

Minutes for November 30, 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

MS

Gov. Szymczak

MS

Gov. Mills

[Signature]

Gov. Robertson

R.

Gov. Balderston

CB

Gov. Shepardson

SS

Gov. King

[Signature]

Minutes of the Board of Governors of the Federal Reserve System on  
Wednesday, November 30, 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. Sherman, Secretary  
Mr. Kenyon, Assistant Secretary  
Mr. Molony, Assistant to the Board  
Mr. Hackley, General Counsel  
Mr. Farrell, Director, Division of Bank Operations  
Mr. Solomon, Director, Division of Examinations  
Mr. O'Connell, Assistant General Counsel  
Mr. Hooff, Assistant General Counsel  
Mr. Kiley, Assistant Director, Division of Bank  
Operations  
Mr. Hostrup, Assistant Director, Division of  
Examinations  
Mr. Nelson, Assistant Director, Division of  
Examinations  
Mr. Landry, Assistant to the Secretary  
Mr. Leavitt, Supervisory Review Examiner, Division  
of Examinations  
Mr. Ring, Technical Assistant, Division of Bank  
Operations

Discount rates. The establishment without change by the Federal Reserve Banks of St. Louis and Kansas City on November 29, 1960, 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:

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	<u>Item No.</u>
Letter to The Provident Bank, Cincinnati, Ohio, approving an investment in bank premises.	1
Letter to Putnam County Bank, Hurricane, West Virginia, approving an investment in bank premises.	2
Letter to The Detroit Bank and Trust Company, Detroit, Michigan, approving the establishment of a branch at 17511 West McNichols Road.	3

Request for information regarding merger applications. A memorandum from Mr. Solomon had been distributed under date of November 25, 1960, concerning a request from the National Association of Supervisors of State Banks for information regarding the filing of bank merger applications. The memorandum stated that certain State bank supervisors had expressed to the Association an interest in obtaining current information on a continuing basis regarding developments under the bank merger law, particularly (1) applications received and (2) approvals or disapprovals, and that the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation had indicated to the Association that they probably could arrange to supply the desired information. Since the Association had now been placed on the Board's mailing list for the weekly K.3 release carrying information as to mergers approved or disapproved by the Board, only the request relating to applications filed needed to be considered. Inasmuch as information concerning applications is essentially public because notice of each proposed merger must be published in a local newspaper, it was the recommendation of the Division of Examinations that the request of the Association be granted.

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Pursuant to this recommendation, it was agreed unanimously to accede to the request of the National Association of Supervisors of State Banks for information on a continuing basis regarding the filing of bank merger applications submitted to the Board of Governors, it being understood that the Division of Examinations would make the necessary arrangements.

Report on competitive factors (Boston, Massachusetts). There had been distributed under date of November 29, 1960, a memorandum from the Division of Examinations submitting a draft of report to the Comptroller of the Currency on the competitive factors involved in the proposed consolidation of New England National Bank of Boston, Boston, Massachusetts, with and into The Merchants National Bank of Boston, Boston, Massachusetts.

Governor Robertson suggested a rewording of the conclusion of the proposed report, and also drew attention to an apparent discrepancy between figures in the Division memorandum and the report concerning deposits of the Merchants National Bank.

There followed a discussion relating to the manner in which competition might be defined, it being pointed out by Governor Balderston that a consolidation such as discussed in the proposed report would result in an institution that should be able to compete more effectively with the three banks in Boston that would outrank it in terms of deposits of individuals, partnerships, and corporations. In this sense it might be said that competition would be enhanced. Governor Robertson pointed out,

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on the other hand, that the consolidation would eliminate the sixth largest bank in the city of Boston, and to that extent there would be a diminution of competition for commercial banking business. He noted that a series of mergers in a community might result in the emergence of two keenly competitive institutions, but that banking competition in the area would have diminished due to the elimination of other alternative sources of banking facilities.

The report was then approved unanimously in a form containing the following conclusion, it being understood that the apparent statistical error noted by Governor Robertson would be corrected before the report was transmitted to the Comptroller of the Currency:

The proposed consolidation would combine the fourth and sixth largest commercial banks (based upon volume of IPC deposits) in the City of Boston and Suffolk County. This would eliminate one of the competing banks in the city, and to that extent there would be a diminution of competition for commercial banking business. However, the resulting bank would remain fourth in size, and through the consolidation could compete more effectively with the larger area banks.

Mr. Fauver, Assistant to the Board, joined the meeting during the discussion of the preceding item.

Report on competitive factors (Albany and Amsterdam, New York).

Distribution had been made under date of November 23, 1960, of a proposed report to the Comptroller of the Currency concerning a planned merger of The First National Bank of Amsterdam, Amsterdam, New York, into The National Commercial Bank and Trust Company of Albany, Albany, New York. The conclusion of the report read as follows:

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The proposed merger would have no effect on other commercial banks in the City or County of Albany. It would not result in any reduction in the number of banking offices in Montgomery County and, while the competitive position of the applicant would be enhanced there, it would not attain a dominant position. In the City of Amsterdam, the replacement of the Amsterdam Bank by an office of the larger and more progressive National Commercial Bank would result in an intensification of competition.

The report was approved unanimously.

Report on competitive factors (Wheatland and Dixon, Iowa). Copies had been distributed under date of November 28, 1960, of a proposed report to the Federal Deposit Insurance Corporation regarding a planned acquisition of assets and assumption of liabilities of the First Trust and Savings Bank, Wheatland, Iowa, by Dixon Savings Bank, Dixon, Iowa. The report contained the following conclusion:

The proposed consolidation will result in the elimination of a small country bank and the competition now existing between two small banks located in neighboring communities. In view of the number of competing banking offices in nearby communities, the proposal would not appear to enable the resulting bank to obtain a dominant position in the area.

Governor Mills referred to the fact that the applicant, Dixon Savings Bank, proposed to change the location of its main office to the present quarters of First Trust and Savings Bank in Wheatland and establish a branch at the location of its present main office in Dixon. This would have the effect, he said, of depriving the latter community of the credit-granting services that it now enjoyed, since under Iowa law a branch office can only offer deposit and checking facilities.

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While he recognized that this was not a factor bearing directly on the competitive aspects of the proposed consolidation, it was of some importance from the standpoint of the communities concerned. Therefore, he suggested that some appropriate reference might be made to this matter in the body of the report.

Subject to the understanding that this would be done, the report was approved unanimously.

Proposed Wells Fargo Bank American Trust Company merger (Items 4 and 5). A file concerning an application of Wells Fargo Bank American Trust Company, San Francisco, California, for consent to a proposed merger with Northern Counties Bank, Marysville, and to the establishment of branches at the locations of present offices of the Marysville bank had completed circulation. The recommendations of the Division of Examinations and the Federal Reserve Bank of San Francisco were favorable. The Comptroller of the Currency and the Federal Deposit Insurance Corporation had expressed the view that the effect of the proposed transaction on competition would not be adverse, but the Department of Justice had stated that the transaction would increase banking concentration in the State of California, that it would eliminate an independent competitive entity, and that eight of the nine banking offices in Sutter and Yuba Counties would be controlled by the applicant and a large competing institution. In summarizing the basis for its recommendation of approval, the Division of Examinations stated that the merger would provide a

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stronger banking institution for the area served by Northern Counties Bank, with a wider variety of banking services, and that it would intensify competition in that area with the offices of large banking organizations.

Governor Balderston referred to a draft of reply to a letter addressed to the Board of Governors on September 26, 1960, by Mr. J. E. Morrison that was attached to the file on the proposed merger. Mr. Morrison, a former director of Northern Counties Bank and presently one of the three trustees of a voting trust holding a majority of the bank's stock, had objected to the proposed merger and requested that a "thorough, on-the-ground investigation" be made. It would be stated in the reply to Mr. Morrison that the transactions commented on in his letter concerned the corporate practice of a nonmember State bank and that in the circumstances the Board had concluded that the suggested investigation would not be appropriate in connection with the Board's consideration of the proposed merger. Governor Balderston suggested that the pertinent portion of the letter to Mr. Morrison be revised to clarify that the Board had concluded that an investigation by the Federal Reserve would not be appropriate.

Unanimous approval then was given to a letter to Wells Fargo Bank American Trust Company, San Francisco, California, consenting to its proposed merger with Northern Counties Bank, Marysville, and approving the establishment of branches, along with a letter to Mr. Morrison in a form incorporating the change suggested by Governor Balderston. Copies of these letters are attached hereto as Items 4 and 5, respectively.

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Notice of receipt of application under Bank Holding Company Act (Item No. 6). There had been distributed under date of November 29, 1960, a memorandum from the Legal Division submitting, prior to publication in the Federal Register, a notice of receipt of an application filed by Firstamerica Corporation, Los Angeles, California, pursuant to section 3(a) of the Bank Holding Company Act for the Board's prior approval of acquisition of the stock of the proposed First Western Bank and Trust Company, Los Angeles, California. The proposed new bank would be established under the terms of a plan worked out by Firstamerica with the Justice Department, following filing by the latter in 1959 of a civil antitrust complaint in Federal District Court charging that acquisition by Firstamerica of California Bank, Los Angeles, and the subsequent merger of that bank with First Western Bank and Trust Company, San Francisco, would violate section 7 of the Clayton Act as well as section 1 of the Sherman Act. The agreement reached between Firstamerica and the Justice Department was as follows:

1. Assuming the approval of the Board of Governors pursuant to the bank merger law, Firstamerica would merge its subsidiaries, California Bank and First Western Bank and Trust Company, under the charter of California Bank and with the title United California Bank.
2. Firstamerica, with the approval of the Board under section 3(a) of the Bank Holding Company Act, would acquire the shares of a new bank to be organized under California law. United California Bank would sell to the new bank all right, title, and interest in and to 65 specified banking offices, as well as all rights with respect to certain pending branch office applications.

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3. After the new bank had been in operation for two years, Firstamerica would initiate steps to divest itself of stock of that bank and, if such divestment had not occurred within six years of the date of merger, said stock would be distributed to Firstamerica's stockholders.

In addition to the application involved in the proposed notice now before the Board, the foregoing plan had given rise to a series of separate but related applications to the Board and the Federal Deposit Insurance Corporation under the laws relating to bank holding companies, bank mergers, and the operation of branches.

Mr. Hackley noted that, as brought out in the memorandum of the Legal Division, the proposed notice of receipt of application from Firstamerica Corporation had been brought before the Board for its consideration because it would allow but 20 days, instead of the usual 30 days, from the date of publication in the Federal Register for submission of written comments on the application. He made reference to the fact that section 4(e)(2) of the Board's Regulation Y, Bank Holding Companies, as amended July 1, 1960, permits a shorter period than 30 days "in exceptional circumstances."

Mr. O'Connell commented that the proposal to allow only 20 days for receipt of written comments on the application might appear to have been the result of urging by Firstamerica Corporation, which in its application had stated that it must meet a December 30, 1960, deadline if it was to adhere to its plan to establish the new First Western Bank and Trust Company on January 27, 1961. However, the proposal of the

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Legal Division was premised on the consideration that Firstamerica had submitted the application as part of a plan which would ultimately result in the establishment of a new independent bank rather than further expansion of a holding company system. Thus, in this instance, there might not be as much merit in providing a full 30-day period for receipt of comments from interested parties as there would be in the case of other applications. An additional factor in support of the Division's proposal, Mr. O'Connell said, was that it would show good faith, from the public policy standpoint, in attempting to expedite a decision to the fullest reasonable extent.

Governor Mills said that he would have qualms about changing a procedure that had been established, those qualms being aggravated in a case of this sort which had important ramifications. The Board could be embarrassed, he suggested, if there was ever a suggestion that it had expedited this particular case by giving a preference that was not accorded to other applications. Also, if this case could be processed within 30 days, that in itself would tend to break precedent because the processing of other cases of less importance than this one under the bank holding company legislation had customarily required a longer period of time. In the circumstances, he had real doubts as to whether there should be any deviation from the established practice.

Mr. Hackley then said the Legal Division had felt that there was some justification for regarding this as an exceptional case and therefore

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for providing a shorter period of time for receipt of comments. However, there were two mergers involved in the series of related applications, and the supervisory agencies cannot legally act on a merger application until the expiration of the period required for publication of notice of intent by the applicant. In this case, the applicant started publication of notice of intent only yesterday, so the Board and the Federal Deposit Insurance Corporation could not act on the respective merger applications until December 30 at the earliest. On that basis, it might be said that it would not make much difference if a 30-day period was provided for the receipt of comments. Furthermore, it seemed quite unlikely that the staff could prepare the necessary material and that the Board could act on the case to bring it to a conclusion by December 30, even though theoretically that would be possible. In summary, it was debatable whether this was the type of case in which the Board would want to shorten the 30-day period usually provided for the receipt of comments. If the Board felt that this would not be desirable, he did not think that any great harm would be done.

Governor Mills stated that the providing of a 30-day period would not appear to be a roadblock to going ahead with the processing of the application. The more the case could be expedited, the better it would be, but it did not appear that the processing of the case would be interfered with by granting the usual 30-day period for receipt of comments.

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Comments by other members of the Board indicated that they felt the points raised by Governor Mills deserved consideration. Therefore, although some of the members indicated that they had no strong feeling one way or the other regarding the proposal of the Legal Division, it was agreed unanimously to publish in the Federal Register a notice of receipt of application that would provide 30 days from the date of publication for the submission of comments. A copy of the notice sent to the Federal Register pursuant to this action is attached as Item No. 6.

Reserve Bank budgets for 1961 (Item No. 7). There had been distributed copies of a memorandum from the Division of Bank Operations dated November 18, 1960, summarizing the significant features of the 1961 Reserve Bank budgets, along with a memorandum dated November 10, 1960, discussing major bank premises projects of the Federal Reserve Banks, as submitted with the budgets of the respective Banks in accordance with the procedure established last year.

Also submitted with the memorandum were analyses prepared by the appropriate offices of the Board concerning the budgets for those functions for which the scope of activities and the size of the budget are largely determined by policy decisions. In addition, digests of the budget proposals of each Bank and branch, supported by tabular data in considerable detail, had been prepared by the Division of Bank Operations. While not distributed, such data were available on request.

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The total budgets of \$184.2 million reflected an increase of \$9.0 million, or 5.2 per cent, over 1960 estimated expenses. Budgeted operating expenses of \$170.2 million showed an increase of \$9.0 million, or 5.6 per cent, over 1960 estimated expenses.

At its meeting on May 23, 1960, the Board had named Governors Balderston, Mills, and King as a Budget Committee to hold preliminary discussions with the Presidents of the respective Reserve Banks regarding the 1961 budgets.

Speaking in his capacity as Chairman of the Budget Committee, Governor Balderston reviewed the scope of the discussions with the respective Presidents and brought out that the Committee had not committed the Board. Thus, the Board was free to accept the budgets as submitted or to request their modification. He then drew attention to the continued upward drift of operating expenses at the Reserve Banks, and discussed the contributing causes, particularly those factors resulting in budget increases for 1961 as compared to 1960.

Governor Balderston also summarized the major bank premises projects of the Reserve Banks, noting that foreseeable expenditures totaled approximately \$18 million during the five-year period 1961 through 1965, of which the Board had already approved about \$11 million. The major portion of the presently contemplated major bank premises projects not yet approved by the Board was accounted for by \$4.4 million for a new building in New Orleans, \$1 million for a parking garage and storage space on the

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Reliance Building site in Kansas City, and \$.75 million for a building site in Denver. Governor Balderston noted that several bank premises projects of \$100,000 or more might be submitted for approval during 1961, as follows:

Alterations and equipment to enlarge Cash Department facilities at Philadelphia (\$350,000);

Building addition at Kansas City (\$1,025,000);

Land acquisition at Denver (\$750,000 or more); and

Installation of air-cooling system at Seattle (\$150,000).

With all but \$1,600,000 of the present statutory authorization of \$30 million for branch "building proper" costs having been used or allocated, Governor Balderston pointed out that the remaining amount was insufficient to permit construction of either one of the new buildings under consideration at New Orleans or Denver, although it might be sufficient to take care of the proposed building addition at Little Rock.

Following supplementary comments by Mr. Farrell, Governor Balderston said that the Budget Committee recommended acceptance of the 1961 budgets of all 12 Federal Reserve Banks. He referred to the efforts of the Committee to persuade the Banks to eliminate over-estimates wherever possible and said these efforts seemed to have been successful. However, a \$57,700 item for the training and education unit was included in the budget of the Federal Reserve Bank of Cleveland, and the Bank had consistently over-budgeted for this purpose. He expressed the belief

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that the Bank would agree to reduce or eliminate this rather small item if the matter were called to its attention informally.

Governor Mills said that he had little to add to Governor Balderston's comments. It was difficult, he noted, to single out particular features of the budgets for criticism, yet there were such features in the budgets. For example, there was the item of over-budgeting by the Cleveland Bank to which reference already had been made, along with what in his opinion amounted to a general drift toward extravagance at that Bank in the amounts budgeted for public relations and employee relations. The training programs of the Reserve Banks were assuming a more important budgetary significance, but it was difficult to know how to appraise them. Also, the New York Bank was consistently expanding its research program. While the Bank was doing a good job, the question whether its research function needed to be strengthened with additional personnel was again something that was difficult to judge. Perhaps such questions might best be left for decision by the Banks themselves, but the research function was an element in their operating costs that was assuming greater and greater importance.

Governor Mills added that through the whole Reserve Bank budget picture a factor that loomed large was the assessment on the Banks for the expenses of the Board of Governors, which was following an upward trend. He judged that when the Board's budget for 1961 came before the Board for consideration it would include large amounts for personnel

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costs, including accepted salary increases that occur in the course of the Board's operations, and, to a degree, special projects that are financed through the research function. If the Board was to keep a calming hand on the budgets of the Federal Reserve Banks, it should follow closely the assessments levied on the Banks to support its own activities, especially to the extent that those assessments reflected special projects.

Governor Balderston commented that the 1961 budget for the research, public information, and bank relations function at the Federal Reserve Bank of New York was in excess of \$2 million. He was not prepared to question the usefulness of the research program, but a critic might wonder why there was such a large expenditure at one of the Reserve Banks and whether there was undue duplication between the research work at the Board and the New York Bank. It occurred to him that the Board might wish to request a report at some future date from its research staff, worked out in conjunction with the New York research staff, concerning the extent of duplication between the work at the Board and the Bank.

There followed discussion of the comparative expenditures for research at the Board and the New York Bank and of the activities encompassed in the research, public information, and bank relations function at the Bank, following which Governor Robertson suggested that at some convenient time the Board might wish to schedule a meeting at which those in charge of the Board's research program would outline for

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the Board the scope of the various research activities at all of the Federal Reserve Banks, along with the way in which those activities were related to the work of the Board's staff, so that the Board might have a picture of the research program of the System as a whole.

Governor Balderston agreed with this suggestion, stating that he thought the Board's records should reflect that on occasion the Board had taken a good look at research expenditures throughout the System as a whole.

With reference to membership dues and contributions, Mr. Fauver commented that the Federal Reserve Bank of Chicago had arranged to eliminate this year all Christmas remembrances to parties outside the Bank and that no provision for such items had been made in the budget for 1961. Otherwise, the picture as to membership dues and contributions was relatively unchanged, although the St. Louis Bank had eliminated one budget item.

Chairman Martin expressed the view that the suggestion of Governor Balderston for handling informally the apparent over-budgeting by the Cleveland Bank for the training and education unit was appropriate. He suggested that the members of the Budget Committee might discuss this item with President Fulton, and there was no indication of dissent from this procedural suggestion.

Chairman Martin then commented on functions of the New York Bank in the research area that are not required, at least to the same extent,

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at the other Banks. After referring to certain other factors that he felt also must be borne in mind in reviewing the research expenditures of the New York Bank and of the Reserve Banks as a group, the Chairman suggested that perhaps another attempt should be made to have the Chairmen and Deputy Chairmen of the respective Reserve Banks come to Washington periodically, along with the Bank Presidents, for discussion with the Board concerning the problems of the individual Banks. He indicated that he could think of hardly any other way of maintaining effective liaison between the Board and the Reserve Banks.

After further discussion it was agreed unanimously to accept the 1961 budget of each Federal Reserve Bank as submitted and to advise the respective Banks accordingly. There is attached as Item No. 7 a copy of the letter sent to the Boston Reserve Bank pursuant to this action; the letters sent to the other Reserve Banks were in similar form.

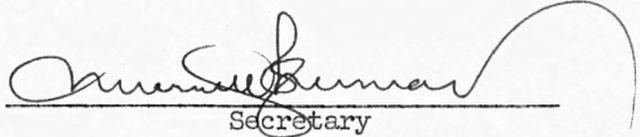
It was understood that the budget for the education and training unit at the Cleveland Bank would be handled in the manner that had been suggested by the Chairman, and that the Directors of the Divisions of Research and Statistics, International Finance, and Bank Operations would collaborate in preparing for the Board a review of System research activities.

The meeting then adjourned.

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Secretary's Note: In the absence of Governor Shepardson, Governor Robertson today approved on behalf of the Board a letter to the Federal Reserve Bank of New York (attached Item No. 8) approving the appointment of Robert R. Edmiston and Michael K. Kazim as assistant examiners.



Secretary

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

Item No. 1  
11/30/60

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

November 30, 1960



Board of Directors,  
The Provident Bank,  
Cincinnati, Ohio.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of Cleveland, the Board of Governors approves, under the provisions of Section 24A of the Federal Reserve Act, an additional investment of \$200,000 in bank premises by The Provident Bank, Cincinnati, Ohio, for the purpose of purchasing land and erecting a new building incident to relocating the Madison Road branch from 2029 Madison Road to 1992 Madison Road, Cincinnati, Ohio.

With respect to the requested approval for relocation of the branch, inasmuch as this involves the mere relocation of an existing branch in the immediate neighborhood without affecting its business or customers served, approval of the Board of Governors is not required under the provisions of section 8(b), paragraph 7 of Regulation H.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,  
Assistant Secretary.

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

Item No. 2  
11/30/60

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

November 30, 1960



Board of Directors,  
Putnam County Bank,  
Hurricane, West Virginia.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of Richmond, the Board of Governors of the Federal Reserve System approves, under the provisions of Section 24A of the Federal Reserve Act, an investment of \$86,881 in bank premises by Putnam County Bank, Hurricane, West Virginia, for the purposes of constructing a building and drive-in facilities and for paving a parking lot. This investment is exclusive of \$21,000 paid in 1959 for land adjacent to the bank's present building. It is understood that this \$21,000 and \$3,000, representing the unamortized cost of land on which the present banking house is situated, are to be eliminated by charge off.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,  
Assistant Secretary.

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

Item No. 3  
11/30/60

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

November 30, 1960



Board of Directors,  
The Detroit Bank and  
Trust Company,  
Detroit, Michigan.

Gentlemen:

Reference is made to your request submitted through the Federal Reserve Bank of Chicago for permission to change the location of your Lake Pointe Village branch from 41311 Schoolcraft Road, Plymouth Township, to 41480 Wilcox Road, also in Plymouth Township, and permission to change the location of your McNichols-Greenview branch from 18441 West McNichols Road, Detroit, Michigan, to 17511 West McNichols Road.

With regard to the change in location of the Lake Pointe Village branch it would appear that this is merely the relocation of the branch from temporary to permanent quarters in the immediate neighborhood, and as such the approval of the Board of Governors is not required.

With regard to the McNichols-Greenview branch, the Board of Governors approves the establishment of a branch by The Detroit Bank and Trust Company at 17511 West McNichols Road, Detroit, Michigan. This approval is given provided the branch is established within three months from the date of this letter, and your branch at 18441 West McNichols Road is discontinued simultaneously with the opening of the branch at the new location.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,  
Assistant Secretary.

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

Item No. 4  
11/30/60



ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

November 30, 1960

Board of Directors,  
Wells Fargo Bank American Trust Company,  
San Francisco, California.

Gentlemen:

The Board of Governors of the Federal Reserve System, after consideration of all factors set forth in section 18(c) of the Federal Deposit Insurance Act, as amended by the Act of May 13, 1960, and finding the transaction to be in the public interest, hereby consents to the merger of Northern Counties Bank, Marysville, California, into Wells Fargo Bank American Trust Company under the charter and title of the latter bank. The Board of Governors also approves the establishment of branches by Wells Fargo Bank American Trust Company at the following locations:

- 300 4th Street, Marysville,
- 700 Plumas Street, Yuba City,
- 520 Kentucky Street, Gridley,
- Beale Air Force Base, Marysville, California.

This approval is given provided the transactions are consummated within six months from the date of this letter and shares of stock acquired from dissenting shareholders are disposed of within six months of acquisition.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,  
Assistant Secretary.

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

Item No. 5  
11/30/60

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

November 30, 1960



Mr. J. E. Morrison,  
Morrison's Orchard Supply Co.,  
765 Sutter Street,  
Yuba City, California.

Dear Mr. Morrison:

Reference is made to your letter of September 26, 1960, transmitted through the Federal Reserve Bank of San Francisco, and to your discussions with representatives of that bank regarding the proposed merger of Northern Counties Bank of Marysville, California, with Wells Fargo Bank American Trust Company of San Francisco. The material you enclosed has been read with interest.

It is noted that the transactions commented upon in your letter concerned the corporate practice of a State bank that is not a member of the Federal Reserve System. In the circumstances, it has been concluded that an "on-the-ground investigation" by the Federal Reserve, which you suggested, would not be appropriate in connection with the Board's consideration of the proposed merger. In accordance with the usual procedure in cases of this nature, the Federal Reserve Bank of San Francisco investigates the proposed merger and presents pertinent material to assist the Board in arriving at a decision.

The Board, after considering all of the information available, has given its consent to the proposed merger.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,  
Secretary.

FEDERAL RESERVE SYSTEM  
FIRSTAMERICA CORPORATION

Item No. 6  
11/30/60

Notice of Receipt of Application

Notice is hereby given that the Board of Governors of the Federal Reserve System has received an application by Firstamerica Corporation, Los Angeles, California, pursuant to section 3(a) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842), for the Board's prior approval of the acquisition by that Corporation of the capital stock of the proposed First Western Bank and Trust Company, San Francisco, California. <sup>1/</sup>

This application, together with several separate but related applications filed pursuant to sections 18(c) and 18(d) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c) and (d)) and section 9 of the Federal Reserve Act (12 U.S.C. 321), has been submitted seeking approval of the Board of Governors and the Federal Deposit Insurance Corporation, respectively, of separate but related transactions.

In determining whether to approve the application submitted pursuant to section 3(a) of the Bank Holding Company Act, the Board is required by that Act to take into consideration the following factors: (1) The financial history and condition of the company and the bank concerned; (2) their prospects; (3) the character of their management; (4) the convenience, needs, and welfare of the communities and the area concerned;

<sup>1/</sup> Subsequently corrected in the Federal Register to show the location as Los Angeles rather than San Francisco, California.

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and (5) whether or not the effect of such 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.

Not later than thirty (30) days after the publication of this notice in the Federal Register, comments and views regarding the proposed acquisition may be filed with the Board. Communications should be addressed to the Secretary, Board of Governors of the Federal Reserve System, Washington 25, D.C.

Dated at Washington, D. C., this 30th day of November, 1960.

By order of the Board of Governors.

(SEAL) (Signed) Merritt Sherman  
Merritt Sherman,  
Secretary.

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

Item No. 7  
11/30/60

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

November 30, 1960.



Mr. Joseph A. Erickson, President,  
Federal Reserve Bank of Boston,  
Boston 6, Massachusetts.

Dear Mr. Erickson:

The Board of Governors has reviewed and accepts the 1961 budget of the Federal Reserve Bank of Boston which was submitted with your letter of October 5, 1960.

Separate advice will be given with respect to the Board's action concerning the 1961 salaries proposed for the various officers of your Bank.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,  
Secretary.

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

Item No. 8  
11/30/60

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

December 1, 1960



CONFIDENTIAL (FR)

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 November 23, 1960, the Board approves the appointment of Robert R. Edmiston and Michael K. Kazim as assistant examiners for the Federal Reserve Bank of New York. Please advise us of the effective dates of the appointments.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,  
Assistant Secretary.