

Minutes for May 21, 1962.

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

[Signature]

Gov. Robertson

[Signature]

Gov. Balderston

CCB

Gov. Shepardson

[Signature]

Gov. King

[Signature]

Gov. Mitchell

[Signature]

Minutes of the Board of Governors of the Federal Reserve System  
on Monday, May 21, 1962. The Board met in the Board Room at 10:00 a.m.

PRESENT: Mr. Mills, Acting Chairman  
Mr. Robertson  
Mr. Shepardson  
Mr. Mitchell

Mr. Sherman, Secretary  
Mr. Kenyon, Assistant Secretary  
Mr. Fauver, Assistant to the Board  
Mr. Hackley, General Counsel  
Mr. Farrell, Director, Division of  
Bank Operations  
Mr. Solomon, Director, Division of  
Examinations  
Mr. Hooff, Assistant General Counsel  
Mr. Leavitt, Assistant Director, Division  
of Examinations  
Mr. Spencer, General Assistant, Office of  
the Secretary

Circulated items. 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>
Letter to First State Bank, Churdan, Iowa, approving an investment in bank premises.	1
Letter to Bank of Memphis, Memphis, Missouri, approving an investment in bank premises.	2
Letter to Ravalli County Bank, Hamilton, Montana, approving an investment in bank premises.	3
Letter to First National Bank in Newton, Newton, Illinois, approving its application for fiduciary powers.	4

5/21/62

-2-

	<u>Item No.</u>
Letter to The First National Bank of Arvada, Arvada, Colorado, approving its application for limited fiduciary powers.	5
Letter to The Ashville Bank, Ashville, Ohio, interposing no objection to a dividend declared in December 1961.	6
Letter to Richview State Bank, Richview, Illinois, waiving the requirement of six months' notice of withdrawal from membership in the Federal Reserve System.	7
Letter to the Federal Reserve Bank of Kansas City indicating that the previously granted permission for East Side State Bank, Wichita, Kansas, to carry reduced reserves will continue upon that bank's conversion to a national bank.	8
Letter to The Niles Bank Company, Niles, Ohio, approving the establishment of a branch at Youngstown-Warren Road and Niles-Cortland Road.	9
Letter to Mutual Trust and Deposit Company, New Albany, Indiana, approving an extension of time to establish a branch in Floyds Knobs.	10
Letter to Bank of Las Vegas, Las Vegas, Nevada, approving the establishment of a branch in the vicinity of West Charleston Boulevard and Decatur Road.	11
Letter to Walker Bank & Trust Company, Salt Lake City, Utah, approving the establishment of a branch at Washington and Eighth South Streets, branch operations at 450 South Second West Street to be discontinued simultaneously with the establishment of the new branch.	12

Report on competitive factors (Jenkintown-Royersford, Pennsylvania).

A draft of report to the Federal Deposit Insurance Corporation on the

5/21/62

-3-

competitive factors involved in the proposed merger of Industrial Valley Bank and Trust Company, Jenkintown, Pennsylvania, and The National Bank of Royersford, Royersford, Pennsylvania, had been distributed with a memorandum from the Division of Examinations dated May 14, 1962. The conclusion in the report read as follows:

Investigation discloses virtually no competition between Industrial Valley Bank and Trust Company, Jenkintown, Pennsylvania, and The National Bank of Royersford, Royersford, Pennsylvania. The merger of these two banks would have little or no effect on banking competition in Philadelphia or the Jenkintown area but would probably increase competition in the Royersford service area.

The report was approved unanimously for transmittal to the Corporation.

The meeting then adjourned.

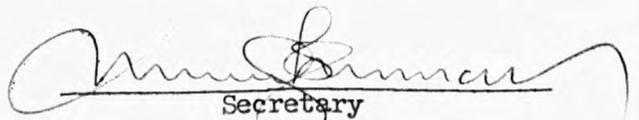
Secretary's Note: Governor Shepardson today approved on behalf of the Board the following letters:

No. 13) Letter to the Federal Reserve Bank of New York (attached Item) approving the appointment of Raymond E. Talbot as examiner.

Item No. 14) Letter to the Federal Reserve Bank of Philadelphia (attached Item) approving the appointment of Barry J. Case as assistant examiner.

No. 15) Letter to the Federal Reserve Bank of Richmond (attached Item) approving the designation of Russell H. Sherry as special assistant examiner.

Items 16 and 17) Letters to the Federal Reserve Bank of San Francisco (attached Items) approving the appointment of Allen F. Goodfellow and Hugh J. Maguire as examiners.

  
Secretary

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

Item No. 1  
5/21/62

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

May 21, 1962.

Board of Directors,  
First State Bank,  
Churdan, Iowa.

Gentlemen:

The Board of Governors of the Federal Reserve System approves, under the provisions of Section 24A of the Federal Reserve Act, an investment in bank premises by First State Bank of \$26,040.15, for the purpose of remodeling its bank premises.

It is understood that the remodeling program has been completed and bank premises are now carried on the books of the bank at \$25,000.

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  
5/21/62

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

May 21, 1962.



Board of Directors,  
Bank of Memphis,  
Memphis, Missouri.

Gentlemen:

The Board of Governors of the Federal Reserve System approves, under the provisions of Section 24A of the Federal Reserve Act, an investment in bank premises by Bank of Memphis, Memphis, Missouri, of \$130,000 for the purchase of land and construction of new bank premises.

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  
5/21/62

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

May 21, 1962.

Board of Directors,  
Ravalli County Bank,  
Hamilton, Montana.

Gentlemen:

The Board of Governors of the Federal Reserve System approves, under the provisions of Section 24A of the Federal Reserve Act, an investment in bank premises by Ravalli County Bank of not to exceed \$130,000, for the purpose of constructing new banking quarters, including the cost of land.

It is understood that, in accordance with approval given by the Superintendent of Banks of the State of Montana, (1) both capital stock and surplus of the bank will be increased to \$125,000, and (2) the bank's investment in fixed assets, including furniture and fixtures will at no time exceed 50 per cent of the aggregate of capital stock, surplus, and undivided profits accounts.

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  
5/21/62

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

May 21, 1962.

Board of Directors,  
First National Bank in Newton,  
Newton, Illinois.

Gentlemen:

The Board of Governors of the Federal Reserve System has given consideration to your application for fiduciary powers and grants First National Bank in Newton authority to act, when not in contravention of State or local law, as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics, or in any other fiduciary capacity in which State banks, trust companies, or other corporations which come into competition with national banks are permitted to act under the laws of the State of Illinois. The exercise of such rights 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 formal certificate indicating the fiduciary powers that your bank is now authorized to exercise will be forwarded in due course.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,  
Assistant Secretary.

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

1886

Item No. 5  
5/21/62

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

May 21, 1962.

Board of Directors,  
The First National Bank of Arvada,  
Arvada, Colorado.

Gentlemen:

The Board of Governors of the Federal Reserve System has given consideration to your application for fiduciary powers and grants The First National Bank of Arvada authority to act, when not in contravention of State or local law, as executor, administrator, and guardian of estates. The exercise of such rights 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 formal certificate indicating the fiduciary powers that your bank is now authorized to exercise will be forwarded in due course.

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. 6  
5/21/62

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

May 21, 1962.

Board of Directors,  
The Ashville Bank,  
Ashville, Ohio.

Gentlemen:

The Board of Governors has received from Mr. Paul C. Stetzelberger, Vice President of the Federal Reserve Bank of Cleveland, a letter written by Mr. C. D. Kraft, Cashier of The Ashville Bank, dated April 28, 1962, requesting retroactive approval for the declaration of a dividend of \$6,250 made in December 1961. The permission of the Board for the declaration of this dividend is necessary under the provisions of paragraph 6, Section 9 of the Federal Reserve Act and Section 5199(b), United States Revised Statutes.

It is contemplated under the statute that the Board's approval will be obtained prior to the declaration of a dividend when necessary. Prior approval cannot be given to this dividend since it was declared in December 1961. The Board, however, has given careful consideration to the facts presented in Mr. Kraft's letter and makes no objection to the declaration of this dividend.

This letter does not authorize any other declaration of dividends during 1962 or later.

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. 7  
5/21/62

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

May 21, 1962.



Board of Directors,  
Richview State Bank,  
Richview, Illinois.

Gentlemen:

The Federal Reserve Bank of St. Louis has forwarded to the Board of Governors your letter dated April 30, 1962, and a resolution of your board of directors dated April 17, 1962, signifying your intention to withdraw from membership in the Federal Reserve System and requesting waiver of the six months' notice of such withdrawal.

In accordance with your request, the Board of Governors waives the requirement of six months' notice of withdrawal. Upon surrender to the Federal Reserve Bank of St. Louis of the Federal Reserve Bank stock issued to your institution, such stock will be canceled and appropriate refund will be made thereon. Under the provisions of section 10(c) of the Board's Regulation H, your institution may accomplish termination of its membership at any time within eight months from the date the notice of intention to withdraw from membership was given.

It is requested that the certificate of membership be returned to the Federal Reserve Bank of St. Louis.

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. 8  
5/21/62

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

May 21, 1962.

Mr. L. F. Mills, Vice President,  
Federal Reserve Bank of Kansas City,  
Kansas City 6, Missouri.

Dear Mr. Mills:

This refers to your letter of May 4 inquiring whether it will be necessary for the East Side State Bank, Wichita, Kansas, again to make application to the Board, when it converts to a national bank, for permission to continue to carry the same reserves against deposits as are required to be maintained by banks located outside of central reserve and reserve cities.

It is the Board's understanding that such a conversion under section 5154 of the Revised Statutes does not destroy the identity of the bank or its corporate existence but simply results in a continuation of the same corporate entity with the same rights, powers, and privileges although under a changed jurisdiction. Since the corporate existence and the rights, powers, and privileges of the East Side State Bank will not be affected by its conversion into a national bank, the converted corporation will continue to have the permission which was previously granted to carry reduced reserves.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,  
Secretary.



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

Item No. 9  
5/21/62

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

May 21, 1962.

Board of Directors,  
The Niles Bank Company,  
Niles, Ohio.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment of a branch by The Niles Bank Company, Niles, Ohio, in a shopping center at the southwest corner of the intersection of Youngstown-Warren Road and Niles-Cortland Road, Niles, Ohio, provided the branch is established within six 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  
WASHINGTON 25, D. C.

Item No. 10  
5/21/62

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

May 21, 1962.

Board of Directors,  
Mutual Trust and Deposit Company,  
New Albany, Indiana.

Gentlemen:

The Board of Governors of the Federal Reserve System extends to July 7, 1962, the time within which Mutual Trust and Deposit Company, New Albany, Indiana, may establish a branch in the unincorporated community of Floyds Knobs, Indiana, under the authority granted in the Board's letter dated August 11, 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. 11  
5/21/62

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

May 21, 1962.

Board of Directors,  
Bank of Las Vegas,  
Las Vegas, Nevada.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment of an in-town branch by Bank of Las Vegas in the vicinity of the intersection of West Charleston Boulevard and Decatur Road, provided the branch is established within one year of the date of this letter.

It is understood that cash dividends are to be limited to \$1.25 per share for June and December 1962 and that capital stock is to be increased \$562,500 by payment of a stock dividend from surplus and undivided profits, as required by the Superintendent of Banks for the State of Nevada.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,  
Assistant Secretary.





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

1893

Item No. 12  
5/21/62

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

May 21, 1962.

Board of Directors,  
Walker Bank & Trust Company,  
Salt Lake City, Utah.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment of a branch by Walker Bank & Trust Company, Salt Lake City, Utah, at the southeast corner of the intersection of Washington and Eighth South Streets, Salt Lake City, Utah, provided the branch is established within six months from the date of this letter, and provided further that branch operations now conducted at 450 South Second West Street, Salt Lake City, are discontinued simultaneously with the establishment of the above branch.

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. 13  
5/21/62

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

May 22, 1962.

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 May 10, 1962, the Board approves the appointment of Raymond E. Talbot as an examiner for the Federal Reserve Bank of New York, effective today.

It is noted that Mr. Talbot is indebted to The Hibernia Bank, San Francisco, California, a nonmember bank located in Federal Reserve District No. 12, and that the loan is to be liquidated within the next two weeks.

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. 14  
5/21/62

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

May 21, 1962.

CONFIDENTIAL (FR)

Mr. Joseph R. Campbell, Vice President,  
Federal Reserve Bank of Philadelphia,  
Philadelphia 1, Pennsylvania.

Dear Mr. Campbell:

In accordance with the request contained in your letter of May 11, 1962, the Board approves the appointment of Barry J. Case as an assistant examiner for the Federal Reserve Bank of Philadelphia. Please advise the effective date of the appointment.

It is noted that Mr. Case's father is Director of Publicity for Fidelity-Philadelphia Trust Company, Philadelphia, Pennsylvania, a State member bank, and that you will not assign Mr. Case to participate in any examination of that bank so long as his father is connected with it in any capacity.

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. 15  
5/21/62

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

May 21, 1962.

Mr. John L. Nosker, Vice President,  
Federal Reserve Bank of Richmond,  
Richmond 13, Virginia.

Dear Mr. Nosker:

In accordance with the request contained in your letter of May 9, 1962, the Board approves the designation of Russell H. Sherry 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. 16  
5/21/62

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

May 21, 1962.



CONFIDENTIAL (FR)

Mr. H. E. Hemmings, First Vice President,  
Federal Reserve Bank of San Francisco,  
San Francisco 20, California.

Dear Mr. Hemmings:

In accordance with the request contained in your letter of May 10, 1962, the Board approves the appointment of Allen F. Goodfellow, at present an assistant examiner, as an examiner for the Federal Reserve Bank of San Francisco, effective July 1, 1962.

It is noted that Mr. Goodfellow is indebted to The Hibernia Bank, San Francisco, California, a nonmember bank. Accordingly, the Board's approval of the appointment of Mr. Goodfellow is given with the understanding that he will not participate in any examination of that bank until his indebtedness has been liquidated.

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. 17  
5/21/62

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

May 21, 1962.

Mr. H. E. Hemmings, First Vice President,  
Federal Reserve Bank of San Francisco,  
San Francisco 20, California.

Dear Mr. Hemmings:

In accordance with the request contained in your letter of May 10, 1962, the Board approves the appointment of Hugh J. Maguire, at present an assistant examiner, as an examiner for the Federal Reserve Bank of San Francisco, effective July 1, 1962.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,  
Assistant Secretary.

