

Minutes for April 20, 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.

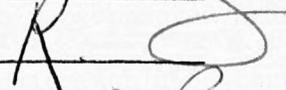
Chm. Martin

  
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Gov. Mills

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Gov. Robertson

  
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Gov. Balderston

  
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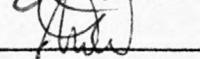
Gov. Shepardson

  
\_\_\_\_\_

Gov. Mitchell

  
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Gov. Daane

  
\_\_\_\_\_

Minutes of the Board of Governors of the Federal Reserve System  
on Monday, April 20, 1964. The Board met in the Board Room at 10:00 a.m.

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

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  
Mr. Hricko, Senior Attorney, Legal Division  
Mr. Egertson, Supervisory Review Examiner,  
Division of Examinations

Ratification of actions. Actions taken by the available members  
of the Board at a meeting held on Friday, April 17, 1964, as recorded  
in the minutes of that meeting, were ratified by unanimous vote.

Discount rates. The establishment without change by the Federal  
Reserve Bank of Atlanta on April 17, 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:

4/20/64

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Item No.

Letter to United California Bank, Los Angeles, California, approving an extension of time to establish a branch in Downey. 1

Letter to Bank of Arkansas, Little Rock, Arkansas, approving the establishment of a branch (teller's window) at 4306 Asher Avenue in connection with the removal of its head office from that address to 400 Center Street; and granting permission under condition of membership No. 1 for certain contemplated expanded operations. 2

Letter to Granite National Bank, Salt Lake City, Utah, granting its request for permission to maintain reduced reserves. 3

Letter to the Federal Reserve Bank of Chicago informing it of the assignment of a Federal radio transmitting frequency for selective tone signalling and one-way voice communications to certain personnel on the head office premises. 4

Report on competitive factors (Lumberton-Rowland, North Carolina).

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 Bank of Rowland, Rowland, North Carolina, into Southern National Bank of North Carolina, Lumberton, North Carolina.

Governor Robertson suggested that there be substituted for the conclusion of the draft report the two concluding paragraphs of the Richmond Reserve Bank's memorandum on the proposed merger. It was his feeling that this would provide a more accurate reflection of the competitive picture.

4/20/64

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During discussion that followed the substitution suggested by Governor Robertson was agreed upon, with the understanding, however, there would be several minor changes in wording. The report was then approved unanimously for transmittal to the Comptroller in a form containing the following conclusion:

The proposed merger will give the resulting bank a sizable portion of the commercial banking business in Robeson County. Nevertheless, it will continue to face competition within the county from the State's third largest banking institution, with more than two-fifths of the county's aggregate deposits, which position will be retained. In its other service areas competition will likewise be encountered from banks substantially larger than itself including the State's fourth and sixth largest banks.

As the merging bank confines its services primarily to its immediate community, it is believed the proposed merger would eliminate a small amount of competition. The resulting bank would bring new banking services to the Rowland area without significantly altering the present competitive situation.

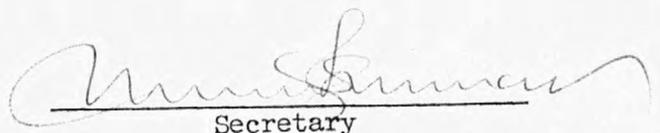
The meeting then adjourned.

Secretary's Notes: A letter was sent today to Bank of America National Trust and Savings Association, San Francisco, California, acknowledging receipt of notice of its intent to establish a branch in Rotterdam, The Netherlands.

Governor Shepardson today approved on behalf of the Board the following items:

Letter to the Federal Reserve Bank of Cleveland (attached Item No. 5) approving the designation of Edward W. Mohr as special assistant examiner.

Memorandum from the Division of Data Processing dated April 13, 1964, recommending the appointment of Clifford Hildreth, Professor of Economics, Michigan State University, as Consultant in that Division effective to December 31, 1964, with compensation at the rate of \$75 per day and allowances for necessary travel in accordance with the Board's travel regulations. Approval of this appointment constituted approval of the resulting overexpenditure in the pertinent account of the 1964 budget of the Division of Data Processing.



Secretary



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

1362  
Item No. 1  
4/20/64

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

April 20, 1964.

Board of Directors,  
United California Bank,  
Los Angeles, California.

Gentlemen:

The Board of Governors of the Federal Reserve System extends to July 1, 1964, the time within which United California Bank may establish a branch in the downtown business district of the city of Downey, Los Angeles County, California.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,  
Assistant Secretary.

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

Item No. 2

4/20/64

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

April 21, 1964.



Board of Directors,  
Bank of Arkansas,  
Little Rock, Arkansas.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment of an in-town branch (tellers window) by Bank of Arkansas at 4306 Asher Avenue, in connection with the removal of its head office from that address to 400 Center Street, Little Rock, Arkansas, provided the branch is established within one year from the date of this letter.

It is understood that the State Bank Commissioner has given his approval to this proposal, subject to the following requirements.

1. That capital structure of the bank be increased not less than \$1 million by the sale of new capital stock, including an increase in capital stock from \$200,000 to \$600,000;
2. That the amount to be invested in fixed assets, which includes bank premises and furniture and fixtures, shall not exceed 40 per cent of total capital structure. In the event that the aggregate does exceed this amount, then additional stock will be sold.

The Board also grants permission under condition of membership numbered 1 for the contemplated expanded operations involving more extensive competition in the commercial credit field, and in acting as correspondent for country banks, provided executive management is suitably supplemented on or before the opening of the branch.

(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.)

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,  
Assistant Secretary.

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

Item No. 3  
4/20/64

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

April 20, 1964.



Board of Directors,  
Granite National Bank,  
Salt Lake City, Utah.

Gentlemen:

With reference to your request submitted through the Federal Reserve Bank of San Francisco, the Board of Governors, acting under the provisions of Section 19 of the Federal Reserve Act, grants permission to the Granite National Bank to maintain the same reserves against deposits as are required to be maintained by nonreserve city banks, effective April 30, 1964, the first biweekly reserve computation period beginning after the date of this letter.

Your attention is called to the fact that such permission is subject to revocation by the Board of Governors.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,  
Secretary.

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

Item No. 4  
4/20/64

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

April 20, 1964.

Mr. C. J. Scanlon, President,  
Federal Reserve Bank of Chicago,  
Chicago, Illinois 60690.

Dear Mr. Scanlon:

This refers to the several exchanges between your Bank and Mr. Massey of the Board's staff, particularly Mr. Larson's letter of March 12, in the matter of obtaining a Federal radio transmitting frequency for selective tone signalling and one-way voice communications to emergency, maintenance, and security personnel on the Head Office premises.

Enclosed is a copy of a letter dated April 13, 1964, from Mr. D. C. Spitz, Assistant Chief, Telecommunications Liaison Staff, United States Coast Guard, indicating assignment by the Interdepartment Radio Advisory Committee of a Federal radio transmitting frequency to the Federal Reserve System for use by your Bank. This will be your authority to use the radio frequency as set out and according to the particulars in that letter.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,  
Assistant Secretary.

Enclosure.

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BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

Item No. 5  
4/20/64

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

April 20, 1964.

Mr. Paul C. Stetzelberger, Vice President,  
Federal Reserve Bank of Cleveland,  
Cleveland, Ohio. 44101

Dear Mr. Stetzelberger:

In accordance with the request contained in your letter of April 14, 1964, the Board approves the designation of Edward W. Mohr as a Special Assistant Examiner for the Federal Reserve Bank of Cleveland for the purpose of participating in examinations of State member banks except The Central Trust Company, Cincinnati, Ohio.

The authorization heretofore given your Bank to designate Mr. Mohr as a Special Assistant Examiner is hereby cancelled.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,  
Assistant Secretary.

