

Minutes for July 6, 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

CRB

Gov. Balderston

[Signature]

Gov. Shepardson

[Signature]

Gov. Mitchell

[Signature]

Gov. Daane

[Signature]

Minutes of the Board of Governors of the Federal Reserve System
on Monday, July 6, 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
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. Molony, Assistant to the Board
Mr. Fauver, Assistant to the Board

Messrs. Brill, Koch, Partee, Williams, Altmann,
Axilrod, Eckert, Fisher, Keir, Thompson,
Weiner, and Wernick of the Division of Research
and Statistics

Messrs. Furth, Hersey, Sammons, Reynolds, Wood,
Emery, Gekker, Gemmill, Maroni, Nettles, and
Swerling of the Division of International
Finance

Economic review. The Division of International Finance presented a review of international financial developments, following which the Division of Research and Statistics summarized domestic business and financial conditions. Elements of the weekly money market review, which was not presented to the Board on Friday, July 3, because of the holiday, were included in the presentation. A summary of monetary developments in the five weeks ended July 1, 1964, was distributed.

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

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Mr. Hackley, General Counsel
Mr. Solomon, Director, Division of Examinations
Mr. Shay, Assistant General Counsel
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, Kansas City, and San Francisco on July 2, 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 (Jefferson-Rock Creek, Ohio). A report to the Federal Deposit Insurance Corporation on the competitive factors involved in the proposed merger of The Citizens Banking Company of Rock Creek, Rock Creek, Ohio, into The Jefferson Banking Company, Jefferson, Ohio, was approved unanimously for transmittal to the Corporation. The conclusion read as follows:

While the proposed merger of The Citizens Banking Company of Rock Creek into The Jefferson Banking Company would eliminate a small amount of competition existing between the two banks, the over-all effect of the proposed merger on competition would not be adverse.

Simplified version of System booklet. Governor Shepardson and Mr. Noyes commented on the work that had been done on a consulting basis by Miss Susan S. Burr and Professor William Davenport in developing a simplified booklet dealing with the purposes and functions of the Federal Reserve System. After describing some of the problems that had been encountered, they suggested that if the Board was still interested in

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the project Mr. Noyes would attempt a further draft, of somewhat more limited dimensions, such draft then to be submitted to Professor Davenport for editing.

It was the view of the Board that work on the project should continue in the manner proposed. When Mr. Noyes indicated that he would welcome comments and suggestions by any members of the Board who might care to review the drafts thus far prepared, Governors Robertson and Daane responded that they would read the drafts and pass along their suggestions.

The meeting then adjourned.

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

Letter to the Federal Reserve Bank of Boston (attached Item No. 1) approving the appointment of Curtis L. Turner as assistant examiner.

Letter to the Federal Reserve Bank of Richmond (attached Item No. 2) approving the designation of William F. Evenson as special assistant examiner.

Letter to the Federal Reserve Bank of San Francisco (attached Item No. 3) approving the appointment of Ronald S. Crane as assistant examiner.

Memoranda from the Division of Bank Operations recommending increases in the basic annual salaries of the following persons in that Division, effective the dates indicated:

Mary Frances Gifford, Statistical Clerk, from \$5,055 to \$5,490, with a change in title to Statistical Assistant, effective August 2, 1964.

Daniel E. Lucas, Analyst, from \$6,380 to \$7,030, effective July 6, 1964.

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Governor Shepardson today noted on behalf of the Board a memorandum from the Division of Bank Operations advising that Frank J. Callahan, Statistical Assistant in that Division, had applied for retirement effective August 1, 1964.

A handwritten signature in cursive script, appearing to read "James G. ...", written over a horizontal line.

Secretary

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

Item No. 1
7/6/64

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 7, 1964.



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

Dear Mr. Hoyle:

In accordance with the request contained
in your letter of June 25, 1964, the Board approves
the appointment of Curtis L. Turner as an assistant
examiner for the Federal Reserve Bank of Boston.
Please advise the effective date of the appointment.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.

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

Item No. 2
7/6/64



ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 7, 1964.

Mr. John L. Nosker, Vice President,
Federal Reserve Bank of Richmond,
Richmond, Virginia. 23213

Dear Mr. Nosker:

In accordance with the request contained in your letter of June 29, 1964, the Board approves the designation of William F. Evenson as a special assistant examiner for the Federal Reserve Bank of Richmond for the purpose of participating in examinations of State member banks.

The authorization heretofore given your Bank to appoint Mr. Evenson as an assistant examiner is hereby canceled.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.

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BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

Item No. 3
7/6/64



ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 7, 1964.

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

Dear Mr. Galvin:

In accordance with the request contained in Mr. Cavan's letter of June 29, 1964, the Board approves the appointment of Ronald S. Crane as an assistant examiner for the Federal Reserve Bank of San Francisco, effective today.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.