

Minutes for November 2, 1961

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.

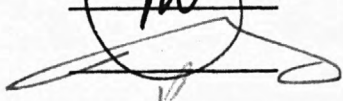
It is not proposed to include a statement with respect to any of the entries in this set of minutes in the record of policy actions required to be maintained pursuant to section 10 of the Federal Reserve Act.

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.

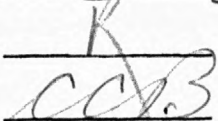
Chm. Martin



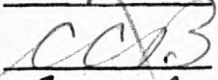
Gov. Mills



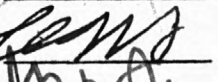
Gov. Robertson



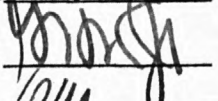
Gov. Balderston



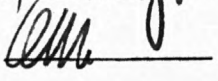
Gov. Shepardson



Gov. King



Gov. Mitchell



Minutes of the Board of Governors of the Federal Reserve System
on Thursday, November 2, 1961. The Board met in the Board Room at
10:00 a.m.

PRESENT: Mr. Martin, Chairman
Mr. Mills
Mr. Robertson
Mr. Shepardson
Mr. King
Mr. Mitchell

Mr. Sherman, Secretary
Mr. Kenyon, Assistant Secretary
Mr. Molony, Assistant to the Board
Mr. Fauver, Assistant to the Board
Mr. Hackley, General Counsel
Mr. Noyes, Director, Division of Research
and Statistics
Mr. Solomon, Director, Division of Examinations
Mr. Garfield, Adviser, 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. Williams, Associate Adviser, Division of
Research and Statistics
Mr. Furth, Adviser, Division of International
Finance
Mr. Katz, Associate Adviser, Division of International
Finance
Mr. Leavitt, Assistant Director, Division of
Examinations
Mr. Knipe, Consultant to the Chairman

Several other staff members from the Research and International
Finance Divisions also attended the meeting during the economic presenta-
tion that was the first order of business.

Projection of economic developments. Messrs. Brill, Weiner, and
Sigel of the Division of Research and Statistics presented, with the aid

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of graphic material, a possible pattern of economic developments as they might unfold in 1962, based on the pattern of output and income assumed in connection with the calculation of Federal budget prospects recently released in the form of the Administration's autumn budget review. It was understood that copies of the text of the presentation and related tabulations would be distributed to the members of the Board.

All of the members of the staff except Messrs. Sherman, Kenyon, Fauver, Hackley, Noyes, and Leavitt then withdrew.

Items circulated to the Board. The following items, which had been circulated 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 The Chase Manhattan Bank, New York, New York, approving an extension of time in which to establish branches at 2218 Fifth Avenue and 200 East 57th Street.	1,2
Letter to the Organization Committee, Liberty State Bank of Hillside, Hillside, New Jersey, granting an extension of time for the bank to accomplish membership in the Federal Reserve System.	3
Letter to The Morrill and Janes Bank, Hiawatha, Kansas, approving an investment in bank premises.	4
Letter to the Federal Deposit Insurance Corporation regarding the application of First State Bank of Uvalde, Uvalde, Texas, for continuation of deposit insurance after withdrawal from membership in the Federal Reserve System.	5

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Letter to United California Bank, Los Angeles, California, approving an extension of time in which to establish a branch at 10800 Van Ness Avenue, San Francisco.

Item No.

6

Letter to The Cleveland Trust Company, Cleveland, Ohio, approving the establishment of a branch at 38 Main Street, Chagrin Falls, Cuyahoga County.

7

Letter to Bank of Idaho, Boise, Idaho, approving the establishment of a branch in the vicinity of U. S. Highway 95 immediately outside the corporate limits of Sandpoint.

8

Federal Advisory Council topics. There had been distributed a draft of letter to the Secretary of the Federal Advisory Council suggesting topics for consideration at the meeting of the Council on November 20, 1961, and at the joint meeting with the Board on the following day.

Upon review of the proposed letter, there was a discussion regarding the manner of presentation of topics that might be most conducive to fruitful discussion at joint meetings of the Board and the Council. Several suggestions were made as to how the topics for the forthcoming meeting might be phrased with that objective in mind, and it was understood that a revised draft of letter reflecting these suggestions would be prepared for consideration at a subsequent meeting of the Board.

The members of the staff then withdrew and the Board went into executive session.

Travel authorization. The Secretary was informed later that during the executive session the Board authorized Mr. Young, Adviser to the Board and Director, Division of International Finance, to travel to

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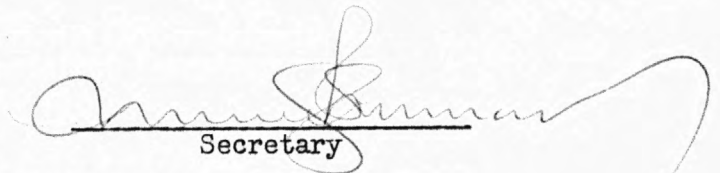
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Paris, France, during the period November 15-18, 1961, to attend an OECD Ministerial Meeting, with the understanding that actual expenses incurred on the trip, including official entertainment, would be allowed.

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 appointment of the following persons to the Board's staff, with basic annual salaries at the rates indicated, effective the respective dates of entrance upon duty:

<u>Name and title</u>	<u>Division</u>	<u>Annual Salary</u>
Bonnie Louise Absher, Clerk-Stenographer	Personnel Administration	\$3,970
Rosemary V. Jordan, Clerk-Typist	Personnel Administration	3,970
Charles L. Greene, Messenger	Administrative Services	3,185


Secretary

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM Item No. 1
WASHINGTON 25, D. C. 11/2/61

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 2, 1961



Board of Directors,
The Chase Manhattan Bank,
New York, New York.

Gentlemen:

The Board of Governors of the Federal Reserve System extends to February 19, 1962, the time within which The Chase Manhattan Bank may establish a branch at 2218 Fifth Avenue, Borough of Manhattan, New York, New York.

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
11/2/61

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 2, 1961



Board of Directors,
The Chase Manhattan Bank,
New York, New York.

Gentlemen:

The Board of Governors of the Federal Reserve System extends to March 30, 1962, the time within which The Chase Manhattan Bank, New York, New York, may establish a branch at 200 East 57th Street, New York, New York.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM Item No. 3
WASHINGTON 25, D. C. 11/2/61



ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 2, 1961

Organization Committee,
Liberty State Bank of Hillside,
Hillside, New Jersey.

Gentlemen:

The Board of Governors of the Federal Reserve System extends, to June 12, 1962, the time within which Liberty State Bank of Hillside, Hillside, New Jersey, may accomplish admission to membership in the Federal Reserve System as outlined in the Board's letter of June 12, 1961.

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
11/2/61

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 2, 1961



Board of Directors,
The Morrill and Janes Bank,
Hiawatha, Kansas.

Gentlemen:

The Board of Governors of the Federal Reserve System approves, under the provisions of Section 24A of the Federal Reserve Act, an additional investment, direct and indirect, of \$150,000 in bank premises by The Morrill and Janes Bank, Hiawatha, Kansas, for the purpose of purchasing land, constructing a new bank building, and providing a customers' parking lot. It is understood that a portion of this amount has already been invested in land. It is further understood that the Bank's direct investment in bank premises will be written down to approximately \$32,000 when the present bank building is sold.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Item No. 5
11/2/61

WASHINGTON 25, D. C.

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 2, 1961



The Honorable Erle Cocke, Sr., Chairman,
Federal Deposit Insurance Corporation,
Washington 25, D. C.

Dear Mr. Cocke:

Reference is made to your letter of October 20, 1961, concerning the application of First State Bank of Uvalde, Uvalde, Texas, for continuance of deposit insurance after withdrawal from membership in the Federal Reserve System.

No corrective programs that the Board of Governors believes should be incorporated as conditions to the continuance of deposit insurance have been urged upon or agreed to by the bank.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Item No. 6
11/2/61

WASHINGTON 25, D. C.

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 2, 1961



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

Gentlemen:

The Board of Governors of the Federal Reserve System extends until July 31, 1962, the time within which United California Bank, Los Angeles, may establish a branch at 10800 Van Ness Avenue, San Francisco, California, under the authorization contained in the Board's letter of January 19, 1961.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM Item No. 7
WASHINGTON 25, D. C. 11/2/61

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 2, 1961

Board of Directors,
The Cleveland Trust Company,
Cleveland, Ohio.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment by The Cleveland Trust Company, Cleveland, Ohio, of a branch at 38 Main Street, Chagrin Falls, Cuyahoga County, Ohio, provided the branch is established within twelve months 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 Item No. 8
WASHINGTON 25, D. C. 11/2/61

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 2, 1961



Board of Directors,
Bank of Idaho,
Boise, Idaho.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment of an out-of-town branch by Bank of Idaho, Boise, Idaho, in the vicinity of U. S. Highway 95 (Alternate 10) immediately outside of the corporate limits of Sandpoint, Bonners County, Idaho, 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.