

Minutes for October 3, 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

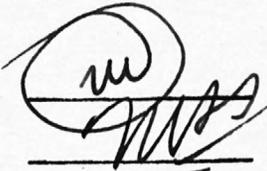
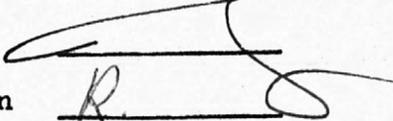
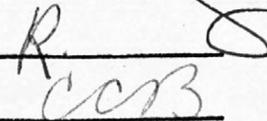
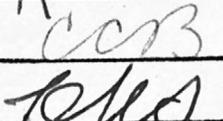
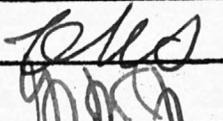
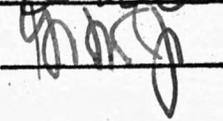
Gov. Mills

Gov. Robertson

Gov. Balderston

Gov. Shepardson

Gov. King

Minutes of the Board of Governors of the Federal Reserve System  
on Monday, October 3, 1960. 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. Shepardson  
Mr. King

Mr. Sherman, Secretary  
Mr. Thomas, Adviser to the Board  
Mr. Young, Adviser to the Board  
Mr. Shay, Legislative Counsel  
Mr. Molony, Assistant to the Board  
Mr. Fauver, Assistant to the Board  
Mr. Landry, Assistant to the Secretary

Messrs. Noyes, Garfield, Koch, Robinson, Dembitz,  
Williams, Eckert, Keir, Sigel, Solomon, Altmann,  
Fisher, Manookian, Peret, T. Smith, and Wernick  
of the Division of Research and Statistics

Messrs. Marget, Hersey, Irvine, Katz, Wood, Gemmill,  
and Maroni of the Division of International  
Finance

Messrs. F. J. Portsmore, Adviser, Bank of England, M. J. Thornton,  
Principal, Home Intelligence Office, Bank of England, and Eduard Wolf,  
Member, Board of Directors, Deutsche Bundesbank, also were present during  
the economic review.

Economic review. The staffs of the Divisions of International  
Finance and Research and Statistics presented a review of international  
and domestic economic conditions and developments.

At the conclusion of this presentation all members of the staff  
with the exception of Messrs. Sherman and Landry withdrew, and the  
following entered the room:

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Mr. Hackley, General Counsel  
Mr. Solomon, Director, Division of Examinations  
Mr. Hooff, Assistant General Counsel  
Mr. Nelson, Assistant Director, Division of  
Examinations

Report on competitive factors (Los Angeles and Beverly Hills, California). There had been distributed copies of a proposed report to the Comptroller of the Currency on the competitive factors involved in the proposed merger of Studio City Bank, Los Angeles, California, with and into the City National Bank of Beverly Hills, Beverly Hills, California. This report had been prepared pursuant to the provisions of section 18(c) of the Federal Deposit Insurance Act, as amended. The conclusion of the report was as follows:

The proposed merger would combine a relatively small bank operating in a limited area with a larger bank with more extensive operations. Present competition between the two banks is negligible and it appears that the proposal would enhance competition in the area now served by the Studio City Bank, but would have little effect on competition in the city of Beverly Hills.

The report was approved unanimously.

Report on competitive factors (Union City and Jersey City, New Jersey). Copies had been distributed of a proposed report to the Comptroller of the Currency on the competitive factors involved in the proposed consolidation of Commonwealth Trust Company, Union City, New Jersey, with Hudson County National Bank, Jersey City, New Jersey. The conclusion of the report which had been prepared pursuant to the provisions of section 18(c) of the Federal Deposit Insurance Act, as amended, was:

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The proposed consolidation will eliminate no existing banking facility. Competition between the two banks is now negligible, due to the ownership of Commonwealth by Hudson County National and a director of the national bank, and also as the banks now serve primarily different parts of Hudson County. The larger lending limits available to the consolidated institution will enable it to compete more effectively with the large First National Bank of Jersey City and the bank which will result from the purchase of assets and assumption of liabilities of Weehawken Trust Company, Union City, New Jersey, by Commercial Trust Company of New Jersey, Jersey City, New Jersey. The proposed consolidation should have no detrimental effect on competition in either Hudson County or the Jersey City-Union City area; in fact the continuing bank by being able to compete more effectively may stimulate both Hudson County and primary area competition.

The report was approved unanimously.

The meeting then adjourned.

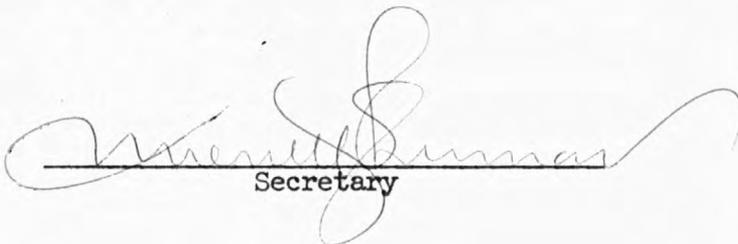
Secretary's Note: Pursuant to recommendations contained in memoranda from appropriate individuals concerned, Governor Shepardson today approved on behalf of the Board the following items relating to the Board's staff:

Appointment

Sue H. Poulton as Statistical Assistant in the Division of Research and Statistics, with basic annual salary at the rate of \$4,345, effective the date of entrance upon duty.

Acceptance of resignation

Midge C. Boteler, Clerk-Stenographer, Division of Personnel Administration, effective October 3, 1960.

  
Secretary