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Minutes for November 13, 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

*m*

Gov. Mills

*[Handwritten signature]*

Gov. Robertson

*R*

Gov. Balderston

*ccs.B*

Gov. Shepardson

*[Handwritten signature]*

Gov. King

*[Handwritten signature]*

Gov. Mitchell

*[Handwritten signature]*

Minutes of the Board of Governors of the Federal Reserve System on  
Monday, November 13, 1961. The Board met in the Board Room at 10:00 a.m.

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

Mr. Sherman, Secretary  
Mr. Kenyon, Assistant Secretary  
Mr. Thomas, Adviser to the Board  
Mr. Young, Adviser to the Board and Director,  
Division of International Finance  
Mr. Fauver, Assistant to the Board  
Mr. Spencer, General Assistant, Office of the  
Secretary

Messrs. Garfield, Koch, Dembitz, Williams, Altmann,  
Eckert, Gehman, Solomon, Trueblood, Wernick,  
and Yager and Miss Dingle of the Division of  
Research and Statistics

Messrs. Furth, Hersey, Sammons, Katz, Anderson,  
Emery, Maroni, Reynolds, and Wood of the  
Division of International Finance

Economic review. Reviews of international and domestic economic  
and financial developments were presented by the Divisions of International  
Finance and Research and Statistics, respectively.

Following discussion based on those reviews, all of the members  
of the staff except Messrs. Sherman, Kenyon, Fauver, Furth, and Spencer  
withdrew from the meeting and the following entered the room:

Mr. Solomon, Director, Division of Examinations  
Mr. Hexter, Assistant General Counsel  
Mr. Goodman, Assistant Director, Division of  
Examinations  
Mr. Leavitt, Assistant Director, Division of  
Examinations

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Discount rates. The establishment without change by the Federal Reserve Banks of New York, Cleveland, Richmond, Atlanta, Chicago, St. Louis, and Dallas on November 9, 1961, 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 or distributed to the Board. The following items, which had been circulated or distributed 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>
Letter to The First National Bank of Oneida, Oneida, Tennessee, approving its application for a specific fiduciary power.	1
Letter to Bank of America, New York, New York, granting consent to the purchase by Banca d'America e d'Italia, Milan, Italy, of 33-1/3 per cent of the authorized capital stock of Banca per Finanziamenti a Medio Termine, Milan, Italy.	2

With respect to Item No. 2, there was a general discussion, at the instance of Governor Mitchell, during which members of the staff explained the reasons why the Board was being called upon to consider the proposed acquisition of stock by the Italian bank and commented on the factors that would appear pertinent to the evaluation of such a proposal.

Report on competitive factors (New Orleans, Louisiana). A draft of report to the Comptroller of the Currency on the competitive

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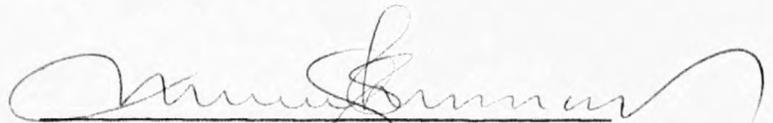
factors involved in the proposed consolidation of Whitney National Bank of New Orleans, New Orleans, Louisiana, and Crescent City National Bank, New Orleans, Louisiana, had been distributed with a memorandum from the Division of Examinations dated November 3, 1961. The conclusion stated simply that the consolidation would have no effect on competition.

After discussion in which agreement was expressed with a broadening of the conclusion that would reflect a suggestion made by Governor Mills, the report was approved unanimously in a form in which the conclusion read as follows:

The consolidation of Whitney National Bank of New Orleans, New Orleans, Louisiana, and Crescent City National Bank, New Orleans, Louisiana, would have no effect on competition. This conclusion is without regard to the broader questions involved in a larger proposal of which this proposal is only a part; the larger proposal involves the acquisition of the recently chartered Crescent City National Bank and a new bank to be organized in Jefferson Parish by Whitney Holding Corporation, a bank holding company. The broader questions related to these acquisitions by the holding company are under consideration by the Board pursuant to the provisions of the Bank Holding Company Act of 1956.

The meeting then adjourned.

Secretary's Note: Pursuant to the recommendation contained in a memorandum from the Division of Bank Operations, Governor Robertson, acting in the absence of Governor Shepardson, today approved on behalf of the Board the appointment of Helen Kathleen Black as Statistical Clerk in that Division, with basic annual salary at the rate of \$3,865, effective the date of entrance upon duty.

  
Secretary

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

Item No. 1  
11/13/61

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

November 13, 1961



Board of Directors,  
The First National Bank of Oneida,  
Oneida, Tennessee.

Gentlemen:

The Board of Governors of the Federal Reserve System has given consideration to your application for a specific fiduciary power and grants The First National Bank of Oneida authority to act, when not in contravention of State or local law, as trustee of \$300,000 issue of Industrial Revenue Bonds of Industrial Development Board of the City of Oneida - an arm of the Town of Oneida. Bond issue is for construction of industrial building for Arvin Industries, Inc. of Columbus, Indiana, under Bond Act of 1955 of State of Tennessee. The exercise of such right shall be subject to the provisions of Section 11(k) of the Federal Reserve Act and Regulation F of the Board of Governors of the Federal Reserve System.

A certificate covering such authorization is enclosed.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,  
Assistant Secretary.

Enclosure

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

Item No. 2  
11/13/61

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

November 13, 1961

Bank of America,  
41 Broad Street,  
New York 15, New York.

Gentlemen:

In accordance with the request and on the basis of the information furnished in your letter of October 23, 1961, transmitted through the Federal Reserve Bank of New York, the Board of Governors grants consent for Banca d'America e d'Italia, Milan, Italy, to purchase and hold 10,000 shares, par value Italian Lire 50,000 each, or one-third of the capital stock, of Banca per Finanziamenti a Medio Termine, Milan, Italy, at an approximate cost of US\$800,000. It is understood that 30 per cent of the subscription will be paid immediately and that the balance will be called at an early date.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,  
Assistant Secretary.