

Minutes for November 10, 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

WM

Gov. Szymczak

AS

Gov. Mills

[Signature]

Gov. Robertson

CRB

Gov. Balderston

CS

Gov. Shepardson

[Signature]

Gov. King

Minutes of the Board of Governors of the Federal Reserve System on
Thursday, November 10, 1960. The Board met in the Board Room at 10:00 a.m.

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

Mr. Sherman, Secretary
Mr. Kenyon, Assistant 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. Noyes, Director, Division of Research and
Statistics
Mr. Koch, Adviser, Division of Research and
Statistics
Mr. Landry, Assistant to the Secretary
Mr. Keir, Chief, Government Finance Section,
Division of Research and Statistics

Report on money market conditions. Mr. Thomas reported on recent
bank credit developments, following which Mr. Keir reported on developments
in the Government securities market.

At the conclusion of these reports all members of the staff with-
drew from the meeting with the exception of Messrs. Sherman, Kenyon, Fauver,
and Landry, and the following entered the room:

Mr. Johnson, Director, Division of Personnel
Administration
Mr. Masters, Associate Director, Division of
Examinations
Mr. Hexter, Assistant General Counsel
Mr. Hooff, Assistant General Counsel
Mr. Rudy, Special Assistant, Legal Division
Mr. Conkling, Assistant Director, Division of
Bank Operations
Mr. Hostrup, Assistant Director, Division of
Examinations
Mr. Nelson, Assistant Director, Division of
Examinations
Mr. Leavitt, Supervisory Review Examiner,
Division of Examinations

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Items circulated or distributed to the Board. The following items, which had been circulated or distributed 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 the Comptroller of the Currency recommending approval of an application of City Bank, Detroit, Michigan, to convert into a national banking association, subject to the development of a satisfactory program for strengthening the bank's capital.	1
Letters to Main Bank and Trust, San Antonio, Texas, approving its application for membership in the Federal Reserve System and granting it permission to maintain reduced reserves effective as of the date of admission to membership.	2 and 3
Letter to the Federal Reserve Bank of New York approving certain changes in the salary structures applicable to employees at the head office and Buffalo Branch.	4
Letter to Montana Shares, Inc., Havre, Montana, granting an extension of the period within which to comply with the provisions of section 4(a)(2) of the Bank Holding Company Act.	5

In connection with Item No. 5, Governor Mills commented on the considerable, but apparently unavoidable, expenditure of staff time and effort on relatively minor technical matters arising under the Bank Holding Company Act. In a discussion of this point, it was brought out that the processing of tax certifications had been substantially completed and that requests for section 4(c)(6) determinations might diminish. As

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to the latter, however, it was noted that hearings on such requests are required by statute and that new situations involving such requests could arise from time to time.

Messrs. Johnson and Conkling then withdrew from the meeting.

Report on competitive factors (White Plains and Mount Kisco, New York). There had been distributed a memorandum from the Division of Examinations dated November 7, 1960, submitting a proposed report to the Comptroller of the Currency regarding the competitive factors involved in a planned consolidation of the National Bank of Westchester, White Plains, New York, and The Mount Kisco National Bank and Trust Company, Mount Kisco, New York.

In discussion, Governor Mills suggested that any future reports on competitive factors concerning applications of the National Bank of Westchester include background information tracing the expansion of the institution.

There ensued comments regarding the extent of competition that would be eliminated by the proposed consolidation and the effect of the consolidation in opening the town of Mount Kisco to the establishment of branches by other banks, including New York City banks.

As the result of this discussion, the report was approved unanimously in a form containing the following conclusion:

This proposal will eliminate one independent bank and a limited amount of competition between the two institutions involved. It will concentrate further Westchester County banking resources into two dominant banks. In Mount Kisco, the

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proposed branch of a larger bank would be able to compete more effectively with the other large branch banking system now serving the area and, therefore, competition may be stimulated. In addition, an effect of this transaction would be to open the way for other banks to establish branches in Mount Kisco which could stimulate competition.

Report on competitive factors (Atlantic City and Hammonton, New Jersey). Distribution had been made of a memorandum from the Division of Examinations dated November 7, 1960, submitting a proposed report to the Comptroller of the Currency concerning the competitive factors involved in a contemplated merger of Peoples Bank and Trust Company, Hammonton, New Jersey, into The Boardwalk National Bank of Atlantic City, Atlantic City, New Jersey.

In discussion of the matter, Mr. Nelson read a revision of the conclusion of the proposed report that had been suggested by Governor Mills. Further comments then were made concerning the fact that competition in the immediate area of Hammonton would not appear to be affected significantly by the merger, but that the merger would tend to enhance the already dominant position of Boardwalk National Bank in Atlantic County. The question of expressing a conclusion, in such circumstances, in a report on competitive factors was considered, in which connection reference was made to the provisions of the bank merger law, particularly the stated purposes of the legislation.

It was then agreed that the conclusion of the report would be redrafted in the light of Governor Mills' suggestion and the comments

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made during this discussion, and that the report would be sent to the Comptroller of the Currency after review and concurrence by the available members of the Board. Governor Mills indicated that he would be agreeable to sending the report in such form as might be acceptable to the other members of the Board.

The report, as transmitted pursuant to the foregoing action, contained the following conclusion:

The two banks involved in this application do not appear to be in competition with each other to a significant degree. Hence, merging these two banks would result in little, if any, lessening of competition in the Hammonton area. The Boardwalk National Bank is the largest bank in the county and occupies a dominant position of market power. This proposal would enhance the already dominant position of the national bank and would appear to be inconsistent with the purpose of the statute relative to competition, including tendency toward monopoly.

Application of Baystate Corporation (Items 6 and 7). There had been distributed under date of November 4, 1960, a memorandum from the Legal Division submitting drafts of an Order and Statement approving an application of Baystate Corporation, Boston, Massachusetts, for prior approval of the acquisition of shares of Manufacturers National Bank of North Attleborough, North Attleboro, Massachusetts. The drafts had been prepared pursuant to the discussion of the application at the Board meeting on October 31, 1960.

Following a discussion of certain editorial changes mentioned by Mr. Rudy, unanimous approval was given to the Order and Statement subject to such changes being made. Copies of the Order and Statement, as issued, are attached as Items 6 and 7, respectively.

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Absorption of exchange charges. In connection with the forthcoming meeting of the Board and the Federal Advisory Council on Tuesday, November 15, Mr. Sherman inquired whether the Board wished to indicate to the President of the Council that it would like to discuss the interpretation issued on November 8, 1960, with respect to absorption of exchange charges. After discussion, it was understood that, although there might be occasion to refer to this subject during the joint meeting, no prior notification to the Council in the form of a request for its views would be necessary.

The meeting then adjourned.

Secretary's Notes: Governor Shepardson approved on behalf of the Board on November 9, 1960, letters to the Federal Reserve Banks of Boston and Richmond (attached Items 8 and 9, respectively) approving the designation of John A. Hayes and Thomas W. Gauling as special assistant examiners for the respective Banks, and a letter to the Federal Reserve Bank of San Francisco (attached Item No. 10) approving the appointment of Eugene A. Thomas as assistant examiner.

Governor Shepardson today approved on behalf of the Board the following items:

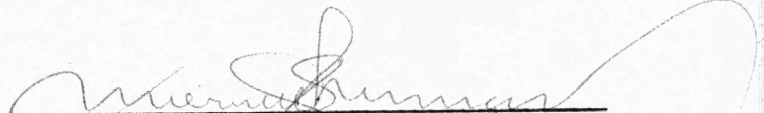
Memorandum dated November 7, 1960, from Mr. Sherman, Secretary of the Board, recommending the appointment of Laura J. Banks as Records Clerk in the Office of the Secretary, with basic annual salary at the rate of \$4,040, effective the date of entrance upon duty.

Memorandum dated November 8, 1960, from Mr. Marget, Director, Division of International Finance, recommending the transfer of Catherine B. Davian, Secretary in that Division, from Budget Position No. 3 to Budget Position No. 5, with an increase in her basic annual salary from \$5,820 to \$6,015, effective November 16, 1960.

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Telegram to the Federal Reserve Bank of Richmond (attached Item No. 11) approving the designation of Larry D. Wollcott as special assistant examiner.


Secretary

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

Item No. 1
11/10/60

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 10, 1960



Comptroller of the Currency,
Treasury Department,
Washington 25, D. C.

Attention Mr. W. M. Taylor,
Deputy Comptroller of the Currency.

Dear Mr. Comptroller:

Reference is made to a letter from your office dated October 20, 1960, enclosing copies of an application of City Bank, Detroit, Michigan, to convert into a national banking association and requesting a recommendation as to whether or not the application should be approved.

A field investigation in connection with this application has not been made, but the Federal Reserve Bank of Chicago has furnished us a report on the application based upon the July 25, 1960, examination and other available data.

The applicant bank opened for business as a State member bank on March 1, 1949, and has never been reorganized since that time. The bank is well established and appears to be serving the convenience and needs of the area. Its earnings prospects and management are favorably regarded; however, capital is slightly inadequate. Accordingly, the Board of Governors' favorable recommendation in this instance is subject to the development of a satisfactory program for strengthening the bank's capital.

The Board's Division of Examinations will be glad to discuss any aspects of this case with representatives of your office if you so desire.

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. 2
11/10/60

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 10, 1960



Board of Directors,
Main Bank and Trust,
San Antonio, Texas.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the application of Main Bank and Trust, San Antonio, Texas, for stock in the Federal Reserve Bank of Dallas, subject to the numbered conditions hereinafter set forth:

1. Such bank at all times shall conduct its business and exercise its powers with due regard to the safety of its depositors, and, except with the permission of the Board of Governors of the Federal Reserve System, such bank shall not cause or permit any change to be made in the general character of its business or in the scope of the corporate powers exercised by it at the time of admission to membership.
2. The net capital and surplus funds of such bank shall be adequate in relation to the character and condition of its assets and to its deposit liabilities and other corporate responsibilities.

In connection with the foregoing conditions of membership, particular attention is called to the provisions of the Board's Regulation H regarding membership of State banking institutions in the Federal Reserve System, with especial reference to Section 7 thereof. A copy of the regulation is enclosed.

If at any time a change in or amendment to the bank's charter is made, the bank should advise the Federal Reserve Bank, furnishing copies of any documents involved, in order that it may be determined whether such change affects in any way the bank's status as a member of the Federal Reserve System.

Board of Directors

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Acceptance of the conditions of membership contained in this letter should be evidenced by a resolution adopted by the Board of Directors and spread upon its minutes, and a certified copy of such resolution should be filed with the Federal Reserve Bank. Arrangements will thereupon be made to accept payment for an appropriate amount of Federal Reserve Bank stock, to accept the deposit of the required reserve balance, and to issue the appropriate amount of Federal Reserve Bank stock to the bank.

The time within which admission to membership in the Federal Reserve System in the manner described may be accomplished is limited to 30 days from the date of this letter, unless the bank applies to the Board and obtains an extension of time. When the Board is advised that all of the requirements have been complied with and that the appropriate amount of Federal Reserve Bank stock has been issued to the bank, the Board will forward to the bank a formal certificate of membership in the Federal Reserve System.

It is noted that Director Fred A. Slimp is associated with Dittmar & Company, Inc., a firm engaged in conducting a securities business. Under the provisions of section 32 of the Banking Act of 1933 and Regulation R, no individual may serve as a director of a member bank while employed by a firm engaged in conducting a securities business, as described in that section. The Board has considered the information furnished to the Federal Reserve Bank of Dallas with Mr. Schultz's letter of September 6, 1960, regarding the business conducted by Dittmar & Company, Inc. and is of the opinion that section 32 is applicable. The Board is not authorized to grant exceptions in individual cases, as requested in Mr. Schultz's letter. Therefore, it will be necessary for Director Slimp either to resign as a director of the bank or to disassociate himself from Dittmar & Company, Inc. prior to the time Main Bank and Trust becomes a member bank.

The Board of Governors sincerely hopes that you will find membership in the System beneficial and your relations with the Reserve Bank pleasant. The officers of the Federal Reserve Bank will be glad to assist you in establishing your relationships with the Federal Reserve System and at any time to discuss with representatives of your bank means for making the services of the System most useful to you.

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. 3
11/10/60

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 10, 1960

Board of Directors,
Main Bank and Trust,
San Antonio, Texas.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of Dallas, the Board of Governors, acting under the provisions of Section 19 of the Federal Reserve Act, grants permission to the Main Bank and Trust to maintain the same reserves against deposits as are required to be maintained by banks located outside of central reserve and reserve cities, effective as of the date the bank is admitted to the System as a State member bank.

Your attention is called to the fact that such permission is subject to revocation by the Board of Governors.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.



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

Item No. 4
11/10/60

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 10, 1960



CONFIDENTIAL (FR)

Mr. Alfred Hayes, President,
Federal Reserve Bank of New York,
New York 45, New York.

Dear Mr. Hayes:

Reference is made to your letter of October 21, 1960, in which your Bank requests the approval of upward adjustments in the salary structures applicable to the employees at the Head Office and Buffalo Branch.

The Board approves the following minimum and maximum salaries for the respective grades for the various structures effective December 29, 1960.

CLERICAL

Grade	Head Office		Buffalo Branch	
	Minimum Salary	Maximum Salary	Minimum Salary	Maximum Salary
1	\$ 2,541	\$ 3,430	\$ 2,272	\$ 3,068
2	2,820	3,807	2,536	3,424
3	3,133	4,230	2,831	3,821
4	3,484	4,703	3,160	4,266
5	3,991	5,389	3,524	4,758
6	4,396	5,934	3,923	5,295
7	4,840	6,534	4,356	5,880
8	5,320	7,182	4,824	6,512
9	5,857	7,907	5,344	7,214
10	6,415	8,661	5,934	8,011
11	7,040	9,504	6,540	8,829
12	7,719	10,421	7,228	9,758
13	8,491	11,463	8,011	10,815
14	9,355	12,629	8,889	12,000
15	10,341	13,961	9,896	13,360
16	11,482	15,500	11,062	14,934

Mr. Alfred Hayes

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NON-CLERICAL
Head Office and Buffalo

<u>Grade</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>
1	\$2,631	\$3,553
2	2,794	3,772
3	2,973	4,013
4	3,180	4,292
5	3,426	4,624
6	3,724	5,028
7	4,077	5,505
8	4,499	6,073
9	5,003	6,753
10	5,587	7,543
11	6,214	8,390

SPECIAL SALARY RANGES FOR PHYSICIANS

<u>Grade</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>
Physicians	\$ 5,800	\$ 9,250
Medical Director	11,200	14,250

The Board approves the payment of salaries to the employees, other than officers, within the limits specified for the grades in which the positions of the respective employees are classified. It is understood that all employees whose salaries are below the minimum of their grades as a result of the structure increase will be brought within the appropriate ranges by April 1, 1961.

The Board understands that the expense arising from these structure changes has been provided for in the 1961 budget.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

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

Item No. 5
11/10/60

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD



November 10, 1960

Mr. Charles W. Rubie, President,
Montana Shares, Inc.,
Citizens Bank Building,
Havre, Montana.

Dear Mr. Rubie:

This has reference to the application of Montana Shares Incorporated, for an extension, from November 10, 1960, of the period within which it must comply with the provisions of section 4(a)(2) of the Bank Holding Company Act of 1956.

In accordance with the provisions of section 4(a) of the Act, the Board has granted the requested extension to and including May 9, 1961.

Attention is drawn to the fact that after May 9, 1961, except for the exemptions provided under section 4(c) of the Bank Holding Company Act, Montana Shares, Incorporated may not, under the prohibitions contained in section 4(a)(2) of the Act, retain direct or indirect ownership or control of any voting shares of any company which is not a bank or a bank holding company or engage in any business other than that of banking or of managing or controlling banks or of furnishing services to or performing services for any bank of which it owns or controls 25 per centum or more of the voting shares.

It is also pointed out that in connection with your request for a determination under section 4(c)(6) of the Act, the provisions of that section require the conduct of a hearing by the Board. You will be advised of developments in this respect at a future date.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.

UNITED STATES OF AMERICA

Item No. 6
11/10/60

BEFORE THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

WASHINGTON, D. C.

 In the Matter of the Application of
 BAYSTATE CORPORATION, Boston, Massachusetts
 for prior approval of acquisition of
 voting shares of Manufacturers National
 Bank of North Attleborough, North Attleboro,
 Massachusetts

ORDER APPROVING APPLICATION UNDER
BANK HOLDING COMPANY ACT

There having come before the Board of Governors pursuant to section 3(a)(2) of the Bank Holding Company Act of 1956 (12 USC 1843) and section 4(a)(2) of the Board's Regulation Y (12 CFR 222.4(a)(2)), an application on behalf of Baystate Corporation, Boston, Massachusetts, for the Board's prior approval of the acquisition of up to 100 per cent of the voting shares of Manufacturers National Bank of North Attleborough, North Attleboro, Massachusetts; a Notice of Receipt of Application having been published in the Federal Register on August 3, 1960 (25 Federal Register 7289), which provided interested persons an opportunity to file comments and views regarding the proposed acquisition; and the time for filing such comments and views having expired and no such comments or views having been filed;

IT IS HEREBY ORDERED, for the reasons set forth in the Board's Statement of this date, that the said application be and hereby is granted, and the acquisition by Baystate Corporation

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of up to 100 per cent of the voting shares of Manufacturers National Bank of North Attleborough, North Attleboro, Massachusetts, is hereby approved, provided (1) that such acquisition is completed within three months from the date hereof, and (2) that no action be taken by Baystate Corporation, Boston, Massachusetts, the First National Bank of Mansfield, Mansfield, Massachusetts, or Manufacturers National Bank of North Attleborough, North Attleboro, Massachusetts, that will result in the termination of the corporate existence of either Manufacturers National Bank of North Attleborough or the First National Bank of Mansfield as a separate, functioning banking institution within 60 days following the date of this order.

Dated at Washington, D. C., this 10th day of November, 1960.

By order of the Board of Governors.

Voting for this action: Governors Balderston, Szymczak, Mills, Robertson, and Shepardson.

Absent and not voting: Chairman Martin and Governor King.

(SEAL)

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

APPLICATION BY BAYSTATE CORPORATION, BOSTON, MASSACHUSETTS, FOR
PRIOR APPROVAL OF ACQUISITION OF VOTING SHARES OF MANUFACTURERS
NATIONAL BANK OF NORTH ATTLEBOROUGH, NORTH ATTLEBORO, MASSACHUSETTS

Statement

Baystate Corporation, Boston, Massachusetts ("Baystate"), a bank holding company, has applied, pursuant to section 3(a)(2) of the Bank Holding Company Act of 1956 ("the Act"), for the Board's prior approval of the acquisition of up to 100 per cent of the voting shares of Manufacturers National Bank of North Attleborough, North Attleboro, Massachusetts ("Bank").

Views and recommendations of the Comptroller of the Currency. - As required by section 3(b) of the Act, the Board forwarded notice of the application to the office of the Comptroller of the Currency. The Comptroller responded by recommending approval of the transaction.

Statutory factors. - Section 3(c) of the Act requires the Board to take into consideration the following five factors:
(1) the financial history and condition of the holding company and bank concerned; (2) their prospects; (3) the character of their

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management; (4) the convenience, needs, and welfare of the communities and area concerned; and (5) whether or not the effect of the acquisition would be to expand the size or extent of the bank holding company system involved beyond limits consistent with adequate and sound banking, the public interest, and the preservation of competition in the field of banking.

Discussion. - Baystate presently controls nine banks in Massachusetts with 97 banking offices and total deposits of \$500 million.

Bank (total deposits \$8,490,000) is located in North Attleboro, Massachusetts, a town with a population of about 13,000 in Bristol County in the southern part of the State, some 12 miles from Providence, Rhode Island, and 32 miles from Boston. North Attleboro is a highly industrialized community with emphasis on the manufacturing of jewelry and related products. The area served by the Bank is well diversified in manufacturing, servicing, distributing, and other economic activities.

The financial history and condition, prospects, and management of both Baystate and Bank are satisfactory.

A consideration of the factor "convenience, needs, and welfare of the communities and area concerned" lends little support for, but would not be inconsistent with, approval of the application. There is some suggestion that the acquisition by

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Baystate would provide Bank's community with expanded services in the field of consumer and installment credit. However, Bank apparently has been serving the convenience and needs of its community and area fairly adequately.

An additional judgment required of the Board by section 3(c) of the Act is whether the effect of the proposed acquisition would be to expand the size or extent of Baystate's holding company system beyond limits consistent with adequate and sound banking, the public interest, and the preservation of competition in the field of banking.

Bank's primary service area encompasses an area surrounding North Attleboro within a radius of approximately eight miles and includes portions of the northwestern corner of Bristol County, the southwestern corner of Norfolk County, and the northeastern corner of Providence County, Rhode Island.

In the designated primary service area there are nine commercial banking offices and three mutual savings bank offices. Three banks in the primary service area are larger than Bank (two commercial and one savings bank). Baystate presently has one subsidiary in the primary service area, First National Bank of Mansfield ("National"). A relatively large subsidiary of Baystate, Norfolk County Trust Company, Brookline, with 22 banking offices and \$82,384,000 of deposits of individuals, partnerships and

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corporations (IPC deposits), is located in Norfolk County; however, no offices of that bank are located in the designated primary service area. It appears that only about 2.5 per cent of Bank's demand IPC deposits and a negligible percentage of its time IPC deposits originate in Mansfield, and that, similarly, only a negligible amount of National's IPC deposits originate in North Attleboro.

It is appropriate to consider competition afforded by mutual savings banks as well as by commercial banks in connection with the fifth factor. The following tabulation shows the percentages of bank offices and bank deposits controlled by Baystate in various areas both before and after the proposed acquisition.

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	Per cent of ^{1/}					
	Banking Offices		Deposits			
	Before	After	Total		IPC	
			Before	After	Before	After
Primary service area:						
Commercial banks	11.1	22.2	8.8	25.2	8.7	25.2
All banks	8.3	16.7	5.2	15.0	4.9	14.1
Bristol County:						
Commercial banks	3.8	7.7	2.1	5.9	2.0	5.8
All banks	2.4	4.8	.8	2.3	.7	2.1
Bristol and Norfolk Counties:						
Commercial banks	27.7	28.9	21.7	23.5	21.1	22.9
All banks	18.5	19.4	9.4	10.2	8.5	9.2
State of Massachusetts:						
Commercial banks	18.9	19.1	9.7	9.9	<u>2/</u>	<u>2/</u>
All banks	12.0	12.1	4.7	4.8	<u>2/</u>	<u>2/</u>

^{1/} Percentages for the State of Massachusetts are as of the end of 1959. Percentages for other relevant areas are as of June, 1960.

Percentages of deposits for primary service area and for Bristol and Norfolk Counties are overstated because deposits of some offices are not available from published sources, and therefore are not included in the totals on which Baystate's percentages are computed.

^{2/} Not readily available.

The Board finds that the proposed acquisition would not give Baystate a dominant position in the area involved and that there would not be any significant amount of competition eliminated.

Another bank holding company group operating in Massachusetts controls 7.4 per cent of the banking offices and 5.6 per cent of the total deposits in Massachusetts but has no banking offices in the designated primary service area or in Bristol County. It has one bank (with no branches) in Norfolk County holding 1.2 per cent of the offices and 1.4 per cent of the deposits of all banks in the county. The two bank holding company groups combined control 19.4 per cent of the offices and 10.3 per cent of the deposits of all banks in the State.

In the light of all relevant considerations, it is the Board's judgment that the proposed acquisition would not expand the size or extent of Baystate's holding company system beyond limits consistent with adequate and sound banking, the public interest, and the preservation of competition in the field of banking.

Conclusion. - Notice of Receipt of the Application was published in the Federal Register on August 3, 1960 (25 Federal Register 7289), affording interested persons an opportunity to submit views and comments regarding the proposed acquisition. No views or comments were received.

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Viewing the relevant facts in the light of the general purposes of the Act and the factors enumerated in section 3(c), it is the judgment of the Board that the proposed acquisition would be consistent with the statutory objectives and the public interest and that the application should be approved.

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

Item No. 8
11/10/60

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 9, 1960



Mr. B. F. Groot, Vice President,
Federal Reserve Bank of Boston,
Boston 6, Massachusetts.

Dear Mr. Groot:

In accordance with the request contained in your letter of November 1, 1960, the Board approves the designation of John A. Hayes as a special assistant examiner for the Federal Reserve Bank of Boston for the purpose of participating in examinations of The Connecticut Bank and Trust Company, Hartford, Connecticut; Depositors Trust Company, Augusta, Maine; The Merrill Trust Company, Bangor, Maine; and Rhode Island Hospital Trust Company, Providence, Rhode Island. The authorization heretofore given your Bank to appoint Mr. Hayes as an assistant examiner is hereby canceled.

As requested, the names of Weston L. Bonney and Robert J. Hehre have been deleted from the list of examining personnel approved for your Bank.

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. 9
11/10/60

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 10, 1960



Mr. N. L. Armistead, Vice President,
Federal Reserve Bank of Richmond,
Richmond 13, Virginia.

Dear Mr. Armistead:

In accordance with the request contained in your letter of November 3, 1960, the Board approves the designation of Thomas W. Gaulding as a special assistant examiner for the Federal Reserve Bank of Richmond for the purpose of participating in examinations of State member banks only.

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. 10
11/10/60



ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 10, 1960

Mr. H. N. Mangels, President,
Federal Reserve Bank of San Francisco,
San Francisco 20, California.

Dear Mr. Mangels:

In accordance with the request contained in your letter of October 31, 1960, the Board approves the appointment of Eugene A. Thomas as an assistant examiner for the Federal Reserve Bank of San Francisco. Please advise us of the effective date of the appointment.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.

TELEGRAM
LEASED WIRE SERVICEItem No. 11
11/10/60BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON

November 10, 1960.

Armistead - Richmond

Reurlet November 9, 1960, Board approves designation of
Larry D. Wollcott as Special Assistant Examiner for Federal
Reserve Bank of Richmond for purpose of participating in
examinations of State Member Banks only.

(Signed) Elizabeth L. Carmichael
Carmichael