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Minutes for April 20, 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

[Signature]

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, April 20, 1962. The Board met in the Board Room at 10:00 a.m.

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

Mr. Sherman, Secretary  
Mr. Kenyon, Assistant Secretary  
Mr. Thomas, Adviser to the Board  
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  
Mr. Brill, Associate Adviser, Division of Research and Statistics  
Mr. Spencer, General Assistant, Office of the Secretary  
Mr. Keir, Senior Economist, Division of Research and Statistics

Money market review. Mr. Keir commented on recent developments in the money market and on forthcoming Treasury financing operations, following which Mr. Koch presented a report on economic and financial developments. Mr. Koch also made certain observations with respect to the Universities-National Bureau Conference on Monetary Economics held at Carnegie Institute of Technology, Pittsburgh, Pennsylvania, on April 13-14, 1962, which he and certain other members of the Board's staff had attended.

Messrs. Thomas, Molony, Fauver, Holland, Koch, Brill, and Keir then withdrew from the meeting and the following entered the room:

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Mr. Johnson, Director, Division of Personnel  
Administration  
Mr. Solomon, Director, Division of Examinations  
Mr. Hexter, Assistant General Counsel  
Mr. Leavitt, Assistant Director, Division of  
Examinations

Discount rates. The establishment without change by the Federal Reserve Banks of New York, Philadelphia, and San Francisco on April 19, 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.

Report on competitive factors (Middleburg-Richfield, Pennsylvania). A draft of report to the Comptroller of the Currency on the competitive factors involved in the proposed consolidation of The First National Bank of Middleburg, Pa., Middleburg, Pennsylvania, and The Richfield Bank, Richfield, Pennsylvania, had been distributed with a memorandum from the Division of Examinations dated April 13, 1962. The conclusion in the report read as follows:

Investigation discloses that consolidation of The First National Bank of Middleburg, Pa., Middleburg, Pennsylvania, and The Richfield Bank, Richfield, Pennsylvania, would not adversely affect competition in the area.

The report was approved unanimously for transmittal to the Comptroller.

Mr. Leavitt then withdrew from the meeting.

Officer salaries at Dallas Bank (Item No. 1). Pursuant to the recommendation contained in a memorandum from the Division of

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Personnel Administration dated April 18, 1962, which had been distributed, unanimous approval was given to a letter to the Federal Reserve Bank of Dallas approving the payment of salaries to certain officers at rates fixed by the Board of Directors. A copy of the letter is attached as Item No. 1.

Attendance by Mr. Gehman at meeting in Geneva, Switzerland.

On the basis of information contained in a memorandum dated April 18, 1962, from Mr. Noyes, the Board authorized attendance by Clayton Gehman, Chief, Business Conditions Section, Division of Research and Statistics, at a meeting of the Conference of European Statisticians Working Group on Industrial Statistics to be held in Geneva, Switzerland, May 21-25, 1962. It was understood the Board would pay his expenses. (A request that Mr. Gehman be permitted to serve as United States representative at this meeting had been received from the Bureau of the Budget.)

Summer research positions. Governor Shepardson advised that an opportunity had arisen for the Divisions of Research and Statistics and International Finance to secure more well-qualified summer research assistants this year than had been contemplated when the 1962 budgets of the respective divisions were prepared. Five such positions were now contemplated in the Research Division and two in International Finance. Since it appeared that the remuneration involved could be accommodated without budget overexpenditures due to lapses in other positions, he had approved on behalf of the Board the indicated number of temporary positions.

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The meeting then adjourned.

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

Memorandum from the Division of International Finance recommending the appointment of Frederic Brill Ruckdeschel as Research Assistant (temporary summer position) in that Division, with basic annual salary at the rate of \$5,355, effective the date of entrance upon duty.

Memorandum from Mr. Johnson, Security Officer, recommending that the position of Clearing Assistant in the Clearing Unit, Office of the Secretary, be declared sensitive and that a full field investigation be initiated for the incumbent, Lee E. Sawyer.

Letter to the Federal Reserve Bank of Philadelphia (attached Item No. 2) approving the reappointment of Gordon C. Boop as examiner.

  
Secretary



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

Item No. 1  
4/20/62

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD



April 20, 1962

Mr. Watrous H. Irons, President,  
Federal Reserve Bank of Dallas,  
Dallas 2, Texas.

Dear Mr. Irons:

The Board of Governors approves the payment of salaries to the following officers of the Federal Reserve Bank of Dallas, effective this date through December 31, 1962, at the rates indicated, which are the rates fixed by your Board of Directors, as reported in your letter of April 13.

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
<u>Head Office</u>		
Howard Carrithers	Vice President	\$15,000
Fredric W. Reed	Assistant Cashier	11,000
Edward W. Vorlop, Jr.	Assistant Cashier	8,000
<u>El Paso Branch</u>		
Roy E. Bohne	Vice President	\$13,000
Theodore C. Arnold	Cashier	10,500
Forrest E. Coleman	Assistant Cashier	8,000

Very truly yours,  
(Signed) Merritt Sherman

Merritt Sherman,  
Secretary.



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

Item No. 2  
4/20/62

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

April 20, 1962

Mr. Joseph R. Campbell, Vice President,  
Federal Reserve Bank of Philadelphia,  
Philadelphia 1, Pennsylvania.

Dear Mr. Campbell:

In accordance with the request contained  
in your letter of April 12, 1962, the Board approves  
the reappointment of Gordon C. Boop as an examiner  
for the Federal Reserve Bank of Philadelphia.  
Please advise the effective date of the reappoint-  
ment.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,  
Assistant Secretary.