

Minutes for May 22, 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

RM

Gov. Mills

[Signature]

Gov. Robertson

[Signature]

Gov. Balderston

CCB

Gov. Shepardson

LSMS

Gov. Mitchell

[Signature]

Gov. Daane

[Signature]

Minutes of the Board of Governors of the Federal Reserve System
on Friday, May 22, 1964. 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. Broida, Assistant Secretary
Mr. Young, Adviser to the Board and Director,
Division of International Finance
Mr. Noyes, Adviser to the Board
Mr. Cardon, Legislative Counsel
Mr. Fauver, Assistant to the Board
Mr. Brill, Director, Division of Research and
Statistics
Mr. Holland, Associate Director, Division of
Research and Statistics
Mr. Koch, Associate Director, Division of
Research and Statistics
Mr. Williams, Adviser, Division of Research
and Statistics
Mr. Furth, Adviser, Division of International
Finance
Mr. Sammons, Adviser, Division of International
Finance
Mr. Katz, Associate Adviser, Division of Inter-
national Finance
Mr. Axilrod, Chief, Government Finance Section,
Division of Research and Statistics
Mr. Eckert, Chief, Banking Section, Division of
Research and Statistics
Mr. Keir, Chief, Capital Markets Section,
Division of Research and Statistics
Mr. Baker, Economist, Division of International
Finance

Money market review. Mr. Axilrod reviewed developments in the
Government securities market; Mr. Eckert summarized banking and monetary
developments and commented on a distributed table showing net changes in
Federal Reserve notes in circulation, by denominations and Federal Reserve

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Districts, from April 1961 through April 1964; and Mr. Baker discussed foreign exchange market developments.

Following discussion based on these reports, all members of the staff who had been present except Messrs. Sherman, Kenyon, and Fauver withdrew from the meeting and the following entered the room:

Mr. Hackley, General Counsel
Mr. Solomon, Director, Division of Examinations
Mr. O'Connell, Assistant General Counsel
Mr. Shay, Assistant General Counsel
Mr. Leavitt, Assistant Director, Division of Examinations
Mr. Thompson, Assistant Director, Division of Examinations
Mr. Egertson, Supervisory Review Examiner, Division of Examinations

Discount rates. The establishment without change by the Federal Reserve Banks of New York, Philadelphia, Chicago, Minneapolis, and San Francisco on May 21, 1964, 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.

Report on competitive factors (North Wilkesboro-Rutherfordton, North Carolina). A report to the Federal Deposit Insurance Corporation on the competitive factors involved in the proposed merger of Security Bank and Trust Company, Rutherfordton, North Carolina, into The Northwestern Bank, North Wilkesboro, North Carolina, was approved unanimously for transmittal to the Corporation. The conclusion read as follows:

The Northwestern Bank, North Wilkesboro, and Security Bank and Trust Company, Rutherfordton, serve different areas and there is virtually no competition between them. While the proposed merger would not significantly alter Northwestern's competitive

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capabilities in the areas in which it currently operates nor alter its position in relation to other banks in State, it would expand its geographical coverage into another county and expose the banks in Rutherford County and the surrounding area to the competitive capabilities of a much larger bank.

The proposed transaction constitutes a further step in North Carolina toward the grouping of commercial banks into large single units and a consequent decline of locally headquartered banking outlets.

Extension of time to open bank (Item No. 1). Unanimous approval was given to the issuance of an order (copy attached as Item No. 1) extending to September 15, 1964, the time available to The Atlantic National Bank of Jacksonville and Atlantic Trust Company, both of Jacksonville, Florida, to open for business the Westside Atlantic Bank of Daytona Beach (formerly described as Daytona Atlantic Bank), Daytona Beach, Florida, shares of which they had been permitted to acquire pursuant to the Board's order of December 19, 1963.

The meeting then adjourned

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

Letter to the Federal Reserve Bank of Kansas City (attached Item No. 2) approving the appointment of Richard Dan Cornelison as assistant examiner.

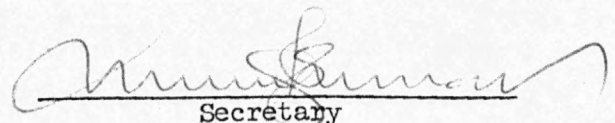
Memorandum from the Division of Research and Statistics dated May 14, 1964, requesting authorization to fill temporarily an Economist position vacancy in the Flow of Funds Section in that Division.

Memoranda from appropriate individuals concerned recommending increases in the basic annual salaries of the following persons on the Board's staff, effective May 24, 1964:

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<u>Name and title</u>	<u>Division</u>	<u>Basic annual salary</u>	
		<u>From</u>	<u>To</u>
<u>Office of the Secretary</u>			
Betty J. Abbott, Records Clerk		\$ 4,635	\$ 4,775
Ruth W. Franta, Supervisor, Minutes Indexing and Reference Unit		6,965	7,160
Roberta M. O'Rourke, Secretary		5,585	5,760
Mary William Wahle, Records Clerk		4,495	4,635
<u>Legal</u>			
Walter H. Young, Senior Attorney		16,315	16,765
<u>Research and Statistics</u>			
Charles W. Bryson, Economist		7,490	7,720
William N. Huff, Economist		7,030	7,260
<u>Examinations</u>			
Frank P. Herigstad, Assistant Federal Reserve Examiner		5,585	5,990
Daniel H. MacDonald, Assistant Federal Reserve Examiner		6,965	7,490
<u>Office of the Controller</u>			
Adeline R. Tweed, Budget and Planning Assistant		5,990	6,185
<u>Data Processing</u>			
Robert M. Steinberg, Economist		9,980	10,310
<u>Administrative Services</u>			
Viola E. Hamilton, Charwoman		3,620	3,725
William B. Stryker, Jr., Photographer (Offset)		6,864	7,218


Secretary

UNITED STATES OF AMERICA

BEFORE THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

WASHINGTON, D. C.

In the Matter of the Applications of
THE ATLANTIC NATIONAL BANK OF JACKSONVILLE
and ATLANTIC TRUST COMPANY
for approval of the acquisition of voting
shares of Daytona Atlantic Bank,
Daytona Beach, Florida

ORDER EXTENDING PERIOD OF TIME WITHIN WHICH
BANK IS TO BE OPENED FOR BUSINESS

By Order dated December 19, 1963, the Board of Governors, Pursuant to section 3(a)(2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(2) and section 222.4(a)(2) of Federal Reserve Regulation Y (12 CFR 222.4(a)(2)), granted the applications of The Atlantic National Bank of Jacksonville and Atlantic Trust Company for approval of the acquisition of 35,000 of the 36,000 voting shares of Daytona Atlantic Bank, Daytona Beach, Florida, a proposed new bank. Pursuant to section 262.2(f)(5) of the Board's Rules of Procedure (12 CFR 262.2(f)(5)), the Board's action in granting the applications was subject to a requirement that Daytona Atlantic Bank, the name of which was changed to Westside Atlantic Bank of Daytona Beach, be opened for business within six months of the date of the Board's Order; that is, on or before June 19, 1964.

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Applicants have applied to the Board for an extension of the date by which Westside Atlantic Bank of Daytona Beach is to be opened for business, and it appears to the Board that good cause has been shown for the requested extension of time, and that such extension would not be inconsistent with the public interest. Accordingly,

IT IS HEREBY ORDERED, that the time within which Applicants may open Westside Atlantic Bank of Daytona Beach be and hereby is extended to no later than September 15, 1964.

Dated at Washington, D. C., this 22nd day of May, 1964.

By order of the Board of Governors.

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

(SEAL)

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BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

Item No. 2
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ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

May 22, 1964.

Mr. George D. Royer, Jr., Vice President,
Federal Reserve Bank of Kansas City,
Kansas City, Missouri. 64106

Dear Mr. Royer:

In accordance with the request contained in your letter of May 18, 1964, the Board approves the appointment of Richard Dan Cornelison as an assistant examiner for the Federal Reserve Bank of Kansas City. Please advise the salary rate and effective date of the appointment.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.

