federal Reserve Banks regarding revision of Form F. R. 416, used by weekly reporting member banks. | 3 |

Mrs. Semia withdrew from the meeting at this point.

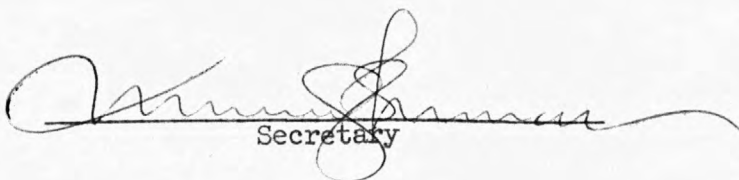
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Director appointments. On the basis of information contained in a memorandum from Mr. Fauver dated February 16, 1961, which had been distributed, there was a discussion of the situation with respect to Class C directors who, under the Board's current rotation policy, would not appear to be eligible for reappointment when their current terms expire on December 31, 1961. In this connection Chairman Martin was authorized to explore further with Chairman Van Buskirk of the Federal Reserve Bank of Cleveland the possibility of appointing as Mr. Van Buskirk's successor at the expiration of his current term Mr. Joseph B. Hall, President of The Kroger Company, Cincinnati, Ohio. It was noted that Mr. Hall had served as a Bank-appointed director of the Cincinnati Branch from January 1949 through 1954, and as a Class B director of the Cleveland Bank from 1955 through 1960, and that his reappointment would not appear to be in contravention of the terms of the Board's rotation policy.

Hearing examiner. With reference to the discussion on March 10, 1961, regarding a hearing on the application of New York Holding Corporation, White Plains, New York, to acquire shares of Bankers Trust Company, New York City, and County Trust Company, White Plains, New York, Mr. Sherman reported that arrangements had now been completed to obtain the services of Charles W. Schneider as hearing examiner. Accordingly, Mr. Schneider's designation as such was approved unanimously.

The meeting then adjourned.


Secretary

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

Item No. 1
3/24/61

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

March 24, 1961

Board of Directors,
First National Bank of Borger,
Borger, Texas.

Gentlemen:

The Board of Governors of the Federal Reserve System has given consideration to your application for fiduciary powers and grants First National Bank of Borger authority to act, when not in contravention of State or local law, as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics, or in any other fiduciary capacity in which State banks, trust companies, or other corporations which come into competition with national banks are permitted to act under the laws of the State of Texas. 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.

S-1786 Item No. 2
3/24/61

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

March 24, 1961.

Dear Sir:

In its letter of October 13, 1960, the Board stated that steps were being taken to have the form of "Receipt of Federal Reserve Agent for Federal Reserve Notes" (Treasury Form 2341A, Comptroller of the Currency) revised so that any duly authorized representative of the Reserve Bank, whether or not an officer, might sign as witness to delivery of Federal Reserve notes to the Federal Reserve Agent.

The revised receipt form will be used by the Federal Reserve Issue and Redemption Division beginning April 1961.

Also, the revised Form 2341A omits a former provision requiring witnesses to the signatures on the receipt for the notes and on the certification as witness to the delivery. This provision had been superfluous for some years because the Federal Reserve Issue and Redemption Division maintains a file of specimen signatures of the Agent's representatives and of Bank officers.

Now that some Reserve Banks will authorize employees other than officers to witness deliveries of notes to the Agent, specimen signatures of these employees will be needed. If any such employees have already been authorized, please submit specimen signatures promptly. Instructions for the submission of specimen signatures have been revised as shown below.

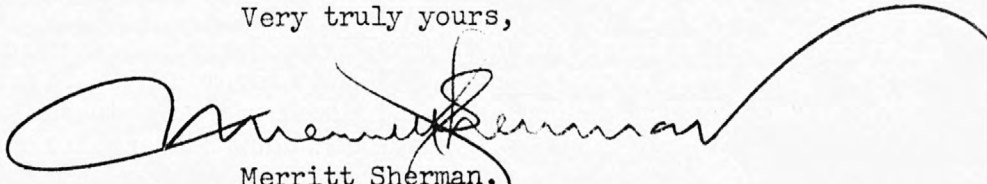
The Federal Reserve Issue and Redemption Division, Office of the Comptroller of the Currency, and the Board's Division of Bank Operations maintain files of specimen signatures necessary in connection with supplying Federal Reserve notes and keeping accounts of Federal Reserve notes issued and outstanding.

In order that these files of specimen signatures may be maintained currently on a formal basis, it will be appreciated if, at the time of new appointments, specimen signatures are sent the Board's Division of

Bank Operations, on white cards (3 x 5 inches), one signature to a card--two sets each of signatures of the Federal Reserve Agent, the Assistant Federal Reserve Agent, and the Alternate Assistant Federal Reserve Agents, and one set each of signatures of the Federal Reserve Agent's Representatives at branches and of representatives of the Bank other than officers who have been authorized to witness deliveries of Federal Reserve notes to the Federal Reserve Agent. (For signatures of the Reserve Bank's officers, the Bank's circular of authorized signatures is used.)

This letter supersedes the Board's letter of April 10, 1958, (S-1653).
A copy is being sent to the President of your Bank for his information.

Very truly yours,



Merritt Sherman,
Secretary.

TO ALL FEDERAL RESERVE AGENTS

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

1087

S-1787
Item No. 3
3/24/61

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

March 24, 1961.

TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS

Dear Sir:

Incident to the revisions being made in the reports of condition which were described in the Board's letter of March 16, 1961, corresponding changes are being made in the forms used by weekly reporting member banks.

The changes in the weekly report are only in the deposit items and a copy of the revised form F. R. 416 is enclosed. New code words have been assigned to those items affected by the revision. The Budget Bureau number of the revised form will be telegraphed when received.

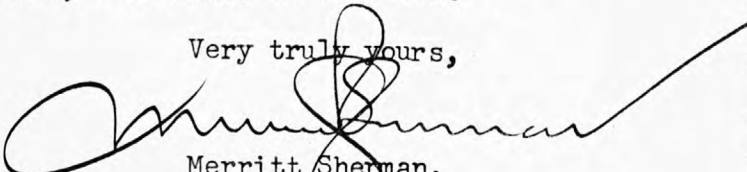
Weekly reporting member banks should be asked to report on both the old and the revised bases on Wednesday, April 26, 1961, for purposes of a one-date overlap, and on the revised basis thereafter. The revised data will be published in the weekly statement beginning with the first week in May, with week-ago and year-ago figures shown on a comparable basis.

At the time of the publication of the revised data in the weekly statement, adjustments that have been made since July 8, 1959, to correct the discontinuities introduced by mergers, will be eliminated; with the recent merger in California, "adjustment bank" now totals over \$1.5 billion. It will be necessary for those Reserve Banks that have been using the "adjustment bank" method of maintaining continuity, to submit estimated Wednesday data back to and including July 8, 1959, for those banks now included in the adjustment bank category. For dates prior to their merger into the series, these estimates should be obtained by interpolation from call report and other available information. No attempt should be made to estimate figures for the revised classifications or subdivided items.

It would be appreciated if these estimates for the Wednesdays of April 27 through May 25, 1960, be forwarded to the Board's Division of Bank Operations not later than April 26, and for other Wednesday dates beginning in July 1959 as soon as practicable thereafter.

A rearrangement of the deposit items will be made on the weekly press statement; and an illustration of the form in which it is planned to publish the weekly releases (H.4.2, H.4.2a, H.4.2b, and H.4.3) is enclosed.

Very truly yours,


Merritt Sherman,
Secretary.

Enclosures.