

Minutes for July 2, 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

M

Gov. Mills

[Signature]

Gov. Robertson

[Signature]

Gov. Balderston

[Signature]

Gov. Shepardson

[Signature]

Gov. Mitchell

[Signature]

Gov. Daane

[Signature]

Minutes of the Board of Governors of the Federal Reserve System
on Thursday, July 2, 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. Daane

Mr. Sherman, Secretary
Miss Carmichael, Assistant Secretary
Mr. Fauver, Assistant to the Board
Mr. Hackley, General Counsel
Mr. Brill, Director, Division of Research and
Statistics
Mr. Solomon, Director, Division of Examinations
Mr. O'Connell, Assistant General Counsel
Mr. Shay, Assistant General Counsel
Mr. Sammons, Adviser, Division of International
Finance
Mr. Robinson, Attorney, Legal Division
Mr. Flechsig, Economist, Division of Research
and Statistics
Mr. McClintock, Supervisory Review Examiner, Division
of Examinations
Mr. Lyon, Review Examiner, Division of Examinations
Mr. Sanford, Review Examiner, Division of Examinations

Foreign travel. In a memorandum from Mr. Sammons circulated to members of the Board under date of June 25, 1964, it was recommended that James K. Nettles, Economist, Division of International Finance, be authorized to visit the Central Bank of the Dominican Republic for a period of six weeks beginning about the middle of August. His services had been requested by the Bank in connection with problems relating to the construction of the Bank's balance of payments and national income statistics.

After a brief discussion, Mr. Nettles was authorized to provide the assistance that had been requested, with the understanding that he

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would receive the per diem in lieu of expenses authorized by the Standardized Government Travel Regulations during his trip.

Mr. Sammons then withdrew from the meeting and Mr. Molony, Assistant to the Board, entered the room.

Report on competitive factors (Rutherford-Fair Lawn, New Jersey).

There had been distributed a draft of report to the Comptroller of the Currency on the competitive factors involved in the proposed merger of Fair Lawn-Radburn Trust Company, Fair Lawn, New Jersey, into National Community Bank of Rutherford, Rutherford, New Jersey.

After a change in the wording of the conclusion had been suggested by Governor Shepardson and agreed upon, the report was approved unanimously for transmittal to the Comptroller. As sent, the conclusion read as follows:

Consummation of the merger of Fair Lawn-Radburn Trust Company, Fair Lawn, New Jersey and National Community Bank of Rutherford, Rutherford, New Jersey, would eliminate only minor competition. While the proposal would result in a slight increase in the concentration of banking resources in the general area, it would enhance the ability of National Community Bank to offer stronger competition to the larger area banks.

Report on competitive factors (Charleston-Rock Hill, South 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 Peoples National Bank of Rock Hill, Rock Hill, South Carolina, into The Citizens and Southern National Bank of South Carolina, Charleston, South Carolina.

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After discussion, during which Governor Daane and Governor Mills suggested changes in the wording of the conclusion, the report was approved unanimously for transmittal to the Comptroller in a form in which the conclusion read as follows:

There is virtually no competition between The Citizens and Southern National Bank of South Carolina and The Peoples National Bank of Rock Hill. While the proposed merger would not significantly alter Citizens' position in relation to other banks in the State, it would expand Citizens' geographical coverage into another county and represent a further step toward concentration of banking resources in South Carolina. If the proposed merger is approved, the greater competitive strength of the resulting institution could put the smaller banks of the area at a disadvantage.

Mr. Sanford then withdrew from the meeting and Mr. Johnson, Director, Division of Personnel Administration, entered the room.

Proposed studies of banking concentration (Item No. 1). In a letter to the Board dated April 7, 1964, President Hayes of the Federal Reserve Bank of New York suggested that it would be helpful to banks if State and Federal bank supervisory authorities would collaborate in the development of at least informal guidelines that would govern decisions of those authorities with respect to bank merger and bank holding company applications, recognizing that a number of statutory factors were involved and that in the final analysis each case would have to be considered as a whole on its individual merits. The letter pointed out that the cost of preparing an application such as for the proposed Morgan-New York Corporation was tremendous and the lack of any guidelines inevitably resulted in economically wasteful applications.

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Mr. Hayes recommended that the Board encourage joint studies of the problem by the Reserve Banks and State supervisors in those States having an interest in the problem, suggesting that Board encouragement of such studies would imply a "willingness on the part of the Board to give its sympathetic consideration to the results of the studies."

A draft of reply to President Hayes' letter had been distributed with a covering memorandum from Mr. Solomon dated June 30, 1964. The draft took the position that the Board would be reluctant to encourage or seem to sponsor projects of this kind, although it strongly favored studies to enlarge knowledge and understanding on the important subjects of concentration and competition in banking.

In commenting on the draft letter, Mr. Solomon pointed out that in view of statutory responsibilities under the bank merger and holding company laws, the Board of course would not want to indicate in any way that its decisions would be governed by results of studies of the type suggested by Mr. Hayes. Mr. Solomon regarded the proposed studies not so much as a research project as a matter of negotiation with State authorities in an effort to work out guidelines for making decisions in merger and holding company cases. For these reasons, the draft letter had been prepared to convey the idea that the Board would not wish to sponsor the studies.

Governor Mills stated that he agreed with the conclusion reached in the draft reply, which was in effect a polite turndown of the New York Bank's proposal. He would view the proposal seriously because it

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involved delegation of authority to determine guidelines for making decisions in areas that were in the purview of the Board's statutory responsibilities. The implication of Mr. Hayes' proposal was that the Board would be only a reviewing authority--acting as a supreme court that would render the decision only in the event a decision not to its taste were made by local reviewing authorities. Similar proposals had been suggested by the National Association of Supervisors of State Banks and by the Federal Reserve Banks of New York and Philadelphia, and he considered it most important for the Board to take an adverse position toward any suggestions of this sort. The statutory responsibility for making decisions in these areas rested with the Board. Also, the Board was in a better position than Reserve Banks and State bank supervisors to review applications in a dispassionate manner at arm's length.

Mr. Hackley said that he agreed with the substance of the proposed draft of reply.

Governor Daane stated that he agreed with the general position taken in the draft letter although he thought it might be revised somewhat along the lines of indicating at the outset that the Board would be interested in the proposed studies and would be glad to have members of its staff participate but that the Board did have statutory responsibilities in the area and, accordingly, could not agree in advance to being committed to any guidelines that might be developed as a result of the studies. This would indicate that the Board would expect the studies to be in a

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research rather than a commitment category. Also, he regarded it as unrealistic to expect at the present time that it would be possible for Federal banking authorities to cooperate in the studies. Accordingly, he would delete any reference to such cooperation.

Governor Shepardson raised a question as to the relation between the proposed studies and those being made by the Banking Markets Unit of the Division of Research and Statistics. Mr. Brill responded that the work of the Unit had not developed to the point of establishing agreed-upon guidelines that would be used as a basis for decisions in merger and holding company cases.

Governor Balderston commented that Governors Mills and Daane had made points that could be introduced in the Board's response to President Hayes. His inclination was for the Board to take a positive aggressive approach at the beginning of the letter and indicate the Board's statutory responsibilities in the area. Then the reply might state that the Board would welcome and encourage research on the subject.

Governor Robertson indicated his agreement with the substance of the points on which comments had been made, but he doubted that it was necessary for the Board to emphasize its position and responsibilities since the letter was being sent to a Reserve Bank President. In fact, he felt the draft letter conveyed the correct substantive information indicated by the comments of the Board members, and in a manner that would not be offensive to President Hayes, although some editorial changes might be desirable.

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Following further discussion, it was agreed unanimously that the reply to President Hayes would be sent after certain changes had been made in line with the views expressed during the discussion. A copy of the letter, as sent, is attached as Item No. 1.

Messrs. Brill, Shay, Flechsig, and McClintock then withdrew from the meeting and Mr. Noyes, Adviser to the Board, entered the room.

Application of Society Corporation. There had been distributed a memorandum from the Division of Examinations dated May 22, 1964, and supporting papers with respect to the application of Society Corporation, Cleveland, Ohio, to become a bank holding company through the acquisition of shares of The Fremont Savings Bank Company, Fremont, Ohio. Since the applicant owned a majority of the voting shares of Society National Bank of Cleveland, Cleveland, Ohio, consummation of the proposed acquisition would cause the applicant to become a bank holding company. The Board's Division of Examinations recommended approval of the application, as did the Federal Reserve Bank of Cleveland.

A memorandum of the Legal Division dated June 26, 1964, which had also been distributed, related principally to the legal aspects of points raised in a brief filed by Mr. H. W. Stark, an attorney representing certain parties opposing approval of the application. After reviewing the matter, the Legal Division recommended that the Board deny each of the requests involving procedure that had been covered in the brief and proceed to a determination of the application without further consideration

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of the points raised by Mr. Stark on behalf of the opposers. It was further recommended that, if the Board should be inclined to approve the application, the Board proceed to a determination of, and an order on, the application, without issuance of any intermediate order reflecting the Board's decisions on the opposers' requests. Any treatment the Board might wish to give the points covered in the brief could be included in the Board's statement in support of its action on the application. In the event that the Board should be inclined to deny the application and to premise such denial wholly or in part on some or all of the opposers' assertions, it was recommended that the applicant be served with a copy of the opposers' brief and be given adequate opportunity to file a reply thereto. If the Board were inclined to deny the application for reasons disassociated from the specific assertions in the opposers' brief, it was believed unnecessary to provide the applicant an opportunity to reply to the brief.

At the Board's invitation, Mr. Lyon summarized the circumstances relating to the application of Society Corporation, basing his comments principally on the Division of Examinations' memorandum of May 22.

After the staff responded to various questions posed by the Board, Mr. O'Connell commented on the questions of law and procedure covered in the Legal Division's memorandum of June 26.

Chairman Martin then called for an expression of views by the members of the Board.

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Governor Mills stated that he would accept the recommendation of the Division of Examinations for approval of the application and would adopt the legal procedures recommended by the Legal Division.

Governor Robertson said that he would deny the application. In his view the proposal should be regarded in almost the same way as a merger of Society National Bank of Cleveland and the Fremont bank. He considered this a difficult case in that it was not possible to put one's finger on the specific ways that the proposal would be either to the public's advantage or disadvantage. The reasons for approval seemed very slight to him and in cases of this type, as he had stated on other occasions, he believed that it was necessary to reach a decision on the basis of one's own philosophy with respect to the issues involved. As an expression of his philosophy Governor Robertson read excerpts from his dissenting statement in connection with the Board's approval, by order dated November 30, 1962, of the application of First Oklahoma Bancorporation to become a bank holding company.

Governor Robertson added that, as had been suggested by Mr. Stark, the proposal of Society Corporation might very well be merely one step in plans to acquire institutions in other parts of Ohio, and in his judgment the public would not be benefited by the proposed acquisition of the Fremont bank by the holding company. Therefore, he would oppose the application.

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Governor Shepardson spoke of visiting the town of Fremont during the past year, at which time he noted that business had been rather stagnant for a considerable period of time although there had been some expansion of industrial activity more recently. It seemed to him that the community would be served better if it had access to larger banking resources such as would result from Fremont Savings' affiliation with the holding company. He recognized that the needs of a community for additional banking resources could sometimes be met through correspondent banking service, but there was also considerable evidence that correspondent relations were not altogether satisfactory. He believed that there was merit in the proposal and that the community would benefit by approval of the application. Accordingly, he would support the position of the Division of Examinations.

Governor Daane said he thought the proposal would be in the public interest and he concurred with the recommendations of the Examinations and Legal Divisions.

Governor Balderston likewise indicated his concurrence with the recommendations of the two divisions, and Chairman Martin stated that he also would concur.

Thereupon, the application of Society Corporation was approved, Governor Robertson dissenting. It was understood that the Legal Division would prepare an order and statement reflecting this decision for the Board's consideration, and that a dissenting statement would also be prepared.

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It was also agreed that the procedures recommended by the Legal Division with respect to the requests made by Mr. Stark would be followed, including the issuance of the Board's order and statement covering the decision on the application without any intermediate order reflecting the Board's decisions on the opposers' requests.

During the foregoing discussion Mr. Noyes withdrew from the meeting.

Bank holding company and merger applications. Governor Mills referred to Governor Robertson's statement of philosophy in the preceding discussion of Society Corporation's application to become a bank holding company. With reference to both holding company and merger applications, Governor Mills said it seemed to him that the Board should develop some sort of rationale as to the form of banking that was best suited to the American way of life and the communities in which banks are required to provide service. It was known, for example, that in Midwestern States communities having the fragmented services of independent banks sometimes did not grow in a way that would be possible if the communities were nourished by strong banking resources. Conversely, areas that have progressed most satisfactorily have had branch banking representing some concentration of banking resources.

Governor Mills went on to say that he thought the Board should be careful not to take a position that would condemn a bank to a slow, languishing death. For example, in 1962 the Board denied the application

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of Dauphin Deposit Trust Company, Harrisburg, Pennsylvania, to merge with The First National Bank of Mount Holly Springs, Mount Holly Springs, Pennsylvania, thereby continuing an unwilling bank. And now the latter bank was seeking some other way of retiring from business--this time by merging into Cumberland County National Bank and Trust Company, New Cumberland, Pennsylvania.

Governor Mills recalled that the Board had recently received a communication in which the view was expressed that the removal of a certain banking office from a particular area in Milwaukee would be injurious and accelerate the decay of that section of the city.

Looking to the future, Governor Mills expressed the hope that the Board would not reach the point where it would categorically consider concentration of banking resources as being evil without taking into account certain broader considerations.

Governor Balderston mentioned that during his recent trip to Europe he had read an article with reference to the April 6, 1964, decision of the Supreme Court in the Lexington, Kentucky, merger case in which the columnist had taken the position that this decision, which was based on size, would make it unnecessary for bank supervisory agencies to continue preparing complex detailed analyses of merger applications.

Mr. Hackley commented that a number of columnists apparently had regarded the Supreme Court decision in the Lexington case as a throw-back to earlier decisions where size alone was considered the determining

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factor. While the decision could not be ignored, the case in question had been brought under the Sherman Antitrust Act, while under the Bank Merger Act the Board had a responsibility to determine whether in its judgment a particular proposal was in the public interest, irrespective of any action that the Justice Department might take.

Governor Robertson referred to a recent memorandum from Mr. Hall of the Banking Markets Unit of the Board's staff which had reviewed implications of Supreme Court decisions involving bank mergers. Governor Robertson said he thought that in considering applications the Board should be guided by applicable statutes, and he believed there was no indication that detailed analyses of merger applications would not be needed.

A general discussion of the implications of the Supreme Court decision in the Lexington case followed.

Camden Trust-Merchantville merger application. Governor Balderston reported that a telephone request had been received from Philadelphia in which it had been indicated that Mr. Robert Davis, President of Camden Trust Company, Camden, New Jersey, wished to call on him. Since the Board's recent action in denying the application of Camden Trust to merge with Merchantville National Bank and Trust Company, Merchantville, New Jersey, had been taken while he was in Europe, Governor Balderston raised a question as to whether it might not be preferable for Mr. Davis to meet with someone else at the Board. It was the consensus that there was no

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reason why Governor Balderston should not see Mr. Davis if he wished to call to discuss the Board's action in the case, and it was understood that an appointment would be arranged.

Agent's Representative (Item No. 2). Following brief comments by Mr. Johnson, unanimous approval was given a letter to the Federal Reserve Bank of San Francisco approving the appointment of Reid E. Newton as Federal Reserve Agent's Representative at the Los Angeles Branch. A copy of the letter is attached as Item No. 2.

All members of the staff except Messrs. Sherman and Solomon then withdrew from the meeting.

Informal meeting on proposed bank holding company. Chairman Martin reported that representatives of a number of banks in upstate New York had asked for an opportunity to see him for the purpose of discussing a possible plan for organizing a bank holding company that would include The Chase Manhattan Bank in New York City. A principal reason for their desire to call was to ascertain whether there were factors that would make it a foregone conclusion that the Board would reject such an application on either legal or policy grounds.

Chairman Martin stated that he had responded that he would be willing to have the representatives call to see him on Wednesday, July 8, but that no commitment could be made as to what Board action might be taken on an application if filed and reviewed in the customary manner. He had pointed out that the group should be fully aware that any application

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they might file might be denied. After the Chairman stated that he would be glad to have any other Board members who wished to do so meet with the group, the suggestion was made that if one other Board member and certain staff members were present there would seem to be no need for several members of the Board to attend the meeting.

Secretary's Note: On Wednesday, July 8, at 10 a.m., the following representatives of the banks listed met with Chairman Martin, Governor Shepardson, and Governor Daane:

Liberty National Bank and Trust Company, Buffalo, New York

Mr. E. Perry Spink, President
Mr. John W. Stone, Vice President
Mr. Edwin F. Jaeckle, Counsel

Lincoln National Bank & Trust Company of Central New York, Syracuse, New York

Mr. Carl H. Maar, President
Mr. Howard H. Cannon, Director and Counsel
Mr. John A. Beach, Counsel

Central Trust Company, Rochester, New York

Mr. Elmer B. Milliman, President

The Chase Manhattan Bank, New York, New York

Mr. Roy Haberkern, Counsel

Call for condition reports. Chairman Martin reported that this morning the document for determination of the midyear call date had been brought to him for signature and that he had signed the document, which previously had been signed by the Chairman of the Federal Deposit Insurance Corporation and the Comptroller of the Currency.

It was understood that, in accordance with the usual procedure, a telegram would be sent today to the Presidents of all Federal Reserve Banks requesting that a call be made on State member banks for reports

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of condition as of the date specified in the document referred to by the Chairman.

Secretary's Note: Later in the day a letter dated July 2, 1964, was received from the Chief of the Division of Research and Statistics of the Federal Deposit Insurance Corporation, advising that pursuant to section 7 of the Federal Deposit Insurance Act the Chairman of the Board of Directors of the Corporation, the Comptroller of the Currency, and the Chairman of the Board of Governors of the Federal Reserve System had selected the close of business Tuesday, June 30, 1964, as the date for the second call for reports of condition to be made by insured banks within the calendar year 1964. The letter also stated that the call would be announced at 9 a.m., Friday, July 10, 1964. Accordingly, the usual telegram was sent to the Presidents of all Federal Reserve Banks requesting that a call be made on State member banks on July 10, 1964, for reports of condition as of the close of business June 30, 1964, on forms furnished with the Board's letter of June 19, 1964.

The meeting then adjourned.

Secretary's Notes: Letters were sent today to all foreign banking and foreign financing corporations calling for reports of condition as of June 30, 1964. Copies of letters sent to the Federal Reserve Banks of Boston, New York, Philadelphia, Cleveland, Chicago, and San Francisco regarding this call for reports of condition are attached as Items 3 through 8.

Governor Shepardson today approved on behalf of the Board memoranda recommending the following actions relating to the Board's staff:

Salary increase

Alfred Tella, Economist, Division of Research and Statistics, from \$10,310 to \$10,640, effective July 5, 1964.

Permission to engage in outside activity

Edward J. Finck, Utility Clerk, Division of Administrative Services, to work part time as a salesman for a local store.


Secretary

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

Item No. 1
7/2/64

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 8, 1964

Mr. Alfred Hayes, President,
Federal Reserve Bank of New York,
New York, New York 10045.

Dear Mr. Hayes:

This refers to your letter of April 7, 1964, suggesting the possibility that the Board might encourage joint studies of the problem of concentration in bank merger and holding company cases by the Reserve Banks and the State Supervisors in those States which have an interest in the problem.

As you point out, the cost of preparing an application, such as that for the proposed Morgan-New York Corporation, is tremendous; and suitable guidelines might prevent the filing of economically wasteful applications.

It has been the Board's experience in such matters that there usually is agreement as to the particular facts of the individual case, voluminous and complicated though they may be, and that any difference of opinion usually results from varying interpretations placed on those facts, different weighting of the facts, or both. As you know, the Board has attempted to encourage study and analysis in this field with the hope of developing better bases for such interpretation and weighting. This could include clarification of questions as to the reasonable conclusions to be drawn from various assertions, and as to information most meaningful to support such assertions; it might also lead to the development of some new and better oriented sets of facts to facilitate judgments.

However, there would seem to be some uncertainty as to how the proposed joint studies would serve these purposes. While you observe that a number of statutory factors, both State and Federal, are involved, and that in the final analysis each case must be considered as a whole on its individual merits, it is not clear to the Board how your proposal would take account of these particularly significant aspects of the problem. For example, you refer to "at least informal guidelines which would govern such decisions." (Emphasis supplied) You also state that "Encouraging such studies would, of course, imply a willingness on the part of the Board to give its sympathetic consideration to the results of the studies."

There does not appear to be any indication of how the proposed studies would be related to the decisions of the Board, and also of other bank supervisory agencies and the courts, that are by now fairly extensive

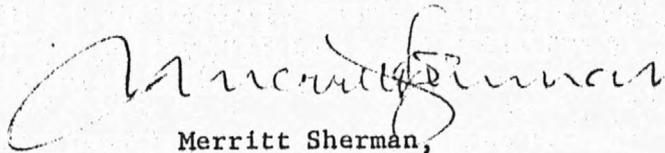
Mr. Alfred Hayes

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on the subject. For example, the Board has in the course of deciding cases in a number of States -- including California, Colorado, Florida, New Jersey, New York, Virginia and Wisconsin -- necessarily reached conclusions and expressed views that not only applied to the questions immediately decided, but also have relevance as guidelines to future cases.

The Board naturally strives for as much clarity as practicable in the administration of the bank merger and holding company statutes; and wherever feasible it would certainly wish to avoid the filing of wasteful applications. However, for the reasons indicated, the Board doubts whether these objectives would be furthered, or administration of the statutes be facilitated, by the proposed joint studies aimed at producing explicit guidelines. Accordingly, the Board feels it would not be appropriate for it to encourage or seem to sponsor projects of that kind, although on the other hand it strongly favors studies of the type outlined earlier to enlarge knowledge on these important subjects of concentration and competition in banking.

Very truly yours,



Merritt Sherman,
Secretary.

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

Item No. 2
7/2/64

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD



July 2, 1964

Mr. F. B. Whitman,
Federal Reserve Agent,
Federal Reserve Bank of San Francisco,
San Francisco, California. 94120.

Dear Mr. Whitman:

In accordance with the request in your letter of June 18, 1964, the Board of Governors approves the appointment of Mr. Reid E. Newton as a Federal Reserve Agent's Representative at the Los Angeles Branch to succeed Mr. D. Carlotti.

This approval is given with the understanding that Mr. Newton will be solely responsible to the Federal Reserve Agent and the Board of Governors for the proper performance of his duties, except that, during the absence or disability of the Federal Reserve Agent or a vacancy in that office, his responsibility will be to the Assistant Federal Reserve Agent and the Board of Governors.

When not engaged in the performance of his duties as Federal Reserve Agent's Representative, Mr. Newton may, with the approval of the Federal Reserve Agent and the Vice President in charge of the Los Angeles Branch, perform such work for the Branch as will not be inconsistent with his duties as Federal Reserve Agent's Representative.

It will be appreciated if Mr. Newton is fully informed of the importance of his responsibilities as a member of the staff of the Federal Reserve Agent and the need for maintenance of independence from the operations of the Bank in the discharge of these responsibilities.

Please have Mr. Newton execute the usual Oath of Office, which should be forwarded to the Board of Governors together with notification of the effective date of his appointment.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

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Item No. 3
7/2/64



ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 2, 1964.

Mr. Luther M. Hoyle, Jr., Vice President,
Federal Reserve Bank of Boston,
Boston, Massachusetts. 02106

Dear Mr. Hoyle:

Enclosed is a copy of a letter dated today, addressed to Boston Overseas Financial Corporation, calling for a report of condition as of June 30, 1964. You will observe that the letter requests that the report called for be submitted in duplicate to the Federal Reserve Bank for transmittal to the Board of Governors.

Upon receipt of the report it will be appreciated if you will have a proof made of the footings and obtain the correction of any obvious errors in the report. Please forward the original copy of the report to the Board and retain a copy for your files.

A complete review of the report will be made in the Board's Division of Examinations, and any correspondence which may be necessary as a result thereof will be initiated by the Board with a copy to you for your information.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.

Enclosures.

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

Item No. 4
7/2/64

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 2, 1964.



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

Dear Mr. Crosse:

Enclosed are copies of letters calling for reports of condition as of June 30, 1964, from the following foreign banking and foreign financing corporations in the Second District operating under the provisions of Section 25 and Section 25(a) of the Federal Reserve Act:

Bankers Company of New York
The Gallatin Company, Inc.
International Banking Corporation
Virgin Islands National Bank
Bamerical International Financial Corporation
Bank of America
Bank of Boston International
Bankers International Corporation
Bankers International Financing Company, Inc.
Chase International Investment Corporation
Chase Manhattan Overseas Banking Corporation
Chemical International Banking Corporation
Chemical International Finance, Ltd.
Continental Bank International
First Chicago International Banking Corporation
First National City Overseas Investment Corporation
Irving International Banking Corporation
Irving International Financing Corporation
Manufacturers Hanover International Banking Corporation
Manufacturers Hanover International Finance Corporation
Marine Midland International Corporation
Morgan Guaranty International Banking Corporation
Morgan Guaranty International Finance Corporation
Northwest International Bank
Western Bancorporation International Bank

Mr. Howard D. Crosse

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You will observe that the letters request that the reports called for be submitted in duplicate to the Federal Reserve Bank for transmittal to the Board of Governors.

Upon receipt of the reports it will be appreciated if you will have a proof made of the footings and obtain the correction of any obvious errors in the reports. Please forward the original copy of the reports to the Board and retain a copy for your files.

A complete review of the reports will be made in the Board's Division of Examinations, and any correspondence which may be necessary as a result thereof will be initiated by the Board with a copy to you for your information.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.

Enclosures.

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

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Item No. 5
7/2/64

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 2, 1964.



Mr. Joseph R. Campbell, Vice President,
Federal Reserve Bank of Philadelphia,
Philadelphia, Pennsylvania. 19101

Dear Mr. Campbell:

Enclosed are copies of letters dated today, addressed to First Pennsylvania Overseas Finance Corporation, Philadelphia International Investment Corporation, Provident Tradesmens International Corporation, and The Company for Investing Abroad, calling for reports of condition as of June 30, 1964. You will observe that the letters request that the reports called for be submitted in duplicate to the Federal Reserve Bank for transmittal to the Board of Governors.

Upon receipt of the reports it will be appreciated if you will have a proof made of the footings and obtain the correction of any obvious errors in the reports. Please forward the original copy of the reports to the Board and retain a copy for your files.

A complete review of the reports will be made in the Board's Division of Examinations, and any correspondence which may be necessary as a result thereof will be initiated by the Board with a copy to you for your information.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.

Enclosures

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

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Item No. 6
7/2/64

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 2, 1964.



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

Dear Mr. Stetzelberger:

Enclosed is copy of a letter dated today, addressed to Mellon International Finance Corporation, calling for report of condition as of June 30, 1964. You will observe that the letter requests that the report called for be submitted in duplicate to the Federal Reserve Bank for transmittal to the Board of Governors.

Upon receipt of the report it will be appreciated if you will have a proof made of the footings and obtain the correction of any obvious errors in the report. Please forward the original copy of the report to the Board and retain a copy for your files.

A complete review of the report will be made in the Board's Division of Examinations, and any correspondence which may be necessary as a result thereof will be initiated by the Board with a copy to you for your information.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.

Enclosures.

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

2365

Item No. 7
7/2/64

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 2, 1964.



Mr. Leland Ross, Vice President,
Federal Reserve Bank of Chicago,
Chicago, Illinois. 60690

Dear Mr. Ross:

Enclosed are copies of letters dated today, addressed to Continental International Finance Corporation, First Chicago International Finance Corporation, International Bank of Detroit, and Manufacturers-Detroit International Corporation, calling for a report of condition as of June 30, 1964. You will observe that the letters request that the reports called for be submitted in duplicate to the Federal Reserve Bank for transmittal to the Board of Governors.

Upon receipt of the reports it will be appreciated if you will have a proof made of the footings and obtain the correction of any obvious errors in the reports. Please forward the original copy of the reports to the Board and retain a copy for your files.

A complete review of the reports will be made in the Board's Division of Examinations, and any correspondence which may be necessary as a result thereof will be initiated by the Board with a copy to you for your information.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.

Enclosures.

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

2366

Item No. 8
7/2/64

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 2, 1964.



Mr. E. H. Galvin, Vice President,
Federal Reserve Bank of San Francisco,
San Francisco, California. 94120

Dear Mr. Galvin:

Enclosed are copies of letters dated today, addressed to International Bank of Commerce and Wells Fargo Bank International Corporation, calling for reports of condition as of June 30, 1964. You will observe that the letters request that the reports called for be submitted in duplicate to the Federal Reserve Bank for transmittal to the Board of Governors.

Upon receipt of the reports it will be appreciated if you will have a proof made of the footings and obtain the correction of any obvious errors in the reports. Please forward the original copy of the reports to the Board and retain a copy for your files.

A complete review of the reports will be made in the Board's Division of Examinations, and any correspondence which may be necessary as a result thereof will be initiated by the Board with a copy to you for your information.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.

Enclosures.