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Minutes for February 9, 1962

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

M

Gov. Mills

[Signature]

Gov. Robertson

R

Gov. Balderston

CCB

Gov. Shepardson

[Signature]

Gov. King

[Signature]

Gov. Mitchell

[Signature]

Minutes of the Board of Governors of the Federal Reserve System on Friday, February 9, 1962. 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. King  
Mr. Mitchell

Mr. Sherman, Secretary  
Mr. Kenyon, Assistant Secretary  
Mr. Young, Adviser to the Board and Director, Division of International Finance  
Mr. Molony, Assistant to the Board  
Mr. Fauver, Assistant to the Board  
Mr. Cardon, Legislative Counsel  
Mr. Noyes, Director, Division of Research and Statistics  
Mr. Holland, Adviser, Division of Research and Statistics  
Mr. Koch, Adviser, Division of Research and Statistics  
Mr. Spencer, General Assistant, Office of the Secretary  
Mr. Eckert, Chief, Banking Section, Division of Research and Statistics  
Mr. Yager, Chief, Government Finance Section, Division of Research and Statistics

Money market review. Mr. Yager commented on recent developments in the money market, after which Mr. Eckert presented a report on bank credit, the money supply, and related matters.

Following these reports, Messrs. Holland, Koch, Eckert, and Yager withdrew from the meeting and the following entered the room:

Mr. Hackley, General Counsel  
Mr. Solomon, Director, Division of Examinations

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Mr. Furth, Adviser, Division of International Finance  
 Mr. Sammons, Adviser, Division of International Finance  
 Mr. Goodman, Assistant Director, Division of Examinations  
 Mr. Leavitt, Assistant Director, Division of Examinations  
 Mr. Sprecher, Assistant Director, Division of Personnel Administration

Discount rates. The establishment without change by the Federal Reserve Banks of New York, Cleveland, Richmond, St. Louis, Minneapolis, Kansas City, and Dallas on February 8, 1962, 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.

Circulated or distributed items. The following items, which had been circulated or distributed to the members of the Board and copies of which are attached to these minutes under the respective item numbers indicated, were approved unanimously:

	<u>Item No.</u>
Letters to Manufacturers Hanover Trust Company, New York, New York, transmitting preliminary permits to organize (1) Manufacturers Hanover International Banking Corporation and (2) Manufacturers Hanover International Finance Corporation.	1-2
Letter to United California Bank, Los Angeles, California, approving the establishment of a seasonal branch on the grounds of the National Orange Show, adjacent to the City of San Bernardino.	3

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Item No.

Letter to Wyandotte Savings Bank, Wyandotte, Michigan, approving the establishment of a branch at 21005 Goddard Road, Taylor Township.

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Prior to approval of Item No. 4, Mr. Leavitt reviewed information contained in a memorandum dated January 30, 1962, from the Division of Examinations concerning a protest filed by Security Bank, Lincoln Park, Michigan, with regard to the proposed establishment of the branch by Wyandotte Savings Bank.

Mission to British Guiana (Item No. 5). Pursuant to the recommendation contained in a memorandum dated February 8, 1962, from Mr. Young, Adviser to the Board and Director, Division of International Finance, the Board authorized participation by Reed Irvine, Chief, Latin America, Asia, and Africa Section, Division of International Finance, in a survey mission to British Guiana for a period of eight weeks beginning approximately February 15, 1962, as requested by the Agency for International Development, on a reimbursable basis. A copy of the letter sent to the Agency in that connection is attached as Item No. 5.

Messrs. Sammons, Goodman, and Sprecher withdrew from the meeting at this point.

Report concerning consumer interests (Item No. 6). There had been distributed under date of February 8, 1962, a draft of letter prepared by the Division of Research and Statistics in reply

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to a memorandum of February 6, 1962, from the Bureau of the Budget and the Council of Economic Advisers, requesting the Board's views and suggestions with respect to a possible Presidential message concerning consumer interests.

Mr. Noyes reviewed the background of the request, following which there was a general discussion resulting in agreement being expressed with suggestions for certain editorial changes in the draft letter. The letter was then approved unanimously in the form attached as Item No. 6.

Messrs. Leavitt and Spencer then withdrew from the meeting.

System foreign currency operations. During the discussion at yesterday's meeting concerning proposed System operations in foreign currencies, reference had been made to the possibility of making such operations subject to supervision by the Board of Governors rather than by the Federal Open Market Committee. Pursuant to that discussion, there had been distributed a memorandum from Mr. Hackley dated February 8, 1962, in which Mr. Hackley reviewed the legal basis for such an approach.

In his memorandum Mr. Hackley noted that the proposed operations apparently would be accomplished through the opening and maintenance of accounts with foreign banks and the acquisition, holding, and reduction of credits with such banks payable in foreign currencies. Such credits with foreign banks would be established, maintained, or reduced through the establishment of reciprocal accounts, purchases

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and sales of gold, or transfers of credit by means of cable transfers. It might persuasively be argued, he suggested, that such operations would not involve open market operations in the usual sense of the term, since the prime objective would be the acquisition of foreign currencies. Technically, only the purchase and sale of cable transfers and of foreign bills of exchange (if any should be purchased) could be regarded as "open market operations" authorized by section 14 of the Federal Reserve Act. The opening of accounts with foreign banks, the establishment of reciprocal balances, and purchases and sales of gold would all appear to be transactions under section 14 that would be subject to the jurisdiction of the Board of Governors rather than the Open Market Committee. In any event, all such transactions, including dealings in cable transfers or bills of exchange, might be regarded as only incidental to the opening, maintenance, and reduction of foreign accounts through which holdings of foreign currencies would be made possible. From statements made by the House Banking and Currency Committee relative to section 14 of the original Federal Reserve Act, it might reasonably be assumed that it was contemplated at that time that any foreign exchange operations would be conducted by the Federal Reserve Banks not as open market transactions but as transactions through accounts with foreign banks.

The memorandum noted that the alternative approach under consideration would be more consistent with the requirement of the law

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that all foreign relationships of the Federal Reserve Banks shall be subject to supervision and regulation by the Board of Governors. When section 14(g) was first added to the Federal Reserve Act in 1933, section 12A was added at the same time in language that authorized the Board to regulate not only open market operations but also the relations of the Federal Reserve System with foreign central or other foreign banks. When section 12A was amended in 1935 to vest authority over open market operations in the Open Market Committee, the previous provision regarding foreign relations was eliminated. From this legislative history, it might be argued that it was the intent of Congress to preserve in the Board complete and overriding authority with respect to all foreign relationships, including those that might involve open market operations, despite the authority vested in the Open Market Committee to regulate and direct open market operations generally. The suggested alternative approach would avoid any question as to whether the Board could properly "delegate" to the Open Market Committee any portion of its responsibilities under section 14(g) with respect to the foreign relationships of the Federal Reserve Banks.

While it might not be essential to make any amendment to Regulation N, Relations with Foreign Banks and Bankers, it might be desirable to amend the Regulation to set forth provisions relating to the opening of accounts with foreign banks and state, in substance,

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that such accounts were to be opened with the approval of the Board and that transactions therein would be subject to such instructions and guidelines as the Board might prescribe. The Board could then issue instructions and guidelines under which the New York Reserve Bank would open and maintain such foreign accounts. Transactions by the New York Reserve Bank in foreign currencies could be executed for an account that might be called the "System Foreign Currency Account", and the Board's instruction or guidelines might require that transactions be carried on by an officer of the New York Bank satisfactory to the Board, who might have the title "Manager of the System Foreign Currency Account".

Under this approach the Federal Open Market Committee could issue a directive to the New York Bank that would in effect authorize it to execute for the account of the System Foreign Currency Account, rather than the System Open Market Account, any open market transactions that might be incident to the opening, maintenance, or reduction of accounts with foreign banks payable in foreign currencies, in accordance with such instructions as might be issued from time to time by the Board.

In summary, it was Mr. Hackley's view, as stated in the memorandum, that an approach under which foreign currency operations would be conducted under the supervision and regulation of the Board would be at least as defensible from a legal point of view as the



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conduct of such operations under the approach heretofore contemplated. In addition, the alternative approach would probably have certain practical and operating advantages.

In commenting on the matter at the request of the Board, Mr. Hackley said that the distributed memorandum had been rather hastily prepared, its purpose being to afford some basis for review and discussion by the Board. The alternative approach would not remove the basic legal question regarding the Federal Reserve System's authority to engage in foreign currency operations. Assuming, however, that the Federal Reserve was authorized to open accounts with foreign banks for the purposes here contemplated, rather than the purchase and sale of bills abroad as such, the alternative approach would appear to be at least as legally defensible as a program under which foreign currency operations would be regarded as open market operations subject to the jurisdiction of the Open Market Committee. As indicated in the memorandum, the alternative approach would seem to be in accord with the intent of the original Federal Reserve Act; the House Banking and Currency Committee apparently regarded the provisions of section 14 regarding the opening of accounts abroad as a means by which Federal Reserve Banks could enter into transactions in foreign exchange. Further, the alternative approach would eliminate any question as to the propriety of a "delegation" by the Board of its responsibilities under section 14(g) regarding the supervision over foreign relations

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of any kind by the Federal Reserve Banks. There was some legislative history that might be taken as evidence of intent of Congress that the Open Market Committee would have control over open market operations but the Board would have overriding authority over foreign relationships, even though the latter might incidentally involve what might be regarded as open market operations.

In concluding his comments, Mr. Hackley noted that there might be complications in the alternative approach that he had not yet had time to explore fully.

The ensuing discussion at this meeting touched upon some of those possible complications. One of them had to do with the role of the directors of the Federal Reserve Bank of New York under the alternative approach, it being noted that the directors of the Bank had been active in passing upon matters such as gold collateral loans to foreign central banks and the opening of accounts by foreign central banks with the Federal Reserve Bank of New York. A related question had to do with participation by other Reserve Banks in transactions in foreign currencies conducted by the New York Reserve Bank under the alternative proposal. In this connection, Mr. Hackley pointed out that there was no specific provision of the Federal Reserve Act under which the Board could compel participation by other Federal Reserve Banks. Section 14(e) of the Act required only that the Board's consent be obtained by any Federal Reserve Bank before it opened an account with a foreign bank and that other Reserve Banks might participate

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under regulations of the Board. Thus, the only basis for compelling other Federal Reserve Banks to participate would appear to be the Board's general power of supervision over the Federal Reserve Banks. The tentative view expressed by some of the members of the Board was that this would not appear to be an objection of particular consequence; that in fact there might be certain advantages to a procedure under which the New York Reserve Bank would conduct operations in foreign currencies for its own account under the direction of the Board.

From further discussion, it developed to be the feeling of some of the members of the Board, including Governors Mills, Robertson, King, and Mitchell, that if, as appeared from Mr. Hackley's memorandum, the alternative procedure would be as soundly based from a legal standpoint -- or perhaps more so -- there were certain practical advantages of an operational nature that would suggest following such an approach. At the same time, it was regarded as unfortunate that this alternative possibility had not been developed for consideration previously. Until now, the whole discussion over a period of several months had been based on an assumption that System foreign currency operations, if conducted, would be conducted under the supervision of the Open Market Committee insofar as open market operations were concerned. At its meeting on January 23, 1962, the Open Market Committee had approved in principle a program of System foreign currency operations on the assumption that such operations

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would be conducted within the procedural pattern contemplated up to this time.

Aside from the foregoing consideration, some concern was expressed about the effect from the System standpoint of following the alternative approach. Governor Balderston expressed the hope that the System would not become divided over this matter. While he liked the alternative suggestion from the standpoint of what would appear to be the better manageability of day-to-day operations, he felt it should be made clear, at least, that participations would be offered by New York to the other Federal Reserve Banks. Pursuing this line of thought, he commented that the Board had no funds of its own; only the Reserve Banks had funds. Therefore, the implementation of any policy that the Board wished to follow required the use of funds of at least one Reserve Bank, and if the Board wanted to hold the System together as a unit, that would indicate participation by all of the Reserve Banks. Against the possibility of differences of view at some date in the future between the Board and the Treasury, or between the Board and the New York Bank, it behooved those concerned to be as sure as possible that the procedural arrangements for conducting foreign currency operations were fundamentally sound.

Chairman Martin expressed agreement. He went on to say that everyone would have to continue to work on this problem in order

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to try to devise the best possible modus operandi for foreign currency operations within a difficult framework that involved the Board, the Treasury, and the Federal Reserve Banks. It was his suggestion that Mr. Hackley's memorandum be made available to the Presidents of the Federal Reserve Banks with a view to full discussion at the meeting of the Open Market Committee next Tuesday, February 13. Pending such discussion, he thought it desirable not to take an inflexible position.

There was agreement with the procedural suggestion of Chairman Martin. In addition, the staff was requested to recast the several action documents that had been drafted on the basis of the original approach so that they would be available for review and consideration.

The discussion then turned to the draft of proposed action (authorization) regarding open market transactions in foreign currencies dated February 6, 1962, and the review of the provisions thereof that had been in process at the adjournment of yesterday's Board meeting was resumed.

With reference to the section on administrative procedures, wherein the Open Market Committee would authorize the Chairman and the Vice Chairman of the Committee and the Vice Chairman of the Board of Governors, or their alternates, to take certain actions within guidelines issued by the Committee, Governor Balderston expressed

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the view that if the result of further discussion should be to proceed along the lines originally contemplated (whereby open market operations in foreign currencies would be conducted under the direction of the Open Market Committee), he felt that the establishment of a smaller group, as provided in the draft authorization, would be desirable in case the Special Manager of the Open Market Account for foreign currency operations found it necessary to take emergency action. In such circumstances, the Special Manager could get in touch with this smaller group and obtain permission to proceed. Except in emergency circumstances, his thinking would be to follow a procedure similar to that followed in respect to open market operations in Government securities. For example, there would be a telephone conference call each morning, and any member of the Board would be free to sit in on that call. Likewise, any of the members of the Open Market Committee should feel free to call the Special Manager, in the same manner that they were free to call the Account Manager, even though in practice such calls might be rare. The Special Manager would attend Open Market Committee meetings and would report fully on actions taken during the period since the preceding meeting. At that time the Open Market Committee could give him such guidance as it desired.

After further discussion of this section of the draft authorization, the suggestion was made that there be eliminated the statements

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in the draft as to various specified actions that the smaller group would be authorized to take, and that there be substituted an authorization for such group to give instructions to the Special Manager, within the guidelines issued by the Open Market Committee, in cases when it was necessary to reach a decision on operations before the Committee could be consulted. There was general agreement that such a revision would be appropriate.

Certain additional minor amendments to the draft action (authorization) were also agreed upon, and it was understood that the draft would be revised for distribution in a form reflecting these and other suggestions that had been agreed upon at the meetings of the Board yesterday and today.

It was understood that there would be additional discussion of the proposed program of System foreign currency operations at a meeting of the Board to be held next Monday afternoon, February 12.

The meeting then adjourned.

Secretary's Note: Governor Shepardson today approved on behalf of the Board the following items:

Letter to the Federal Reserve Bank of New York (attached Item No. 7) approving the appointment of Victor Chang and Edward J. Ozog as assistant examiners.

Memoranda from appropriate individuals concerned recommending the following actions relating to the Board's staff:

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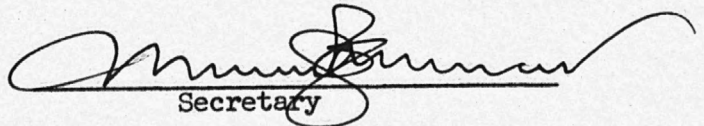
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Continuance of employment on half-time basis

Employment of Daviette H. Stansbury, Research Assistant (Data Processing), Division of Research and Statistics, continued on a half-time basis, with the understanding that this arrangement would be reviewed again at the end of calendar year 1962.

Acceptance of resignation

L. Marie Phipps, Statistical Typist, Division of Bank Operations, effective at the close of business February 16, 1962.



Secretary



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

Item No. 1  
2/9/62

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

February 9, 1962

Mr. Andrew L. Gomory, Executive Vice President,  
Manufacturers Hanover Trust Company,  
55 Broad Street,  
New York 15, New York.

Dear Mr. Gomory:

The Board of Governors has approved the Articles of Association and Organization Certificate, dated January 16, 1962, of Manufacturers Hanover International Banking Corporation, and there is enclosed a preliminary permit authorizing that Corporation to exercise such of the powers conferred by Section 25(a) of the Federal Reserve Act as are incidental and preliminary to its organization. The Corporation may not exercise any of the other powers conferred by Section 25(a) until it has received a final permit from the Board of Governors authorizing it generally to commence business. The steps which must be taken prior to issuance of a final permit are enumerated in Section 211.3(c) of the Board's Regulation K.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,  
Assistant Secretary.

Enclosure

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON

February 9, 1962

Preliminary Permit

IT IS HEREBY CERTIFIED that the Board of Governors of the Federal Reserve System, pursuant to authority vested in it by Section 25(a) of the Federal Reserve Act, as amended, has this day approved the Articles of Association and Organization Certificate, dated January 16, 1962, of MANUFACTURERS HANOVER INTERNATIONAL BANKING CORPORATION duly filed with said Board of Governors, and that MANUFACTURERS HANOVER INTERNATIONAL BANKING CORPORATION is authorized to exercise such of the powers conferred upon it by said Section 25(a) as are incidental and preliminary to its organization pending the issuance by the Board of Governors of the Federal Reserve System of a final permit generally to commence business in accordance with the provisions of said Section 25(a) and the rules and regulations of the Board of Governors of the Federal Reserve System issued pursuant thereto.

BOARD OF GOVERNORS OF THE  
FEDERAL RESERVE SYSTEM

By (Signed) Elizabeth L. Carmichael

Assistant Secretary

(SEAL)

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

Item No. 2  
2/9/62

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

February 9, 1962

Mr. Andrew L. Gomory, Executive Vice President,  
Manufacturers Hanover Trust Company,  
55 Broad Street,  
New York 15, New York.

Dear Mr. Gomory:

The Board of Governors has approved the Articles of Association and Organization Certificate, dated January 16, 1962, of Manufacturers Hanover International Finance Corporation, and there is enclosed a preliminary permit authorizing that Corporation to exercise such of the powers conferred by Section 25(a) of the Federal Reserve Act as are incidental and preliminary to its organization. The Corporation may not exercise any of the other powers conferred by Section 25(a) until it has received a final permit from the Board of Governors authorizing it generally to commence business. The steps which must be taken prior to issuance of a final permit are enumerated in Section 211.3(c) of the Board's Regulation K.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,  
Assistant Secretary.

Enclosure



BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON

February 9, 1962

Preliminary Permit

IT IS HEREBY CERTIFIED that the Board of Governors of the Federal Reserve System, pursuant to authority vested in it by Section 25(a) of the Federal Reserve Act, as amended, has this day approved the Articles of Association and Organization Certificate, dated January 16, 1962, of MANUFACTURERS HANOVER INTERNATIONAL FINANCE CORPORATION duly filed with said Board of Governors, and that MANUFACTURERS HANOVER INTERNATIONAL FINANCE CORPORATION is authorized to exercise such of the powers conferred upon it by said Section 25(a) as are incidental and preliminary to its organization pending the issuance by the Board of Governors of the Federal Reserve System of a final permit generally to commence business in accordance with the provisions of said Section 25(a) and the rules and regulations of the Board of Governors of the Federal Reserve System issued pursuant thereto.

BOARD OF GOVERNORS OF THE  
FEDERAL RESERVE SYSTEM

By (Signed) Elizabeth L. Carmichael

Assistant Secretary

(SEAL)

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

Item No. 3  
2/9/62

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD



February 9, 1962

Board of Directors,  
United California Bank,  
Los Angeles, California.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment of a branch on the grounds of the National Orange Show in the vicinity of the intersection of South E Street and Mill Street, adjacent to the city of San Bernardino, San Bernardino County, California, to be operated during the period March 14 through March 27, 1962.

It is understood that the bank wishes to operate an office at this location each succeeding year in which the National Orange Show is open to the public. Consequently, the Board of Governors approves the establishment and operation of a new branch at this location for the period of one day antedating the opening of the Show and extending two days beyond the formal closing date of the Show each succeeding year that the National Orange Show is open to the public. This approval for each succeeding year is subject to cancellation by the Board of Governors upon reasonable notice to the bank prior to the beginning of such period of any year.

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  
2/9/62

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

February 9, 1962

Board of Directors,  
Wyandotte Savings Bank,  
Wyandotte, Michigan.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of Chicago, the Board of Governors of the Federal Reserve System approves the establishment of a branch at 21005 Goddard Road, Taylor Township, Wayne County, Michigan, by Wyandotte Savings Bank, provided the branch is established within one year from the date of this letter.

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. 5  
2/9/62

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

February 9, 1962.

Mr. Teodoro Moscoso,  
Assistant Administrator,  
Bureau for Latin America,  
Agency for International Development,  
Department of State,  
Washington 25, D. C.

Dear Mr. Moscoso:

This is in reply to your letter of February 6, 1962, to Mr. Sammons requesting that the Board of Governors make available the services of Mr. Reed Irvine for a period of approximately eight weeks beginning on or about February 15, on a reimbursable detail basis, in connection with a survey mission in British Guiana.

The Board of Governors has approved this proposal. It is understood that the detailed arrangements will be worked out by the personnel offices of our two agencies.

Sincerely yours,

(Signed) Merritt Sherman

Merritt Sherman,  
Secretary.





BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON

Item No. 6  
2/9/62

OFFICE OF THE CHAIRMAN

February 9, 1962

Mr. Robert C. Turner, Assistant Director,  
Bureau of the Budget, and  
Mr. Kermit Gordon, Member,  
Council of Economic Advisers,  
Executive Office of the President,  
Washington 25, D. C.

Dear Mr. Turner and Mr. Gordon:

This is in response to your memorandum of February 6, 1962, requesting the Board's views with respect to a possible Presidential message concerning consumer interests.

We have reviewed with interest your outline of such a message. We are wholeheartedly in favor of increased efforts to focus governmental attention on the consumer. On most of the items noted in your outline, however, we are not closely enough informed to be in a position to offer comments useful to you.

In connection with your outline item relating to proposed legislation to require adequate disclosure of "true interest rate," on consumer loans, the Board has taken the position that it is in accord with the objective of requiring adequate disclosure of finance charges. While the Board is in sympathy with this objective, it regards this problem as one of regulation of trade practices of lenders and vendors and thus foreign to the Federal Reserve's primary responsibility. For this reason, the Board believes that, as your outline notes, the Federal Trade Commission would be an appropriate agency to administer such a law.

Sincerely yours,

Wm. McC. Martin, Jr.



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

Item No. 7  
2/9/62

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

February 9, 1962

Mr. Howard D. Crosse, Vice President,  
Federal Reserve Bank of New York,  
New York 45, New York.

Dear Mr. Crosse:

In accordance with the request contained in your letter of February 5, 1962, the Board approves the appointment of Victor Chang and Edward J. Ozog as assistant examiners for the Federal Reserve Bank of New York. Please advise the effective dates of the appointments.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,  
Assistant Secretary.

