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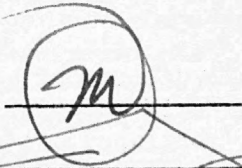
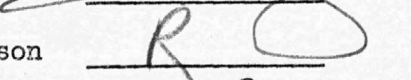
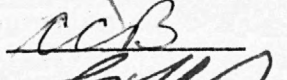

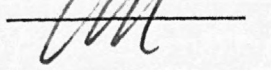

Minutes for October 31, 1963

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></u>
Gov. Shepardson	<u></u>
Gov. Mitchell	<u></u>

Minutes of the Board of Governors of the Federal Reserve System  
on Thursday, October 31, 1963. The Board met in the Board Room at 10:00 a.m.

PRESENT: Mr. Balderston, Vice Chairman  
Mr. Mills  
Mr. Shepardson  
Mr. Mitchell

Mr. Sherman, Secretary  
Mr. Kenyon, Assistant Secretary  
Mr. Fauver, Assistant to the Board  
Mr. Hackley, General Counsel  
Mr. Solomon, Director, Division of  
Examinations  
Mr. Goodman, Assistant Director, Division  
of Examinations  
Mr. Leavitt, Assistant Director, Division of  
Examinations  
Mr. Mattras, General Assistant, Office of the  
Secretary

Circulated items. The following items, copies of which are  
attached to these minutes under the respective item numbers indicated,  
were approved unanimously:

	<u>Item No.</u>
Letter to Security Trust Company of Rochester, Rochester, New York, granting an extension of time to establish a branch at 293 East Main Street.	1
Letter to the Federal Reserve Bank of Chicago waiving the assessment of a penalty incurred by First National Bank of Appleton, Appleton, Wis- consin, because of a deficiency in its required reserves.	2
Letter to Manufacturers-Detroit International Corporation, Detroit, Michigan, approving an amendment to the corporation's Articles of Association.	3

Report on competitive factors (Hancock-South Range, Michigan).

A report to the Comptroller of the Currency on the competitive factors

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involved in the proposed consolidation of The South Range State Bank, South Range, Michigan, with The Superior National Bank and Trust Company of Hancock, Hancock, Michigan, was approved unanimously for transmittal to the Comptroller. The conclusion read as follows:

There is some direct competition between The South Range State Bank and The Superior National Bank and Trust Company of Hancock which would be eliminated by the proposed consolidation. There is no indication that other area banks would be harmed by the consolidation.

Report on competitive factors (Columbus-Westerville, Ohio).

There had been distributed a draft of report to the Comptroller of the Currency on the competitive factors involved in the proposed merger of The Citizens Bank, Westerville, Ohio, into The City National Bank & Trust Company of Columbus, Columbus, Ohio.

After discussion, the report was approved unanimously for transmission to the Comptroller with the understanding that the conclusion would be revised to read as follows:

The proposed merger of City National Bank & Trust Company of Columbus and The Citizens Bank, Westerville, would increase the concentration of banking resources in Franklin County in three large banks. It would eliminate competition in the area served by Citizens Bank, but would not have adverse effects on other banks operating in the service area of the resulting institution.

Report on competitive factors (Seattle-Bellingham, Washington).

A report to the Comptroller of the Currency on the competitive factors involved in the proposed merger of The Bellingham National Bank, Bellingham, Washington, into Peoples National Bank of Washington in

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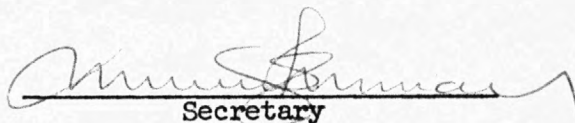
Seattle, Seattle, Washington, was approved unanimously for transmittal to the Comptroller. The conclusion read as follows:

Due to the distance between the offices of Peoples National Bank of Washington in Seattle and The Bellingham National Bank, there appears to be very little, if any, competition existing between the two banks. It is believed that the proposed merger will not have serious adverse competitive effects on other banks operating in the service area of the resulting institution.

The meeting then adjourned.

Secretary's Notes: A letter was sent today to Chase Manhattan Overseas Banking Corporation, New York, New York, acknowledging receipt of advice that Banco Lar Brasileiro S. A., Rio de Janeiro, Brazil, proposed to move its Sao Paulo quarters from the present location at Rua Alvares Penteado No. 143 to the new office building now being completed by the bank and located next door at Rua Alvares Penteado No. 131 and Rua da Quitanda No. 78, Sao Paulo.

Governor Shepardson today approved on behalf of the Board the request contained in a memorandum from the Division of Research and Statistics dated October 24, 1963, for authorization to contract with the Economic Research Institute of Drew University for a banking market study, to begin upon Board approval and be completed in the first quarter of 1964 at a cost of \$3,000. It was understood that provision for the cost of this contract would be made in the 1964 budget of the Division.

  
Secretary

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

Item No. 1  
10/31/63

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

October 31, 1963



Board of Directors,  
Security Trust Company of Rochester,  
Rochester, New York.

Gentlemen:

The Board of Governors of the Federal Reserve System extends to May 18, 1964, the time within which Security Trust Company of Rochester may establish a branch at 293 East Main Street, Rochester, 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.

3726  
Item No. 2  
10/31/63



ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

October 31, 1963

Mr. Laurence H. Jones, Vice President  
and Cashier,  
Federal Reserve Bank of Chicago,  
Chicago, Illinois. 60690

Dear Mr. Jones:

This refers to your letter of October 22, 1963, regarding a penalty of \$196.19 incurred by the First National Bank of Appleton, Appleton, Wisconsin, on a deficiency of 2.2 per cent in its required reserves for the biweekly computation period ended September 4, 1963.

It is noted that the deficiency could be waived by your Bank under Paragraph E of the Board's instructions were it not for a penalty that resulted from an error by the Reserve Bank, which was waived under this provision less than two years ago. In the circumstances, the Board concurs in your recommendation and authorizes your Bank to waive the assessment of the penalty of \$196.19 for the period ending September 4, 1963.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,  
Secretary.

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Item No. 3  
10/31/63

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



ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

October 31, 1963

Mr. Otto A. Lill, Secretary,  
Manufacturers-Detroit International Corporation,  
151 West Fort Street,  
Detroit, Michigan 48226.

Dear Mr. Lill:

This refers to your letter of October 4, 1963, to Vice President Ross of the Federal Reserve Bank of Chicago, and a certificate signed under date of October 3, 1963, on behalf of Manufacturers National Bank of Detroit, sole stockholder of your Corporation, consenting to the amendment of Article Second of the Articles of Association of your Corporation to read as follows:

"SECOND. This corporation is being organized for the purpose of engaging in international or foreign banking and international or foreign financial operations within the limitations prescribed in section 25(a) of the Federal Reserve Act and regulations thereunder, either directly or through the agency, ownership, or control of local institutions in foreign countries or in dependencies or insular possessions of the United States."

In accordance with your request, and pursuant to the provisions of Section 211.3(a) of Regulation K, the Board of Governors approves the amendment to your Articles of Association.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,  
Assistant Secretary.