

509
9/63

Minutes for March 4, 1964

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. Mitchell

Gov. Daane

The image shows handwritten initials and signatures on horizontal lines next to the names of the Board members. From top to bottom: a circled 'M' above a line; a large scribble above a line; an arrow pointing to a line; the initials 'CSB' above a line; the initials 'MS' above a line; the initials 'JM' above a line; and the initials 'DA' above a line.

Minutes of the Board of Governors of the Federal Reserve System on Wednesday, March 4, 1964. 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. Young, Adviser to the Board and Director,
 Division of International Finance
 Mr. Hackley, General Counsel
 Mr. Solomon, Director, Division of
 Examinations
 Mr. Shay, Assistant General Counsel
 Mr. Sammons, Adviser, Division of
 International Finance
 Mr. Leavitt, Assistant Director,
 Division of Examinations
 Mr. Thompson, Assistant Director,
 Division of Examinations
 Mr. Spencer, General Assistant, Office
 of the Secretary
 Mr. McClintock, Supervisory Review Examiner,
 Division of Examinations

Discount rates. The establishment without change by the Federal Reserve Bank of Boston on March 2, 1964, of the rates on discounts and advances in its existing schedule was approved unanimously, with the understanding that appropriate advice would be sent to that Bank.

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

Item No.

Letter to The Chase Manhattan Bank, New York, New York, approving the establishment of a branch at 500 Gramatan Avenue, Mount Vernon.

1

3/4/64

-2-

	<u>Item No.</u>
Letter to Girard Trust Corn Exchange Bank, Philadelphia, Pennsylvania, approving the establishment of a branch at 9218 Frankford Avenue.	2
Letter to Wells Fargo Bank, San Francisco, California, approving the establishment of a branch in the vicinity of Freeport Boulevard and Fruitridge Road, Sacramento.	3
Memorandum from Mr. Sammons, Adviser, Division of International Finance, dated February 24, 1964, regarding proposed foreign travel by Helen B. Junz, Economist in that Division.	4
Letter to Quinter Insurance Service, Inc., Quinter, Kansas, exempting it from all holding company affiliate requirements except those contained in section 23A of the Federal Reserve Act.	5
Letter to International Banking Corporation, New York, New York, granting consent to the purchase by The Bank of Monrovia, Monrovia, Liberia, of capital stock of the Liberian Bank for Industrial Development and Investment, Monrovia.	6

Messrs. Young and Sammons then withdrew from the meeting.

Report on competitive factors (Norfolk-Danville, Virginia).

There was approved unanimously for transmittal to the Comptroller of the Currency a report on the competitive factors involved in the proposed merger of Southern Bank of Commerce, Danville, Virginia, into Virginia National Bank, Norfolk, Virginia. The conclusion read as follows:

There is no effective competition between Virginia National Bank and Southern Bank of Commerce. While the proposed merger would not add appreciably to the over-all resources of Virginia National, it would expand its geographical coverage to the southern section of the State and further concentrate banking resources in Virginia. Consummation of the proposal would also expose the remaining banks in the Danville and Martinsville areas to the competitive capabilities of a much larger institution.

3/4/64

-3-

Requests for section 301 determinations (Item No. 7). There had been distributed a memorandum from the Division of Examinations dated February 27, 1964, regarding requests of Beaver Securities Co., Inc., New York, New York, Exchange Place Corporation, New York, New York, and Swiss-Israel Trade Bank, Geneva, Switzerland, for determinations exempting them from all holding company affiliate requirements except those contained in section 23A of the Federal Reserve Act. Attached to the memorandum was a draft of letter that would grant the requested determinations.

The memorandum pointed out that Beaver Securities Co. owned a majority of the outstanding shares of the capital stock of American Trust Company, New York, New York, and it appeared that the company's only activity consisted of holding such shares. Exchange Place Corporation and Swiss-Israel Trade Bank were also holding company affiliates by reason of the fact that all of the outstanding stock of Beaver Securities Co. was owned by Exchange Place Corporation which, in turn, was majority owned by Swiss-Israel Trade Bank; such organizations did not, directly or indirectly, own or control any stock of, or manage or control, any other banking institution in the United States.

Governor Robertson stated that he wished to abstain from voting on this matter. The only activity engaged in by Beaver Securities Co. consisted of holding shares of American Trust Company.

The letter to Beaver Securities Co., Inc., Exchange Place Corporation, and Swiss-Israel Trade Bank was then approved, Governor

3/4/64

-4-

Robertson abstaining. A copy of the letter is attached as Item No. 7.

The meeting then adjourned.

Secretary's Note: On March 3, 1964, Governor Shepardson approved on behalf of the Board the following items:

Letter to the Federal Reserve Bank of New York (attached Item No. 8) approving the appointment of Arthur L. Castro and Liston M. Grider as assistant examiners.

Memoranda from appropriate individuals concerned recommending the following actions relating to the Board's staff:

Appointment

William Poole as Economist (Summer) in the Division of International Finance, with basic annual salary at the rate of \$8,410, effective the date of entrance upon duty.

Salary increase

Frank Miller, Operator, Tabulating Equipment (Trainee), Division of Data Processing, from \$4,090 to \$4,355 per annum, with deletion of the word "Trainee" from the title of his position, effective March 15, 1964.

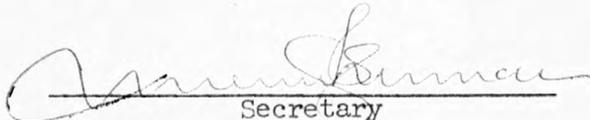
Leave without pay

Mary F. Weaver, Statistical Assistant, Division of Research and Statistics, for one month beginning March 1, 1964.

Acceptance of resignations

James E. Caldwell, Messenger, Board Members' Offices, effective at the close of business February 28, 1964.

Edwin J. Swindler, Economist, Division of Research and Statistics, effective at the close of business March 7, 1964.


Secretary

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

Item No. 1
3/4/64

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

March 4, 1964.

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

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment of a branch at 500 Gramatan Avenue, Mount Vernon, Westchester County, New York, by The Chase Manhattan Bank, provided the branch is established within one year from the date of this letter.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.

(The letter to the Reserve Bank stated that the Board also had approved a six-month extension of the period allowed to establish the branch; and that if an extension should be requested, the procedure prescribed in the Board's letter of November 9, 1962 (S-1846), should be followed.)



Item No. 2
3/4/64

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

March 4, 1964.

Board of Directors,
Girard Trust Corn Exchange Bank,
Philadelphia, Pennsylvania.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment of a branch by Girard Trust Corn Exchange Bank, Philadelphia, Pennsylvania, at 9218 Frankford Avenue, Philadelphia, Pennsylvania, provided the branch is established within one year from the date of this letter.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.

(The letter to the Reserve Bank stated that the Board also had approved a six-month extension of the period allowed to establish the branch; and that if an extension should be requested, the procedure prescribed in the Board's letter of November 9, 1962 (S-1846), should be followed.)

3/4/64



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

March 4, 1964.

Board of Directors,
Wells Fargo Bank,
San Francisco, California.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment of a branch by Wells Fargo Bank, San Francisco, California, in the vicinity of the intersection of Freeport Boulevard and Fruitridge Road, Sacramento, California, provided the branch is established within one year from the date of this letter.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.

(The letter to the Reserve Bank stated that the Board also had approved a six-month extension of the period allowed to establish the branch; and that if an extension should be requested, the procedure prescribed in the Board's letter of November 9, 1962 (S-1846), should be followed.)

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Item No. ⁷¹¹ 4
3/4/64

Office Correspondence

Date February 24, 1964.

To Board of Governors

Subject: Foreign travel:

From Robert L. Sammons

Mrs. Helen B. Junz.

Mrs. Junz will be going to Europe this summer to spend her holiday with her family. It seems to me highly desirable that we take advantage of her presence in Europe to allow her to visit the central banks of the countries for which she is responsible.

Consequently, I recommend that Mrs. Junz be authorized to engage in official travel in Europe for three weeks from June 29 through July 17. During this period, it is proposed that Mrs. Junz be on per diem in accordance with Standardized Government Travel Regulations and that her transportation expenses be paid from Amsterdam, where she will be vacationing, to Frankfurt, Bonn, Brussels, The Hague and return to Amsterdam. Mrs. Junz will pay her own transportation to and from Europe.

rls

Item No. 5
3/4/64

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

March 4, 1964.

Mr. R. W. Bugbee, President,
Quinter Insurance Service, Inc.,
Quinter, Kansas.

Dear Mr. Bugbee:

This refers to the request contained in a letter dated February 15, 1964, submitted through the Federal Reserve Bank of Kansas City, for a determination by the Board of Governors of the Federal Reserve System as to the status of Quinter Insurance Service, Inc., as a holding company affiliate.

From the information presented, the Board understands that Quinter Insurance Service, Inc., is actively engaged in the insurance business; that it is a holding company affiliate by reason of the fact that it owns or controls 292 shares (58.4 per cent) of the 500 outstanding shares of stock of The First National Bank of Quinter, Quinter, Kansas; and that it does not, directly or indirectly, own or control any stock of, or manage or control, any other banking institution.

In view of these facts, the Board has determined that Quinter Insurance Service, Inc., is not engaged, directly or indirectly, as a business in holding the stock of, or managing or controlling, banks, banking associations, savings banks, or trust companies within the meaning of Section 2(c) of the Banking Act of 1933 (12 U.S.C. 221a); and, accordingly, it is not deemed to be a holding company affiliate except for the purposes of Section 23A of the Federal Reserve Act and does not need a voting permit from the Board of Governors in order to vote the bank stock which it owns or controls.

Mr. R. W. Bugbee

-2-

If, however, the facts should at any time indicate that Quinter Insurance Service, Inc., might be deemed to be so engaged, this matter should again be submitted to the Board. The Board reserves the right to rescind this determination and make further determination of this matter at any time on the basis of the then existing facts, including additional acquisitions of bank stocks even though not constituting control.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.

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

Item No. 6
3/4/64



ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

March 4, 1964.

International Banking Corporation,
399 Park Avenue,
New York 22, New York.

Gentlemen:

Reference is made to your letter of February 7, 1964, transmitted through the Federal Reserve Bank of New York, requesting permission to continue to hold the shares of The Bank of Monrovia, Monrovia, Liberia, subsequent to that Bank's purchase of \$120,000 of the capital stock of the Liberian Bank for Industrial Development and Investment, Monrovia, Liberia.

The Board of Governors grants consent for The Bank of Monrovia to purchase \$120,000 of the capital stock of the Liberian Bank for Industrial Development and Investment, Monrovia, Liberia, provided such shares are acquired within one year from the date of this letter. The Board's consent is given pursuant to the requirement therefor in the outstanding agreement between IBC and the Board of Governors under the provisions of Section 25 of the Federal Reserve Act.

Very truly yours,

Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Item No. 7
3/4/64

WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD



March 4, 1964.

Mr. Saul Kagan, Chairman of the Board,
Beaver Securities Co., Inc.,
20 Exchange Place,
New York 5, New York.

Mr. Saul Kagan, President,
Exchange Place Corporation,
20 Exchange Place,
New York 5, New York.

Mr. Saul Kagan, Authorized Representative,
Swiss-Israel Trade Bank,
20 Exchange Place,
New York 5, New York.

Dear Mr. Kagan:

This refers to the requests contained in a letter dated February 14, 1964, submitted through the Federal Reserve Bank of New York, for determinations by the Board of Governors of the Federal Reserve System as to the status of Beaver Securities Co., Inc., Exchange Place Corporation, and Swiss-Israel Trade Bank (also known as Banque Pour Le Commerce Suisse-Israelien) as holding company affiliates, and an extension of time to comply with section 216.3(a) of Regulation P.

From information presented, the Board understands that the only activity of Beaver Securities Co., Inc., is holding stock of the American Trust Company, New York, New York; that Exchange Place Corporation specializes in short-term loans primarily secured by real estate and in the purchase and sale of foreign notes; and Swiss-Israel Trade Bank, with its principal office in Geneva, Switzerland, and branches in Zurich, Switzerland, and in London and Manchester, Great Britain, is engaged in the general banking business; that Beaver Securities Co., Inc. is a holding company affiliate by reason of the fact that it owns 95.58 per cent of the outstanding stock of American Trust Company; that Exchange Place Corporation and Swiss-Israel Trade Bank are also holding company affiliates by reason of the fact that all of the outstanding stock of Beaver Securities Co., Inc. is owned by Exchange Place Corporation which, in turn, is majority owned by Swiss-Israel Trade Bank; and that such corporations do not, directly or indirectly, own or control any stock of, or manage or control, any other banking institution in the United States.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Mr. Saul Kagan

-2-

In view of these facts, the Board has determined that Beaver Securities Co., Inc., Exchange Place Corporation, and Swiss-Israel Trade Bank are not engaged, directly or indirectly, as a business in holding the stock of, or managing or controlling banks, banking associations, savings banks, or trust companies within the meaning of section 2(c) of the Banking Act of 1933 (12 U.S.C. 221a); and, accordingly, are not deemed to be holding company affiliates except for the purposes of Section 23A of the Federal Reserve Act and will not need voting permits from the Board of Governors in order to vote the bank stock which they own or control.

If, however, the facts should at any time indicate that Beaver Securities Co., Inc., Exchange Place Corporation, and Swiss-Israel Trade Bank might be deemed to be so engaged, this matter should again be submitted to the Board. The Board reserves the right to rescind these determinations and make further determinations of this matter at any time on the basis of the then existing facts, including additional acquisitions of stock of banks in the United States even though not constituting control.

These determinations by the Board of Governors eliminate the necessity for compliance with Section 216.3(a) of Regulation P, and, therefore, make unnecessary the extension of time requested.

Very truly yours,

Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

717
Item No. 8
3/4/64

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

March 4, 1964.

Confidential (FR)

Mr. Howard D. Crosse, Vice President,
Federal Reserve Bank of New York,
New York, New York 10045.

Dear Mr. Crosse:

In accordance with the request contained in your letter of February 27, 1964, the Board approves the appointments of Arthur L. Castro and Liston M. Grider as assistant examiners for the Federal Reserve Bank of New York. Please advise the effective dates of the appointments.

It is noted that Mr. Castro is indebted to Chase Manhattan Bank, New York, New York, a State member bank, and to Richmond County Savings Bank, Staten Island, New York, a nonmember bank. Accordingly, the Board's approval of the appointment of Mr. Castro is given with the understanding that he will not participate in any examination of either bank to which his indebtedness remains unliquidated.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.