

FR 609
REV. 9/61

Minutes for May 10, 1963

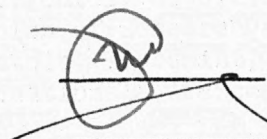
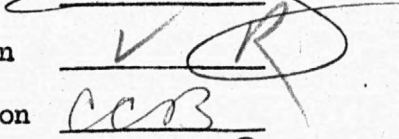
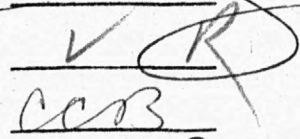
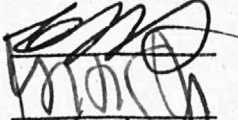
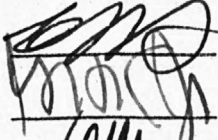
To: Members of the Board

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	<u></u>
Gov. Mills	<u></u>
Gov. Robertson	<u></u>
Gov. Balderston	<u>CCB</u>
Gov. Shepardson	<u></u>
Gov. King	<u></u>
Gov. Mitchell	<u>CM</u>

Minutes of the Board of Governors of the Federal Reserve System on Friday, May 10, 1963. The Board met in the Board Room at 10:00 a.m.

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

Mr. Sherman, Secretary
Mr. Kenyon, Assistant Secretary
Mr. Fauver, Assistant to the Board
Mr. Noyes, Director, Division of Research and Statistics
Mr. Koch, Associate Director, Division of Research and Statistics
Mr. Holland, Adviser, Division of Research and Statistics
Mr. Furth, Adviser, Division of International Finance
Mr. Hersey, Adviser, Division of International Finance
Mr. Katz, Associate Adviser, Division of International Finance
Mr. Spencer, General Assistant, Office of the Secretary
Mr. Eckert, Chief, Banking Section, Division of Research and Statistics
Mr. Yager, Chief, Government Finance Section, Division of Research and Statistics
Mr. Goldstein, Economist, Division of International Finance

Money market review. Mr. Yager presented a report on the money market, in which connection he made reference to a table that had been distributed showing monetary developments in the five weeks ended May 8, 1963. Mr. Koch then described recent developments with respect to bank credit, the money supply, and related matters, at one point referring to the turnover rates on regular deposits at mutual

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savings banks and share capital at savings and loan associations, as shown in a table that had been distributed at the beginning of the meeting. Mr. Goldstein reported on foreign exchange developments.

Following these reports, all members of the staff except Messrs. Sherman, Kenyon, Fauver, and Spencer withdrew from the meeting and the following entered the room:

Mr. Hexter, Assistant General Counsel
Mr. Leavitt, Assistant Director, Division of Examinations
Mr. Poundstone, Review Examiner, Division of Examinations

Discount rates. The establishment without change by the Federal Reserve Banks of Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, and Dallas on May 9, 1963, 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.

Circulated item. The following item, a copy of which is attached to these minutes as Item No. 1, was approved unanimously:

Letter to International Bank of Commerce, Seattle, Washington, approving an amendment to its articles of association and transmitting a final permit to commence business.

Mr. Poundstone withdrew from the meeting at this point.

Report on competitive factors (Glens Falls-Hudson Falls, New York).

There had been distributed a draft of report to the Comptroller of the Currency on the competitive factors involved in the proposed consolidation of The First National Bank of Hudson Falls, Hudson Falls, New York, and The First National Bank of Glens Falls, Glens Falls, New York.

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A change in the wording of the conclusion having been agreed upon, the report was approved unanimously for transmittal to the Comptroller in a form containing the following conclusion:

The proposed consolidation would eliminate the substantial amount of competition between the applicant banks and reduce the alternative banking sources in the greater Glens Falls area from three banks to two banks. The proposal would further increase the concentration of banking resources in the Glens Falls area with strongly adverse competitive effects.

Report on competitive factors (Smethport-Kane, Pennsylvania).

There had been distributed a draft of report to the Federal Deposit Insurance Corporation on the competitive factors involved in the proposed purchase of assets and assumption of liabilities of Kane Bank and Trust Company, Kane, Pennsylvania, by Hamlin Bank and Trust Company, Smethport, Pennsylvania.

After discussion the report, in which the conclusion read as follows, was approved unanimously for transmittal to the Corporation:

The proposed purchase of assets and assumption of liabilities of Kane Bank and Trust Company, Kane, Pennsylvania, by Hamlin Bank and Trust Company, Smethport, Pennsylvania, would not have adverse effects on other banks in McKean County. While the proposal would eliminate the nominal amount of competition existing between the participants, it might stimulate competition between the continuing bank and the much larger Warren County bank which operates a branch in Kane.

The meeting then adjourned.

Secretary's Notes: The requirements contemplated by the Board's action on April 24, 1963, in approving the issuance of a preliminary permit to Manufacturers-Detroit International Corporation, Detroit, Michigan, having been completed, a letter was sent to that corporation on May 10, 1963, transmitting a final permit to commence business.

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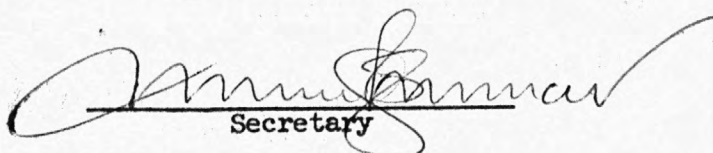
Pursuant to recommendations contained in memoranda from appropriate individuals concerned, Governor Shepardson today approved on behalf of the Board the following actions relating to the Board's staff:

Appointments, effective date of entrance upon duty

<u>Name and title</u>	<u>Division</u>	<u>Basic annual salary</u>
<u>Office of the Secretary</u>		
Frances K. Reames, Records Clerk		\$4,530
<u>Research and Statistics</u>		
Peter Berman, Summer Research Assistant		5,540
Eleanor Sue Goetz, Economist		6,675
Mary Frances Green, Statistical Clerk		4,390
William N. Huff, Economist		6,675
Judith E. Locknane, Clerk		4,250
<u>Personnel Administration</u>		
Phyllis Ann Carson, Clerk-Stenographer		4,110
Carmen H. Feliciano, Clerk-Stenographer		4,110
Dorothy Ann Gheen, Clerk-Stenographer		4,030
<u>Administrative Services</u>		
Allen E. Simmons, Messenger		3,245

Salary increase

Louis Zeller, from \$5,725 to \$6,675 per annum, with a change in title from Research Assistant (Data Processing) to Digital Computer Programmer, Division of Data Processing, effective May 12, 1963.


Secretary

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

Item No. 1
5/10/63

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

May 10, 1963



International Bank of Commerce,
1100 Second Avenue,
Seattle, Washington.

Gentlemen:

The Board of Governors has received a certificate of the President, Secretary, and three directors of Commerce International Banking Corporation, dated April 5, 1963, certifying the information required by Section 211.3(c) of Regulation K as prerequisite to the issuance of a final permit to commence business.

As requested in your letter of April 8, 1963, and pursuant to Section 211.3(d) of Regulation K, the Board of Governors approves the amendment to Article First of the Articles of Association of the Corporation, which changes the name of the Corporation to "International Bank of Commerce."

There is enclosed herewith a final permit of the Board of Governors granting to International Bank of Commerce authority to commence business as a corporation organized under the provisions of Section 25(a) of the Federal Reserve Act.

Please advise the Board of Governors, through the Federal Reserve Bank of San Francisco, when the Corporation commences business.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

Enclosure

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

May 10, 1963

Permit to Begin Business

WHEREAS, the Board of Governors of the Federal Reserve System on the twenty-eighth day of February, Nineteen Hundred and Sixty Three, approved the Articles of Association and Organization Certificate of International Bank of Commerce in accordance with the terms of Section 25(a) of the Federal Reserve Act; and

WHEREAS, by satisfactory evidence presented to the Board of Governors of the Federal Reserve System, it appears that International Bank of Commerce has complied with all of the provisions of the statutes of the United States required to be complied with before a corporation shall be authorized to commence business as a corporation organized under Section 25(a) of the Federal Reserve Act;

NOW, THEREFORE, it is hereby certified that International Bank of Commerce is authorized to commence business as a corporation organized and operating under the provisions of Section 25(a) of the Federal Reserve Act and the regulations of the Board of Governors of the Federal Reserve System issued in accordance therewith.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the Board of Governors of the Federal Reserve System to be affixed on the day and year first above written.

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

(SEAL)