INDEX TO MINUTES

OF

BOARD OF GOVERNORS

OF THE

FEDERAL RESERVE SYSTEM

1964

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Persick, Lawrence D., Assistant Examiner, Federal Reserve Bank of Philadelphia, appointment approved, not to participate in the examination of a certain State member bank and a nonmember bank

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Williamson, James F., General Clerk, Transit Department, FRBank of Dallas, noted in examination report the borrowings and indebtedness of, for purpose of purchasing stock, discussion re possible speculative aspect, letter to President Irons, approved

Wolek, Thomas A., Assistant Examiner, FRBank of New York, appointment approved, not to participate in the examination of a certain national bank

Wyatt, Jack H., Senior Bank Relations Representative and Special Assistant Examiner, FRBank of Richmond, indebtedness for the purpose of purchasing securities noted in examination report of FRBank of Richmond, review of case, requested

Yeadon, G. Read, Jr., Assistant Examiner, FRBank of San Francisco, appointment approved, not to participate in the examination of a certain State member bank to which his father is Trust Officer and Assistant Secretary

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Audit of accounts and holdings of the System Open Market Portfolio by the Board's examiners, request from Chairman Patman of House Banking and Currency Committee for supplementary material of 50th Annual Report of the Board of Governors, reply with enclosure approved

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Central bank cooperation, request that Stephen V. O. Clarke of FRBank of New York be allowed access to Board files for period 1924-1926, concerning relations between the Federal Reserve and the central banks of England, France, and Germany, in connection with an official Bank study re, agreed to furnish, with understanding that Board would review if issued as a publication
4/21 1368

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Bank of Powhatan, Virginia:


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Federal Open Market Committee Minutes, question by Mr. Robert A. Schrempe, staff member of the House Banking and Currency Committee, re use of, if placed in National Archives

FRnotes, telegram sent to Floyd J. Mathews, Assistant Cashier and Assistant FRAgent at FRBank of Kansas City, authorizing him to comply with a subpoena calling for the production of all books and documents re receipt and issue of certain, in connection with litigation, U.S. v. William Merle Canaday, with authorization to testify if required

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Release of:

Question of relaxing present practice re, on bank merger applications, request from Manufacturers and Traders Trust Company, Buffalo, New York, for reports on The Lorain County Savings & Trust Company, Elyria, Ohio, and Fidelity-Philadelphia Trust Company, Philadelphia, Pennsylvania, agreed to discuss further after receiving views from Comptroller and FDIC

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Letter to Chairman of FDIC, requesting views re proposals under consideration by Board with respect to, copies to Comptroller of the Currency and Department of Justice, additional letter sent to Secretary of the Treasury with copy of letter to FDIC enclosed

Views from the Justice Department received, matter discussed informally with representatives of FDIC, expected formal reply soon, no word as yet from the Comptroller of the Currency

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Bank of Green Bay, Wisconsin, letter to Peoples Trust & Savings Bank, Green Bay, Wisconsin, responding to a request for copy of Board's report to FDIC on competitive factors involved in the bank's proposed acquisition of assets and assumption of liabilities of
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City Bank and Trust Company, Jackson, Michigan, request for, in connection with denied application for consolidation with Calhoun State Bank, Homer, Michigan, sending of report from Justice Department and FDIC authorized, and report from Comptroller of the Currency, when consent is received 5/18 1797, 1819

Consent received from Comptroller of the Currency, letter transmitting reports sent 5/18 1799

City Bank and Trust Company, Milwaukee, Wisconsin, request for copies of, submitted to Board in connection with the application to acquire assets and assume liabilities of American State Bank, Milwaukee, Wisconsin, no objection by FDIC, compliance with request authorized, subject to appropriate clearance with Comptroller of the Currency and Department of Justice, letter to FRBank of Chicago 12/14 4306, 4319

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First Camden National Bank, Camden, New Jersey, request by Camden Trust Company, Camden, New Jersey, for, sent by Board to Comptroller of the Currency in connection with application of, to merge with Cherry Hill National Bank, Cherry Hill, New Jersey, compliance with request authorized, subject to approval of other agencies 7/9 2396

Lorain County Savings & Trust Company, Elyria, Ohio, request from Professor Goodman, Northwestern University for, re merger with Central Bank Company, Lorain, Ohio, agreed to discuss further after receiving views from Comptroller of the Currency, Justice Department, and FDIC

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Manufacturers and Traders Trust Company, Buffalo, New York, request for report on competitive factors submitted to Board by Justice Department, re application to merge with Bank of Jamestown, New York, request granted 2/17 517, 536
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Michigan National Bank, Lansing, Michigan, request by Mr. Slay, Michigan State Banking Commissioner for, re proposed purchase of assets and assumption of liabilities of Grand Ledge State Bank and Loan and Deposit State Bank, both of Grand Ledge, Michigan, proposed that new memorandum re releasing of, be considered promptly 3/23 955

Agreed to make report available to Mr. Slay, Governor Mills joining in approval due to changed circumstances 6/2 1914, 1930

Peoples Trust and Savings Bank, Green Bay, Wisconsin, request for copy of Board's report to FDIC on competitive factors re proposed acquisition of assets and assumption of liabilities of Bank of Green Bay, Wisconsin, agreed to comply 4/24 1422, 1440

Reports to Congressman Fascell re conflicting interpretations of banking laws and regulations and increased charges for reports of examination of national banks, no objection to furnishing copies to FDIC 5/6 1624

Reserves, request of Professor William Dewald, University of Chicago, for certain daily data on member bank, and factors affecting them, agreed to furnish 6/8 1977

Retirement salaries, request from Chairman Patman of House Banking and Currency Committee, for information on cases under Federal Reserve Retirement System where benefits were being paid at rates of $10,000 per annum or more, agreed that information should be furnished 3/9 760

Letter approved for transmittal to Chm. Patman 3/20 933, 945
Salaries, list requested by Chairman Patman of House Banking and Currency Committee for 50 highest-paid members of Board's organization and 25 highest-paid at each FRBank, understood material would be sent.

Material transmitted to Chairman Patman, with letter from Chairman Martin dated January 21, 1964.

Press release by Chairman Patman re, noted, no objection to releasing the Board's accompanying letter of transmittal re, to press upon request.

Transactions through accounts of certain customers of Chase Manhattan Bank and Chemical Bank New York Trust Company, both of New York City, information wanted by FDIC in connection with the liquidation of Chatham Bank, Chicago, Ill., Board contacted prior to communication with State member banks, Mr. Solomon to contact FDIC.

Wire transfers, confirmation of understanding with FRBank of Atlanta that certain information requested by FDIC concerning, in account of Crown Savings Bank, Newport News, Virginia, with Citizens Trust Company, Atlanta, Georgia, did not constitute unpublished information and compliance with request was a decision for the FRBank of Atlanta, Board authorizes Bank to disclose such unpublished information should it be selected.
Insurance:
Accident insurance for Board employees, recommendation approved that annual refunds of overpayments received in connection with Board's voluntary accident insurance policy be turned over to Reserve Board Club, with understanding that no restrictions would be placed upon Club as to use of the money.

Death Benefit, post retirement:
Memorandum submitted re proposed letter to Chairman of Conference of Presidents, approving a post-retirement death benefit of $1,000 for present and future retirees of FRBanks, to be provided for on a group insurance basis through Connecticut General Life Insurance Company, letter to Chairman of Conference of Presidents, approved, Governor Mitchell abstaining, advice to FRBanks.

Memorandum re implementation of, in order to make arrangements effective, it was necessary that Board and each FRBank authorize FRBank of Chicago to execute an amendment to group insurance policy, letter to FRBank of Chicago, approved, Governor Mitchell abstaining.

Loss Sharing Agreement, section 7 (Limitation on Shipments), revision of subparagraph A of, to be consistent with $15 million limitation on each shipment of new FRNotes under agreement between Brink's and Board, and revision of subparagraph D to remove reference to "registered air mail," approved, advice to FRBanks.
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Major medical insurance program:
Letter to Presidents of all FRBanks re recent revision of eligibility requirem-s with respect to service retired employees, special service retirees, and disability retirees, approved

Amendment to increase benefits under FRBanks contract with Prudential Insur-ance Company of America, with no immediate increase in premium, approved as request-ed by the Chairman of the Conference of Presidents, letter to Chairman Hayes, approved

Inter-American Development Bank:
Fiscal Agency Agreement with FRBank of New York:
Proposed amendment to, authorizing FRBank of New York to act as fiscal agent covering proposed issuance of Twenty-Year Bonds of 1964, approved

Proposed amendment to, authorizing FRBank of New York to act as fiscal agent covering proposed issuance of Inter-American Development Bank's Twenty-Year Bonds of 1964, approved

Fund for Special Operations, (the Bank's soft loan window) proposal to ex- pand, assuming responsibility for the social development project, previously handled by Social Progress Trust Fund, a U.S. financed adjunct of, report by Chairman Martin as a member of the National Ad- visory Council, noted that Bureau of Budget would prob- ably ask the Board for report on the bill that the Advisory Council was preparing to pre- sent for Congressional ap- proval
Inter-American Development Bank: (continued)
H.R. 7406, enrolled bill to provide for increased participation by the United States in the Inter-American Development Bank, letter to Bureau of Budget recommending approval

Interdistrict Settlement Fund:
Security holdings, procedure for allocation of the System Open Market Account to avoid deficiencies in reserves, request for comment by FRBanks, Governor Mills' objections noted, letter to FRBanks requesting comments

Interest:
Rates:
Forces of supply and demand in markets for funds, question re effect on, topic for discussion with FAC
Demand for funds will rise during rest of 1964, interest rates in foreign money might force rate structure higher, views of FAC expressed at joint meeting
Trend of, during rest of 1964, topic for discussion with FAC
Members of the Council anticipate upward drift in months ahead, views expressed at joint meeting with FAC

Interest Equalization Tax Act:
Canadian stock or debt obligations, proposal to exclude from, possible executive order in connection with enrolled bill H.R. 8000, no comment at this time

Inspection of information returns re foreign lending of commercial banks, comment requested by the Budget Bureau on an executive order which would authorize Board and FRBanks to handle the, in connection with enrolled bill H.R. 8000
Interest Equalization Tax Act: (continued)

Inspection of information returns re foreign lending of commercial banks: (continued)

Report at August 27th Board meeting re discussion with Under Secretary of the Treasury Roosa re inspection of returns

Board requests that, under section 6011(d) (2) of the Internal Revenue Code of 1954, as amended by section 3(a) of the, information returns be opened to inspection at Treasury's offices by Messrs. Ralph Young, Frederick Dahl, Robert Gemmill, and Frederick Ruckdeschel of the Board's staff

8/25 2944

Interior, Department of:

Parking facilities for Federal Reserve Board, report by Mr. O'Connell on meeting of "Subcommittee on Pennsylvania Avenue, S.E." attended by Messrs. O'Connell and Kelleher, on status of negotiations to acquire triangular shaped lot next to present parking lot, Board would not oppose Interior Department's jurisdiction under certain conditions, memorandum re meeting placed in the Board's files, agreement with Governor Shepardson's recommendation to proceed with plans as worked out at meeting

9/16 3163, 3177

Interlocking directorates:

Financial institutions, request for report on H.R. 10506, a bill to amend section 8 of the Clayton Act to extend the prohibition of present law with respect to, and prohibit chain banking, Board favors objectives of bill but opposes enactment in its present form, letter to Chairman Celler of the House Judiciary Committee, approved

12/14 4308

6/2 1912, 1922
Internal Revenue Code of 1954:
Amendment of H.R. 8000, a bill to amend, to impose a tax on acquisitions of certain foreign securities in order to equalize costs of longer-term financing in the United States and in markets abroad, letter to Budget Bureau re, approved

Section 601(d)(2), in connection with enrolled bill H.R. 8000, the Budget Bureau also requested comment on an executive order which would authorize Board and certain officials of FRBanks to inspect information returns re foreign lending that would be required to be filed by commercial banks under

In accordance with Executive Order No. 11176 and Treasury regulation issued under that order, Board requests that information returns made by commercial banks under, as amended by section 3(a) of the Interest Equalization Tax Act, be opened to inspection at Treasury's offices by Messrs. Ralph Young, Frederick Dahl, Robert Gemmill, and Frederick Ruckdeschel of the Board's staff

Internal Revenue Service:
Foreign banking corporations:
Request by Treasury Department for Board's views on proposed regulation by, relating to taxes on certain types of income of controlled foreign corporations and Board's position under Regulation K concerning the acquisition by Edge or agreement corporations of more than 50 per cent of the voting stock of a foreign subsidiary, agreed that staff should study subject further
Internal Revenue Service: (continued)
Foreign banking corporations: (continued)
Request by Treasury Department for Board's views on proposed regulation by: (continued)

Further discussion, understood that further revised draft of letter to Treasury Department would be prepared for consideration.

Letter to Treasury Department approved, with Governor Robertson's reservations noted, copy of letter sent to FRBanks with request that copies be transmitted to Edge and agreement corporations.

Moving expenses of FRBank employees who transferred to Board were reimbursed and not reported on W-2 forms, Internal Revenue Service determined that these employees should have reported reimbursed money and now owed back taxes, Board to pay taxes, and help with amended returns.

International Bank for Reconstruction and Development:
Fiscal Agency Agreement with FRBank of New York, proposed amendment to, authorizing FRBank of New York to act as fiscal agent covering proposed issuance of Two Year Bonds for 1964, approved.

International Banking:
Summer School to be held in Melbourne, Australia, February 7-20, 1965, recommendation that Reed J. Irvine, Associate Adviser, Division of International Finance, be nominated to attend, approved, understood that if Mr. Irvine was accepted for participation, Board approval would be requested for travel and other expenses.
International Business Machines:

Computer:

Memorandum reviewing increasing use that the Board's staff had made of computers since first installation in 1958, consideration of computer support for the Board's relocation site, various alternatives were suggested, purchase of 1410 computer approved, Governor Mitchell dissenting

Verbal agreement of April 7, 1964, by which the Board was placed in line on the production schedule for an IBM 360 Model 50 electronic computer, understood no obligation would be incurred as a result of confirming letter to

International Development Association Act:

S. 2214, an enrolled bill to amend, to authorize the United States to participate in an increase in the resources of the International Development Association, letter to Budget Bureau advising that Board has no objection to approval of bill

International Monetary Fund:

Kirbyshire, John A., Alternate Executive Director for United Kingdom, International Monetary Fund, present at Board meeting for economic review

Meeting on February 13, 1964, in Paris, to be held after meeting of balance-of-payments experts, John E. Reynolds, Division of International Finance to attend

Technical assistance assignments sponsored by:
FRSystem employees participation in foreign countries in field of central banking, tentative approval by Board, letter to FRBanks, requesting candidates for assignment, advice to, approved
International Monetary Fund: (continued)
Technical assistance assignments sponsored by: (continued)
FRSystem employees participation in foreign
countries in field of central
banking: (continued)
Letter to, re FRBank personnel selected
for inclusion in the panel of
experts being established by,
approved

Inventories:
Stockpiling, question re indications of, in
anticipation of higher prices
or supply due to strikes,
topic for discussion with FAC
Other than automobile inventories, there are
few signs of, of buildup,
views expressed at joint meet-
ing with FAC

Investments:
Collective investment funds maintained by banks:
H.R. 8499, and S. 2223, identical bills pro-
viding for the regulation of,
permitting banks to offer the
equivalent of mutual fund
shares not subject to regula-
tions of Securities and Ex-
change Commission, but under
regulatory authority of the
Comptroller of the Currency,
request by House Committee on
Interstate and Foreign Com-
merce and Senate Committee on
Banking and Currency for re-
ports on, understood draft
would be revised in light of
comments and considered fur-
ther
Report approved for transmittal to Chair-
men Harris of House Interstate
and Foreign Commerce Committee
and Robertson of Senate Bank-
ing and Currency, with copies
to General Counsel of the
Treasury Department, Comptrol-
er of the Currency, and FDIC
Report to Bureau of the Budget, approved
Investments: (continued)

Collective investment funds maintained by banks: (continued)

H.R. 8499, and S. 2223: (continued)

Suggestion that statement presented before Subcommittee on Commerce and Finance of House Interstate and Foreign Commerce Committee, concentrate on view that Securities and Exchange Commission should regulate, agreement with

Speculative tendencies in credit markets, land, common stocks, and other capital assets or in commodities, topic for discussion with FAC

No indication of widespread tendencies, some evidences of speculative activity and excessive use of credit, particularly in land and certain types of construction in various areas, views expressed at joint meeting with FAC

Involuntary separations:

Mack, Walter A., an employee of Detroit Branch Bank, request from FRBank of Chicago for Board's view re involuntary termination of services of, who was no longer able to perform his duties satisfactorily because of addiction to alcohol, letter to Chicago, interposing no objection to supplementation of retirement allowance of, approved, understanding that a letter to apprise FRBanks of Board's present thinking on general subject to be prepared

Iran:

Iranian Industrial Credit and Investment Corporation, Teheran, Iran, restrictions rescinded by revision of Reg. K re purchase of shares of, by Chase International Investment Corporation, New York, N.Y.
Israel:
Bonds, question re eligibility of State of Israel Bonds as an investment for Steel City National Bank of Chicago, Illinois, ruling by Comptroller of the Currency in his revised Investment Securities Regulation is favorable to such an investment, Board holds that it is in no position either to authorize or object

Italy:
Further consideration grants certain stated liberalizations to conditions previously stated

Ivory Coast:
Banque Ivoirienne de Developpement Industriel, Abidjan, Ivory Coast, permission granted to Chase International Investment Corporation, New York, New York, to acquire shares of

"J"

Japan:
Mitsubishi Chemical Industries Limited, Tokyo, Japan, consent granted to Philadelphia International Investment Corporation, Philadelphia, Pennsylvania, to purchase shares of
Jewel Tea Company:
Coin shortage, proposal by, to issue script to overcome operating problems due to the coin shortage, considered illegal under the Federal Statutes, Treasury Department plans for increased production and public announcement of plans hopefully to result in some release of coin by hoarders and speculators

Justice, Department of:
Banks controlled by organized crime, Governor Robertson reported that Assistant Director of Federal Bureau of Investigation, had made a speech in which he referred to, understood that representatives of the Legal Division and Division of Examinations would contact Chief of Organized Crime Section of, to get all available information

Violations by Navajo Bancorporation, Inc., Phoenix, Arizona, proposed acquisition by, consummated in violation of section 3(a) and section 3(d) of the Bank Holding Company Act, understood that Mr. O'Connell would secure all available facts for submission to

Warren Bank, Warren, Michigan, request by, on behalf of FDIC Examiner Thomas E. Lindsey, currently serving as an agent of a Federal grand jury in Eastern Michigan, for access to certain documents relating to examination reports of, approved, Governor Mills dissenting
Kansas Bankers:
Visit to Board by delegation of, discussion of Board's position on Comptroller's proposal of raising loan limit 1/31 313

Kansas City Crime Commission:
Contributions, examination of FRBank of Kansas City brought out that a $400 contribution had been made by FRBank of Kansas City to, agreed that check would be made prior to further consideration 2/19 592
Suggestion that next time funds were solicited for, that the Bank decline to contribute, letter conveying this viewpoint sent to the Bank 3/13 831, 859

Kimbrel, M. Monroe, proposal by Directors Tarver and Cheatham of FRBank of Atlanta, to bring in, as Senior Vice President, effective July 1, 1965, discussion re management succession plan for FRBank of Atlanta in view of President Bryan's retirement and disposition of certain bank stocks held by 12/4 4130
Discussed further, Chairman Martin to indicate that Board would go along with plan 12/10 4282
FRBank of Atlanta advised of Board's decision 12/10 4286, 4295

King, Frank L., Chairman, United California Bank, Los Angeles, California, designated as a member of the committee set up by American Bankers Association to examine the question of uniform bank accounting procedures 10/6 3404
Kolb, Raymond C., employed by Mellon National Bank and Trust Company, Pittsburgh, Pennsylvania, to meet with the Board at some convenient time for a discussion of developments relating to computer usage by banks, in connection with Board's discussion re report on H.R. 9548, and request of views by Chairman Multer of Bank Supervision and Insurance Subcommittee

"L"

Lamar Investors, Ltd., Lamar, Colorado, controlling shareholders of Valley State Bank and Brighten National Bank, Brighton, Colorado, Navajo Bancorporation, Inc., Phoenix, Arizona, proposed to acquire shares of Valley State Bank, move barred by section 3(d) of the Bank Holding Company Act because such acquisition would be across State lines

Las Vegas, Nevada:
Nickels, shipment of, request from Senator Cannon of Nevada, for information concerning quantities of nickels sent recently by the FRBank of San Francisco to banks in Las Vegas, Nevada, no objection to Mr. Farrell furnishing information to Senator Cannon's office

Leased wire system:
Changes in Federal Reserve 81-D-1 Leased Wire System:
Installation of two new circuits and realignment of stations, authorized, letters to General Services Administration and American Telephone and Telegraph Co., with copies to FRBanks
Leased wire system: (continued)
Changes in Federal Reserve 81-D-1 Leased Wire System: (continued)

Letters to American Telephone and Telegraph Company and General Services Administration, authorizing them to proceed with, implementing authorization given by Conference of Presidents, copies of letters sent to all FRBanks

Leasing of personal property by banks:
H.R. 9822, a bill to prohibit banks from engaging in:

Chairman Multer of House Subcommittee on Bank Supervision and Insurance, requested Board representative to testify on, Board to report by letter to the Subcommittee

Draft of report presented and opinions of FRBank Presidents received, staff requested to consider draft further in view of discussion

Question re sending of report to Secretary of the Treasury in view of plan for coordination of Bank supervisory agencies, discussed

Staff requested to prepare new draft of letter

Letter approved stressing two kinds of leasing, one desirable form of security for legitimate extension of credit, the other, an unsuitable activity for banks which should be discouraged or prohibited

At meeting on March 26, 1964, decided to send information copies to Treasury Department and two Federal bank supervisory agencies
Leaves of absence:

**Maternity leave:**

Courtright, Suzanne D., Statistical Assistant, Division of Research and Statistics:

Extension of maternity leave from October 12, 1964 through November 6, 1964, approved

Re-employment following maternity leave with salary approved, effective November 9, 1964

James, Alton C., Statistical Clerk, Division of Research and Statistics, re-employment and salary approved following maternity leave, it being understood that Mrs. James would be on leave without pay for the period December 21, 1964 through January 21, 1965

Roberson, Anne T., Secretary, Division of Research and Statistics, re-employment and salary approved following maternity leave

Teeters, Nancy H., Economist, (half-time basis):

Granted permission to work through June 12, 1964, before beginning maternity leave

Re-employment and salary approved following maternity leave

**Private enterprise:**

Berge, Ansgar R., Vice President, FRBank of Boston, question re loan of, for period of one week to assist with credit analysis in connection with contract with Arthur D. Little, Inc., had with Province of Manitoba, Canada, and the Manitoba Development Fund, Board did not object to loan for period of one week on leave-without-pay basis, with suggestion that general subject be reviewed by Board at a later date
Leaves of absence: (continued)

Working at home on Board business, Mary C. Wing, Technical Editor, Division of Research and Statistics, agreed to permit on a half-time pay basis, approval given with the understanding that no precedent was being set

(Individual names)

Berge, Ansgar R., Vice President, FRBank of Boston, question re loan of Mr. Berge for period of one week to assist with credit analysis in connection with contract which Arthur D. Little, Inc., had with Province of Manitoba, Canada, and the Manitoba Development Fund, no objection by Board

Berger, Harriet D., Secretary, Division of International Finance, on leave without pay for the period from August 30 through September 30, 1964, approved

Bogardus, Janet, Chief Librarian in Research Department, FRBank of New York, to act as consultant to the Ford Foundation's Middle East and Africa program and to advise on the establishment of a comprehensive library in Addis Ababa, Ethiopia, letter to FRBank of New York, inserting no objection

Courtright, Suzanne D., Statistical Assistant, Division of Research and Statistics:

Extension of maternity leave from October 12, 1964 through November 6, 1964, approved

Re-employment following maternity leave with salary approved, effective November 9, 1964
Leaves of absence: (continued)

Crosse, Howard D., Vice President, FRBank of New York, leave without pay for period of three weeks between June 29 and August 7, 1964, to participate in a seminar on bank management at the University of Buenos Aires, Argentina, offered by Columbia Graduate School of Business in accordance with Agency for International Development, approved

de Leeuw, Frank, Economist, Division of Research and Statistics, granted leave with pay for period of nine months beginning September 1, 1964, so that he might fulfill residence requirements for a Ph.D. Economics degree from Harvard University

Furth, J. Herbert, Consultant, continuation of appointment, with understanding that he would receive compensation for holidays, annual leave actually used, and sick leave needed

Halpern, Joseph M., Senior Examiner, FRBank of New York, Board interposes no objection to a leave of absence without pay for one year to serve the Governor-Designate of the Central Bank of Trinidad and Tobago in an advisory capacity

Hunley, John H., Messenger, Division of Administrative Services, advance of sick leave approved, for period not to exceed 26 days, beginning November 3, 1964

James, Alton C., Statistical Clerk, Division of Research and Statistics, re-employment and salary approved following maternity leave, it being understood that Mrs. James would be on leave without pay for period December 21, 1964 through January 21, 1965
Leaves of absence: (continued)

Katz, Samuel I., Associate Adviser, Division of International Finance, to take annual leave in connection with travel to attend meetings of the Economic Policy Committee and Working Party 3 in Paris, France

Understood Mr. Katz would not attend meeting with Working Party 3 in order to attend meeting of experts on Euro-currency market at Bank for International Settlements in Basle, Switzerland

Kotsonis, Diosyssios, Economist, Research Department, FRBank of New York, no objection to, without pay, for a period of four months while aiding the Bernstein Committee in preparation of material relating to U.S. balance of payments, Bureau of Budget to compensate and reimburse him for travel and out-of-pocket expenses

Lawrence, Roger, Economist, Foreign Research Division, FRBank of New York, Board interposes no objection to leave of absence without pay for period of approximately one year to serve on the staff of the Bank for International Settlements

O'Connor, Kathleen J., Disbursing Clerk, Office of the Controller:
Advance of sick leave from March 9 (3 hours) through March 20, 1964, approved

Advance of sick leave for a period of 18 days, 6 hours, and 30 minutes, beginning July 13, 1964, and extending through August 6, 1964, approved
Leaves of absence: (continued)

Orr, Lois, Secretary, Division of International Finance, advance of sick leave from October 6, 1964, through October 30, 1964, approved

Post, Everett B., Manager, Planning Department, FRBank of New York, no objection interposed to arrangements for leave of absence without pay to undertake an assignment with the Central Bank of the Philippines

Roberson, Anne T., Secretary, Division of Research and Statistics, re-employment and salary approved following maternity leave

Schiff, Frank W., Assistant Vice President, FRBank of New York, Board interposes no objection to a leave of absence without pay for a period of one year beginning September 1, 1964, to serve as a senior staff member of the Council of Economic Advisers

Speagle, Richard E., Chief, Public Information Division, FRBank of New York, Board interposes no objection to an extension of a leave of absence without pay previously granted to, to complete a teaching course at the Peruvian Institute of Public Administration in Lima, Peru

Swerling, Boris C., Senior Economist, Division of International Finance:

Granted advance in sick leave for period of October 9 through December 11, 1964

Recommendation that, be permitted to work on Board business up to four hours each day, the balance of the day to be charged to sick leave from Nov. 19-Dec. 11 and to leave without pay from Dec. 14-Dec. 31, 1964, approved
Leaves of absence: (continued)

Teeters, Nancy H., Economist, (half-time basis), granted permission to work through June 12, 1964, before beginning maternity leave

Tull, Winnie L., Supervisor, Cafeteria, advance of sick leave, not more than 26 business days beginning July 16, 1964, and extending through August 21, 1964, approved

Weaver, Mary F., Statistical Assistant, Division of Research and Statistics, leave without pay for one month beginning March 1, 1964, approved

Wing, Mary C., Technical Editor (Economics), Division of Research and Statistics:
- Granted additional leave without pay for period from January 16 through April 15, 1964, approved
- Granted extension of leave without pay for period from April 15 through October 1, 1964, approved
- Granted an extension of leave without pay for period October 1 through October 21, 1964, and from October 22 through December 31, 1964, placed on half-time basis, in order that she might work at home on Board business, it being understood that no precedent was being set

Young, Ralph A., Adviser to the Board and Director, Division of International Finance, to take annual leave in connection with travel to attend annual meeting of the Bank for International Settlements and meetings of Organization for Economic Cooperation and Development and Working Party 3

5/28 1904
7/21 2517
3/4 707
1/21 224
4/27 1460
10/21 3607
5/25 1867
Legislation:

Administrative Procedure Act, S. 1663, a bill to amend, report to Chairman Long of the Subcommittee on Administrative Practice and Procedure of the Senate Judiciary Committee, upon certain changes made by the Subcommittee re, approved with the understanding that the staff would follow up by keeping in close touch with committee staff personnel with recourse to a hearing, in the event that objectionable features were not remedied

Letter to Senator Long approved, further explaining Board's opposition to S. 1663, and furnishing kinds of information to the Subcommittee that would be exempted from disclosure by an amendment to S. 1663, which is proposed by Board

Advances by FRBanks to member banks:

Discussion re prospect of Congressional hearings on proposal to broaden the kinds of security on which credit can be advanced by the FRBanks, indication that Senate Banking and Currency Committee might consider

Memorandum distributed re revision of Regulation A that might be adopted in event of enactment of pending legislation to liberalize provision of present law re collateral for, understood that a revised draft of Regulation A would be sent to FRBanks for comment
Legislation: (continued)

Advances by FRBanks to member banks: (continued)
Memorandum distributed re substitute recently proposed by Comptroller of the Currency for a bill recommended in 1963 by Board to liberalize authority of FRBanks to extend credit to member banks, Chairman Martin observed that no action was required at this time on Comptroller's substitute proposal.

Proposal for legislation relating to, agreed to put in form for submission to Congress early in 1965.

Suggestions for legislative proposals for inclusion in President's State of the Union Message, discussion re possible revision of Regulation A, in connection with

Authority for FRBanks to purchase Government securities direct from the Treasury:
Bill proposed by the Treasury to amend section 14(b) of the FRAct, to extend for two years the, agreed that Board favored proposal and would so advise the Bureau of the Budget.

Concurrence with Chairman Martin's suggestion that he send to Chairman Robertson of Senate Banking and Currency Committee a report on S. 2891 re

H.R. 11499, an enrolled bill re, letter to Budget Bureau recommending approval, approved.

Bank Holding Company Act of 1956:
Amendments proposed:
One-bank cases, view expressed that the solution lay in obtaining legislation that would repeal holding company affiliate provisions of Banking Act of 1933 and amend
Legislation: (continued)
Bank Holding Company Act of 1956: (continued)
Amendments proposed: (continued)

Discussed in connection with prospect of Congressional hearings on proposals supported by Board re, Legal Division preparing for Board's consideration revised material which might be included in Annual Report

Recommendation of Legal Division against reversal of Board's action in withdrawing recommendation that, be amended to cover mergers involving bank holding company banks was accepted by a majority of Board, understood that pertinent paragraphs would be deleted from draft material on recommended amendments to be included in Annual Report, remaining material on recommended amendments to, was approved for inclusion in Annual Report, agreed to send letters to Senate and House Banking and Currency Committees

H.R. 10668 and S. 2561, identical bills to bring within the scope of, certain testamentary trusts and charitable and educational foundations which control bank assets of $100 million or more, and require each Federal bank supervisory agency, when passing on applications, to take into consideration possible inconsistencies of a proposed merger with purposes and objectives of the, agreed to consider further at next Board meeting

Letters to Chairmen Patman and Robertson of House and Senate Banking and Currency Committees re, approved

1/15 127
2/3 331, 344-55
4/27 1456
4/28 1497, 1507-09
Legislation: (continued)

Bank Holding Company Act of 1956: (continued)
Amendments proposed: (continued)

H.R. 10872, agreed to send to Chairman Patman of House Banking and Currency Committee, lists and tables showing additional companies which would be subject to regulation under, should the bill be enacted

Only change in present proposal from previous bill submitted by Board was coverage of perpetual trust in the definition of "company", proposed bill would adopt a one-bank definition, cover employees benefit trusts, repeal section 6 re loans and discounts by subsidiary banks, and repeal holding company affiliate provisions of the Banking Act of 1933, understood exemptive power re one-bank cases to be studied before proposal was submitted to Congress

Bank Merger Act:

H.R. 10668 and S. 2561, identical bills to amend, requiring each Federal bank supervisory agency to take into consideration possible inconsistencies of a proposed merger, agreed that draft of letter to Senate and House Banking and Currency Committees be revised

Letter to Chairman Patman of House Banking and Currency Committee re, copy of similar letter sent to Chairman Robertson of Senate Banking and Currency Committee
Legislation: (continued)

Bank supervisory functions, Chairman Martin commented that in considering proposals for enactment in connection with Board's legislative program that while delegation of, was perhaps not of as much urgency as some of the other topics, it would be well to be prepared with draft legislation re Banking, question re possible changes in, to promote sounder, more progressive, or more efficient banking operations, topic for discussion with FAC Reference to exhaustive studies of banking and the credit system which might be used as a basis for considering changes in banking legislation, views expressed at joint meeting with FAC

Chain banking, request from Chairman Celler of House Judiciary Committee for report on H.R. 10506, a bill to amend section 8 of the Clayton Act, to extend the prohibition of the present law with respect to interlocking relationships between financial institutions, Board favors objectives of bill but opposes enactment in its present form, letter to Chairman Celler, approved

Changes in control or ownership of banks:
Legislation that would permit Federal bank supervisory agencies to approve or disapprove major changes in management arising from, mentioned in letter to all FRBank Presidents re preventive measures in connection with crimes against banks and savings and loan associations
Legislation: (continued)

Changes in control or ownership of banks: (continued)

Legislation re: (continued)

Unfavorable position taken in report to Chairman Dawson of House Committee on Government Operations

6/23  2248

Legislation proposed by FDIC to provide for notice of, letter to Bureau of the Budget approved, Governor Mills' reservations being noted

7/31  2696, 2706

H.R. 12267, an enrolled bill to provide for notice of:

Letter to Bureau of the Budget recommending approval of

9/4  3078, 3084

Understood that staff would prepare a statement indicating that reports involving State member banks were to be submitted to Federal Reserve Banks, such statement to be mailed to all insured banks by FDIC

9/15  3129, 3138

Statement to all insured banks sent on September 18, 1964, Presidents of all FRBanks informed of statement

9/15  3131

Letter sent to FRBanks outlining procedure to be followed at regional level and requesting that FRBanks send to Board a copy of each report relating to management control received directly by them, and of all reports submitted to them by local representatives of either the FDIC or Comptroller of the Currency, copy of letter transmitted to FDIC and Comptroller of the Currency

9/24  3286, 3291

Checks, S. 2937 and H.R. 11911, companion bills allowing Government agencies to draw single checks on banks for credit of accounts of persons who regularly receive checks, letter to Senator Robertson favoring enactment

7/9  2392, 2407
Legislation: (continued)
Checks, S. 2937 and H.R. 11911: (continued)
Similar letter sent to Chairman Dawson of House Committee on Government Operations

Civil Rights Act of 1964:
Title VI, nondiscrimination in Federally assisted programs, question re application to FRSys tem, report to the Bureau of the Budget, copy to Justice Department, letter with enclosures to Presidents of all FRBanks and Chairman of the Presidents' Conference

Clayton Act:
Section 8, request from Chairman Celler of House Judiciary Committee for report on H.R. 10506, a bill to amend, to extend the prohibition of present law with respect to interlocking relationships between financial institutions and prohibit some, if not all, chain banking, Board favors objectives of bill but opposes enactment in its present form, letter to Chairman Celler, approved

Coin:
S. 2950, a bill to authorize the Mint to continue to inscribe the 1964 mintage date on coins until adequate supplies of coin are available, letter to Chairman Robertson of Senate Banking and Currency Committee, strongly urging favorable consideration of, approved
Letter to Budget Bureau re, approved

Shortage of, Governor Robertson expressed the view in considering proposals for enactment in connection with Board's legislative program, that he believed proposals to alleviate coin shortage should be left to Treasury
Legislation: (continued)

Collective investment funds maintained by banks:
H.R. 8499 and S. 2223, identical bills providing for regulation of, understood draft of report would be revised in light of comments and considered further.

Revised draft of report approved, copies sent to Chairman Harris of House Interstate and Foreign Commerce Committee, Chairman Robertson of Senate Banking and Currency Committee, and to the General Counsel of the Treasury, understood copies would also be sent to Comptroller of the Currency and FDIC for their information.

Report to Bureau of the Budget, approved.

Statement to be presented at hearing re H.R. 8499, before Subcommittee on Commerce and Finance of the House Interstate and Foreign Commerce Committee, agreed to concentrate on view that Securities and Exchange Commission should regulate.

Commodity Exchange Act, proposed bill to amend, for purpose of giving Secretary of Agriculture authority to set margin requirements for trading in commodities, recent incident in market for vegetable oils emphasized need for legislation, letter to Budget Bureau, approved.

Consumer Affairs, Department of:
S. 2969, a bill to establish, letter to Senator McClellan, Chairman, Committee on Government Operations, approved, Board's view that it would be preferable to consider legislation addressed directly to specific problems rather than to create a new government agency.
Legislation: (continued)

Coordination of actions, telephone call from General Counsel Belin of the Treasury Department, advising that Secretary of Treasury was considering extension of procedure to submit for comprehension, reports to Congressional Committees or Budget Bureau on proposed legislation in conflict with established positions of other bank supervisory agencies, Mr. Hackley authorized to inform Treasury Department that Board would not object to proposed extension of current procedure

Cumulative voting, Treasury draft bill to eliminate cumulative voting of shares of stock in the election of directors of national banking associations unless provided for in articles of association, report to Budget Bureau, approved

Copy of letter sent to Treasury Department General Counsel Belin, in view of request for information to aid in coordinating policies of Federal bank supervisory agencies

Data processing equipment, proposed amendment to H.R. 5171, a bill that would authorize the Administrator of General Services to coordinate acquisition and utilization of, by Federal departments and agencies, Chairman McClellan of Senate Government Operations Committee, invited Board to comment and also asked if Board desired to have a representative testify at hearings, agreed no letter be submitted or appearance requested
Legislation: (continued)

Defense Production Act of 1950:
S. 2506, a bill to extend, Board has no objection to part of bill relating to Government guaranteed loans for defense production under Board's Regulation V, no comment re other provisions of bill not directly related to Board's primary responsibilities, report to Chairman Robertson of Senate Banking and Currency Committee, approved.

Farm Credit Act of 1933 and Federal Farm Loan Act, legislation designed to amend, to provide means for expediting withdrawal of Government capital from Federal intermediate credit banks in favor of private ownership by production credit associations, including an increase in maximum permissible debt to capital ratio for these banks, Treasury objects to amendment of, agreed that report to Bureau of Budget would be deferred pending further information.

Letter to Bureau of the Budget approved making no comment since it involved Treasury-Farm credit relations which were not in Board's area of responsibility.

Federal Limited Profit Mortgage Corporation:
S. 2468, a proposed amendment to an omnibus bill to create, with authority to make mortgage loans to help provide housing for moderate-income and elderly people, report to Chairman Robertson of Senate Banking and Currency Committee, approved.
Legislation: (continued)
Federal National Mortgage Association, proposed
housing bill to invest the
association with fiduciary
powers to facilitate the fi-
nancing of its own mortgages,
provide sales of an invest-
ment in beneficial interests
or participations in such mort-
gages, letter to Bureau of the
Budget submitting views, ap-
proved 1/21 223, 231

Federal Reserve Act:
Section 14(b):
Authority for FRBanks to purchase Govern-
ment securities direct from
the Treasury:
Draft bill proposed by the Treasury to
amend, to extend for two years,
agreed that Board favored pro-
posal and would so advise the
Bureau of the Budget
S. 2891, report to Chairman Robertson
of the Senate Banking and Cur-
rency Committee re, approved
H.R. 11499, an enrolled bill re, let-
ter to Budget Bureau recom-
mending approval, approved
Section 24:
H.R. 8230, an enrolled bill to amend,
liberalizing the conditions
of loans by national banks on
forest tracts, report to Bu-
reau of the Budget, approved
H.R. 11218, a bill to amend, to permit na-
tional banks to make more lib-
eral loans to individuals for
redeveloping real property to
further rehabilitation of ur-
ban areas, understood Legal
Division would advise Bureau
of the Budget by telephone
that if support was given,
consideration should be taken
toward tightening some of its
provisions
6/24 2251, 2263

7/1 2327
Legislation: (continued)
Federal Reserve Act: (continued)
Section 24: (continued)
S. 3049, a bill to amend, to liberalize the powers of the national banks with respect to conventional home mortgage loans, letter to Budget Bureau, approved, re-expressing reservations but indicating that since the bill had been enacted by Congress, Board saw no reason for the President to withhold his approval.

Section 25:
Amendment under which Board would have authority to permit member banks to hold stock in foreign banks:
Agreed to hold proposal in abeyance.
Report to Bureau of the Budget re, approved.

Federal Reserve notes:
Bill by Congressman Patman, H.R. 5305, which would permit local destruction and eliminate sort of unfit, report to Chairman Fascell of the House Legal and Monetary Affairs Subcommittee, re status of, approved.

Draft bill to provide for local destruction of, at locations designated by Secretary of Treasury, and permit allocation of credit for destroyed notes among FRBanks as determined by the Board, transfer functions performed by Comptroller of the Currency re, to Secretary of Treasury, and repeal requirement that System maintain gold redemption fund on deposit with the Treasury Department, favorable report to Budget Bureau, approved.
Legislation: (continued)
Federal Reserve notes: (continued)
Draft bill to provide for local destruction of: (continued)
Agreed that report would be submitted to Presidents' Conference for discussion, report submitted to FRBank Presidents with accompanying letter
Presidents' Conference recommended there be no change made in proposed legislation re
Draft letters to Chairman of Presidents' Conference re handling of unfit FRNotes, Board approved transmittal of first of alternative draft letters which stated that Board will reopen discussions with Treasury Department and urge that proposed, be presented to Congress as soon as new session opens
Agreement that proposal for local destruction of FRNotes should be put in form for submission to Congress after first of the year
Report by Mr. Swan, Chairman of Committee on Miscellaneous Operations of Presidents' Conference in joint meeting with Board re, noted that the draft bill contained provision for giving credit that was broad enough to encompass any procedure the Board might decide upon for allocating redemption credit

Federal savings and loan associations:
Letter to Budget Bureau commenting on Federal Home Loan Bank Board letter to Senate Banking and Currency Committee re proposals to amend S. 2468, to liberalize the investment powers of, approved, Governor Mills' reservations being noted
Legislation: (continued)
Federal savings and loan associations: (continued)
S. 3049, cited as Housing Act of 1964, one provision of bill would enlarge investment powers of, letter to Budget Bureau approved, re-expressing reservations but also indicating that since the bill had been enacted by Congress, the Board saw no reason for the President to withhold approval 8/24 2918, 2922

Finance charges, S. 750, truth in lending bill, requiring disclosure of:
Answers to eighty-three questions requested by Chairman Robertson of Senate Banking and Currency Committee, Federal Trade Commission also submitting answers to same questions, understood staff would draft answers to questions for Board's consideration 2/13 471

Letter and replies to questions approved for transmittal to Senator Robertson 2/17 528, 539

Comments requested by Chairman Robertson of Senate Banking and Currency Committee re possible amendments to reported bill that would be desirable if Board remained the administering agency, reply approved 3/30 1058, 1071

Letter to Chairman Robertson of Senate Banking and Currency Committee, reaffirming Board's previously stated views re its designation as administrator of S. 750 4/27 1448, 1468

Foreign banks, direct investments by national banks in:
Draft letter to Chairmen of Congressional Committees on Banking and Currency re proposed amendment to section 25 of FRAct to permit, agreed to table 5/11 1681
Legislation: (continued)
Foreign banks, direct investments by national banks in: (continued)
Governor Robertson suggested that in connection with Board's legislative program that the proposal re investments by member banks in foreign banks be deleted
Report to Bureau of Budget on Treasury draft bill re, objection voiced to dividing authority over member banks
Report of ruling by Comptroller of the Currency re, in newspaper story of July 14, issuance of statement in which Board expresses opinion that such direct acquisition by member banks of stock in foreign banks is not permissible under present law, copy of statement sent to Federal Register
Foreign currency operations, proposal re, being considered for enactment in connection with Board's legislative proposals
Government Employees Salary Reform Act of 1964, general pay increase adopted by Board, to correspond with rates established by, and to be retroactive to July 5, 1964
Holding company affiliates, one bank cases, problems re, indicated that the solution lay in obtaining legislation that would repeal the holding company affiliate provisions of the Banking Act of 1933 and amend the Bank Holding Company Act of 1956
H.R. 258, a bill to establish Federal mutual savings banks:
Memorandum from Legal Division re request from Budget Bureau for report on suggested revised version of, reply approved
Legislation: (continued)

H.R. 258, a bill to establish Federal mutual savings banks: (continued)

Request from Bureau of the Budget for report on House Committee Print and certain revisions of, proposed by the Federal Home Loan Bank Board, letter approved

H.R. 5171, proposed amendment to, that would authorize the Administrator of General Services to coordinate the acquisition and utilization of automatic data processing equipment for Federal departments and agencies, Chairman McClellan of Senate Government Operations Committee, invited Board to comment and asked if Board desired to have a representative testify at hearings, agreed that no letter be submitted or appearance at hearing requested

H.R. 7406, an enrolled bill to provide for increased participation by the United States in the Inter-American Development Bank, Board recommends approval, letter to Bureau of the Budget

H.R. 8000, a bill to amend the Internal Revenue Code of 1954, to impose a tax on acquisitions of foreign securities in order to equalize costs of longer-term financing in the United States and in markets abroad, letter to Budget Bureau, approved

H.R. 8230, an enrolled bill to amend section 24 of the FRAct, liberalizing the conditions of loans by national banks on forest tracts, letter to Bureau of the Budget offering no objection to approval by the President
Legislation: (continued)

H.R. 8499, a bill to provide for the regulation of collective investment funds maintained by banks:

Draft of report re S. 2223 and, (identical bills) to be revised in light of comments, and considered further

Revised draft of report approved, copies sent to Chairman Harris of House Interstate and Foreign Commerce Committee, Chairman Robertson of Senate Banking and Currency Committee, and to the General Counsel of the Treasury, understood copies would also be sent to the Comptroller of the Currency and FDIC for their information

Report to Bureau of the Budget, approved

Statement to be presented at hearing re, before Subcommittee on Commerce and Finance of the House Interstate and Foreign Commerce Committee, agreed to concentrate on view that the Securities and Exchange Commission should regulate

H.R. 9548, a bill to prohibit banks from performing certain nonbanking services, Chairman Multer of Subcommittee on Bank Supervision and Insurance, requested Board representative to testify on, Board to report by letter to Subcommittee

Further consideration to be given to reply to Chairman Multer

Reply approved

H.R. 9822, a bill to prohibit banks from engaging in personal property leasing business, Chairman Multer, Subcommittee on Bank Supervision and Insurance, requested Board representative to testify on, agreed Board would report by letter re
Legislation: (continued)

H.R. 9822, a bill to prohibit banks from engaging in personal property leasing business: (continued)

Draft letter and opinions of FRBank Presidents considered, staff requested to consider draft further in view of discussion

Further discussion re, staff requested to prepare new draft of letter

Letter approved for transmission stressing two kinds of leasing, one a desirable form of security for legitimate extension of credit, the other an unsuitable activity for banks that should be discouraged or prohibited

At meeting on March 26, 1964, Board decided to send copies for information to Treasury and the two Federal bank supervisory agencies

H.R. 10506, a bill to amend section 8 of the Clayton Act, request from Chairman Celler of House Judiciary Committee for report on, to extend the prohibition of present law with respect to interlocking relationships between financial institutions and prohibit some, if not all, chain banking, Board favors objectives of bill but opposes enactment in its present form, letter to Chairman Celler, approved

H.R. 10668 and S. 2561, identical bills to amend the Bank Holding Company Act of 1956 to cover testamentary trusts and charitable and educational foundations which control bank assets of $100 million or more, and to require Federal bank supervisory agencies to consider possible inconsistencies with Bank Holding Company Act when passing upon bank merger applications, agreed to consider further
Legislation: (continued)

H.R. 10668 and S. 2561: (continued)
Letters to Chairmen Patman and Robertson of the House and Senate Banking and Currency Committees re, approved

H.R. 10872, a bill to amend the Bank Holding Company Act of 1956, agreed to send to Chairman Patman of House Banking and Currency Committee, lists and tables showing additional bank holding companies which would be subject to regulation under the Bank Holding Company Act of 1956, should the bill be enacted

H.R. 11049, Federal Government pay bill raising the salaries of classified workers, Board to apply comparable rates to salaries of its employees

H.R. 11218, a bill to amend section 24 of the FRAct, to permit national banks to make more liberal loans to individuals for re-developing real property to further rehabilitation of urban areas, understood Legal Division would advise the Bureau of the Budget by telephone that if support was given, consideration should be taken toward tightening some of its provisions

H.R. 11499, a bill extending for two years the authority of FRBanks to purchase United States obligations directly from the Treasury, draft letter to Budget Bureau recommending approval of enrolled bill, approved
Legislation: (continued)
H.R. 11911, a bill to authorize checks to be drawn in favor of certain organizations for the credit of a person's account under certain conditions, allowing Government agencies to draw a single check in favor of banking organizations for the credit of accounts of persons who regularly receive Government checks, letter approved for transmittal to Chairman Robertson of Senate Banking and Currency Committee favoring enactment, similar letter sent to Chairman Dawson of House Committee on Government Operations

H.R. 12267, an enrolled bill to provide for notice of change in control of management of insured banks:
Letter to Bureau of the Budget recommending approval
Preparation by the staff of a statement indicating that reports involving State member banks were to be submitted to Federal Reserve Banks, requested such statement to be mailed to all insured banks by FDIC
Statement to all insured banks sent on September 18, 1964, Presidents of all FRBanks informed of statement
Procedure to be followed at regional level outlined in letter to FRBanks and request that FRBanks send to the Board a copy of each report relating to changes in management control received directly by them, and of all reports submitted to them by local representatives of either the FDIC or Comptroller of Currency, copy of letter sent to FDIC and Comptroller of Currency
Legislation: (continued)

Housing Act of 1964, S. 3049, letter to Budget Bureau approved, re-expressing reservations re, but also indicating that since the bill has been enacted by Congress, the Board saw no reason for the President to withhold approval

Housing and Community Development Act of 1964:
Proposed housing bill, request from Bureau of the Budget for Board's views re, to be considered at next day's meeting

Board's views on proposed bill transmitted to Bureau of the Budget

Proposed Federal Home Loan Bank Board letter to Senate Banking and Currency Committee re certain proposals made by the United States Savings and Loan League to amend S. 2468, which if enacted, would become the, letter to Budget Bureau commenting on, approved, Governor Mills' reservations being noted

Inter-American Development Bank:
Enrolled bill H.R. 7406, to provide for increased participation by the United States in the Inter-American Development Bank, Board recommends approval, letter to Bureau of the Budget, approved

Proposal to expand the Fund for Special Operations (the Bank's soft loan window) assuming responsibility for the social development project, previously handled by Social Progress Trust Fund, a U.S. financed adjunct of, report by Chmn. Martin as a member of National Advisory Council of International Monetary and Financial Problems, Board will likely be asked to report
Legislation: (continued)

Internal Revenue Code of 1954, H.R. 8000, a bill to amend, to impose a tax on acquisitions of certain foreign securities in order to equalize costs of longer-term financing in the United States and in markets abroad, letter to Budget Bureau re, approved 8/25 2941, 2959

International Development Association Act, S. 2214, an enrolled bill to amend, to authorize United States to participate in an increase in the resources of the International Development Association, letter to Budget Bureau advising that Board has no objection to approval of bill 5/15 1777, 1786

Leasing of personal property by banks, H.R. 9822, a bill to prohibit banks from engaging in, Chairman Multer of House Subcommittee on Bank Supervision and Insurance, requested Board representative to testify on, Board to report by letter to Subcommittee 2/19 589

Draft letter and opinions of FRBank Presidents considered, staff requested to consider draft further in view of discussion 3/11 793

Further discussion, staff requested to prepare new draft of letter 3/13 834

Letter approved for transmission stressing two kinds of leasing, one a desirable form of security for legitimate extension of credit, the other an unsuitable activity for banks that should be discouraged or prohibited 3/20 929

At meeting on March 26, 1964, Board decided to send copies for information to Treasury Department and two Federal bank supervisory agencies 3/20 932
Legislation: (continued)

Loans to executive officers of member banks, Governor Robertson expressed the view in considering proposals for enactment in connection with Board's legislative program, that he was in favor of more liberal limitations than had been proposed for loans to executive officers for purchase of their residences.

Loans to national banks on forest tracts, letter to Bureau of the Budget, offering no objection to the President approving H.R. 8230, an enrolled bill to amend section 24 of the Federal Reserve Act, liberalizing the conditions of.

Location of banks, draft of letter to Senator Proxmire responding to his inquiry concerning the intention of Park State Bank, Milwaukee, Wisconsin, to move its main office to another location, and a related proposal by one of the Senator's constituents for legislation.

Michigan National Bank, Lansing, Michigan, letter to Chairman Robertson of Senate Committee on Banking and Currency reporting unfavorably on S. 2883, a bill to permit establishment and operation of certain branch offices by, approved.

Mutual savings banks, H.R. 258, a bill to establish Federal mutual savings banks:

Memorandum from Legal Division re request from Budget Bureau for report on suggested revised version of H.R. 258, reply approved.

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Legislation: (continued)

Mutual savings banks, H.R. 258, a bill to establish Federal mutual savings banks: (continued)

Request from Bureau of the Budget for report on House Committee Print and certain revisions proposed by the Federal Home Loan Bank Board re, letter to Bureau of the Budget, approved 3/20 928, 939

National Housing Act, draft bill to amend section 408 of, to provide for the regulation of savings and loan association holding companies, generally favorable report sent to Bureau of the Budget 8/17 2857, 2860

Nonbank services, H.R. 9548, a bill to prohibit banks from performing certain nonbanking services, Chairman Multer of House Subcommittee on Bank Supervision and Insurance requested Board representative to testify on, Board to report by letter to Subcommittee 2/19 589

After comments re growth of nonbanking services such as data processing by banks for other banks and customers, it was agreed that further consideration would be given to the reply 3/13 836

Letter approved for transmission to Chairman Multer of Bank Supervision and Insurance Subcommittee 3/17 892, 899

Pay increase for Federal Government employees, H.R. 11049, a proposed bill raising salaries for classified workers, Board to apply comparable rates to salaries of its employees 6/18 2153

Private money orders:

Replies to Senators Robertson and Long advising that Board would not recommend Federal supervision re issuance of, by nonbanking concerns, approved 6/12 2078, 2100
Legislation: (continued)

Private money orders: (continued)

Request from Senator Albert Gore for information relating to regulation of sale of, agreed to furnish copy of information previously supplied to Senators Robertson and Long on same subject

9/14 3121, 3123

Proposals for enactment:

Agreed that the Legal Division would prepare for Board consideration a package of, with a view to deciding what legislative program should be recommended to the Congress toward the end of this year or in early 1965

5/11 1688

Consideration of particular subjects suggested in memorandum, understood that Legal Division would proceed to draft legislation re topics discussed according to priorities indicated

6/11 2043

Decision that Board would continue to give thought to development of possible legislation re structure of FRSystem that at some point might be proposed on a System basis

8/19 2875

Relating to (1) advances by FRBanks, (2) amendments to the Bank Holding Company Act, (3) reserve requirements, (4) interest on deposits, (5) gold reserves against FRnotes and Reserve Bank deposits, (6) destruction of FRnotes, (7) purchase of obligations of foreign governments by FRBanks, (8) direct investments in stock of foreign banks, (9) investment in general obligations, (10) loans to executive officers, (11) loans to bank examiners, (12) delegation of authority, and (13) consolidation of Federal banking agencies, agreed to resubmit all proposals to Board before submittal to Congress, discussion and stated agreements re 1, 2, 6, and 7

11/18 3898
Legislation: (continued)

Public Law 87-793, letter to Secretary of Retirement System re payment by the Board of cost of increased retirement benefits incorporated into Board's Plan for Board annuitants as provided in

Public Law 88-593, changes in control or ownership, H.R. 12267, which had been approved by President on September 12, 1964, understood that staff would prepare a statement indicating that reports involving State member banks were to be submitted to FRBanks, statement to all insured banks sent on September 18, 1964, Presidents of all FRBanks informed of statement

Letter sent to FRBank Presidents outlining procedure to be followed at regional level, copy of letter transmitted to FDIC and Comptroller of the Currency

Real estate loans:

Bureau of the Budget, letter to, supporting legislation proposed by Small Business Administration, which would exempt State banks from various restrictions of State law with respect to

H.R. 11218, a bill to amend section 24 of the FRAct to permit national banks to make more liberal loans to individuals for redeveloping real property to further rehabilitation of urban areas, understood Legal Division would advise Bureau of the Budget by telephone that the Board did not favor bill, and if support was given, consideration should be given to tighten some of its provisions
Legislation: (continued)
Real estate loans: (continued)
S. 3049, a bill to amend section 24 of the
FRAct to liberalize the powers
of national banks with respect
to conventional home mortgage
loans, letter to Budget Bureau
re-expressing reservations re,
but also indicating that since
the bill had been enacted by
Congress the Board saw no
reason for the President to
withhold approval
8/24 2918, 2922
Reorganization Act, reply to Budget Bureau, ap-
proved, indicating that the
Board has no recommendations
for the Presidential reorgan-
ization plan
10/1 3350, 3356
Reserve requirements:
Graduated basis, extension to all commercial
banks reserve requirements on
a, relating to bank size,
rather than geographical loca-
tion, discussion re, staff in-
structed to prepare a draft
bill and supporting analysis
that could be discussed with
other interested agencies and
proposed to Congress
3/26 1028
Governor Mitchell expressed the view that
in considering proposals for
enactment in connection with
Board's legislative program,
it was particularly important
to go forward promptly on pro-
posals regarding reserve re-
quirements
6/11 2043
Discussion re proposed legislation on, con-
sideration of recommendations
of President's Committee on
Financial Institutions in its
April 1963 report and two memo-
randa by Messrs. Brill and
Farrell, and Mr. Dembitz of
Board's staff, initial draft
of proposed legislation to be
prepared by Legal Division for
Board's consideration
8/12 2772
Legislation: (continued)

Reserves:

Gold, Governor Mitchell expressed the view that in connection with the Board's legislative program, it was particularly important to go forward promptly on proposals re

Revenue bonds, Governor Mitchell expressed the view that in considering proposals for enactment in connection with Board's legislative program, he would regard the subject of, next in importance to reserve requirements and gold reserves for consideration

Savings and loan associations, draft bill to amend section 408 of the National Housing Act to provide for the regulation of savings and loan association holding companies and subsidiary companies, generally favorable report sent to the Bureau of the Budget

Securities:

Foreign, short-term, seventh legislative proposal for 1965 in regard to, draft bill would recommend an amendment to the FRAct that would authorize FRBanks to invest in obligations of foreign governments having original maturities of not more than one year and payable in convertible foreign currency, Governor Daane mentioned an 18-month maturity, agreement to ask for no more authority than the minimum that was adequate for facility of operation, but the question whether the maturity limitation in the draft bill should be twelve months or longer could be explored further
Legislation: (continued)
Securities Act of 1933, S. 1642, an enrolled
bill to amend, to extend disclosure requirements and pro-
vide improved qualification and disciplinary procedures,
favorable report transmitted
to Bureau of the Budget

Securities Exchange Act of 1934:

Extension of:
Proposals for enactment in connection with
the Board's legislative pro-
gram, understood that Legal
Division would proceed to
draft legislation concerning
topics discussed according to
priorities indicated

S. 1642, a bill to require public disclosure of information re corpora-
rations whose securities were
actively traded over the
counter:
Request from Mr. Keith Funston, Presi-
dent of New York Stock Ex-
change, that banks under the
Board's jurisdiction be tem-
porarily exempt from require-
ment, staff authorized to con-
fer with Comptroller of the
Currency, FDIC, and Securi-
ties and Exchange Commission,
after which staff would pre-
sent recommendations to Board

Agreement with view that it would be
inadvisable for Board to write
a letter to House Interstate
and Foreign Commerce Committeere opposition to pending legis-
lation

Favorable report on enrolled bill ap-
proved for transmittal to the
Bureau of the Budget, but ques-
tioned advisability of section
3(e)
Legislation: (continued)
Securities Exchange Act of 1934: (continued)
Extension of: (continued)
S. 1642, a bill to require public disclosure of information re corporations whose securities were actively traded over the counter: (continued)
Understood Board's staff would expedite preparation of draft regulations and forms for use by banks in connection with enacted legislation
Partial draft and related registration forms approved for publication in Federal Register for comment with understanding that a press statement would be issued

8/13  2815
8/20  2900, 2907

S. 750, truth in lending bill, requiring disclosure of finance charges:
Answers to eighty-three questions requested by Chairman Robertson of Senate Banking and Currency Committee, Federal Trade Commission also submitting answers to same questions, staff to draft answers to questions for Board's consideration
Letter and replies to questions approved for transmittal to Senator Robertson

2/13  471
2/17  528, 539

Comments requested by Chairman Robertson of Senate Banking and Currency Committee re possible amendments to reported bill that would be desirable if Board remained the administering agency, reply approved
Letter to Chairman Robertson of Senate Banking and Currency Committee reaffirming Board's previously stated views re its designation as administrator of

3/30  1058, 1071
4/27  1448, 1468
Legislation: (continued)

S. 1642, a bill to amend the Securities Act of 1933 and the Securities Exchange Act of 1934, to require public disclosure of information re corporations whose securities were actively traded over the counter:

Discussion re letter from Mr. G. Keith Funston, President of New York Stock Exchange re temporary exemption for banks under Board's jurisdiction, recommended that the staff be authorized to confer with other bank supervisory agencies and Securities and Exchange Commission and then present recommendations to Board

Inadvisable for Board to write a letter to House Interstate and Foreign Commerce Committee re opposition to pending legislation, agreement with view expressed

Report favoring enrolled bill approved for transmittal to Bureau of the Budget, but advisability of section 3(e), questioned

Understood Board's staff would expedite preparation of draft regulations and forms for use by banks in connection with enacted legislation

Partial draft and related registration forms approved for publication in Federal Register for comment with understanding that a press statement would be issued

S. 1663, a bill to amend the Administrative Procedures Act, report to Chairman Long of the Subcommittee on Administrative Practice and Procedure of the Senate Judiciary Committee, on changes made by the Subcommittee, approved
Legislation: (continued)

S. 1663, a bill to amend the Administrative Procedures Act: (continued)

Letter to Senator Long approved, further explaining Board's opposition to, and furnishing kinds of information to the Subcommittee that would be exempted from disclosure by an amendment to

S. 1799, a bill introduced by Chairman Robertson of the Senate Banking and Currency Committee, which called for continuance of prohibition of interest payments on demand deposits, and concluded that purposes served by continuous regulation of maximum time and savings deposits interest rates, could be served as well on a stand-by basis, and also that other deposit-type financial institutions be encompassed under this authority

Further discussion
Letter to Chairman Robertson, approved

S. 2214, an enrolled bill to amend the International Development Association Act, to authorize the United States to participate in an increase in the resources of the International Development Association, letter to the Budget Bureau, advising that the Board has no objection to approval of the bill

S. 2223, a bill to provide for the regulation of collective investment funds maintained by banks:

Draft of report re H.R. 8499 and, (identical bills) to be revised in light of comments and considered further
Legislation: (continued)
S. 2223, a bill to provide for the regulation of collective investment funds maintained by banks: (continued)
Revised draft of report approved, copies sent to Chairman Harris of House Interstate and Foreign Commerce Committee, Chairman Robertson of Senate Banking and Currency Committee, and to the General Counsel of the Treasury, understood copies would also be sent to the Comptroller of the Currency and FDIC for their information
Transmittal of report to Bureau of the Budget, approved
3/26 1026, 1038

S. 2468:
Amendment to omnibus housing bill, proposed, to create Federal Limited Profit Mortgage Corporation with authority to make mortgage loans to help provide housing for moderate-income and elderly people, reply letter to Chairman Robertson of Senate Banking and Currency Committee re
Letter to Budget Bureau, commenting on a proposed Federal Home Loan Bank Board letter to the Senate Banking and Currency Committee, re certain proposals made by the United States Savings and Loan League to amend, which if enacted, would become the Housing and Community Development Act of 1964, approved, Governor Mills' reservations noted
4/13 1276, 1288

S. 2506, a bill to extend Defense Production Act of 1950, no objection to the part re Government guaranteed loans for defense production under Reg. V, no comment on other provisions, report to Chm. Robertson of Senate Banking and Currency Committee, approved
4/6 1142, 1154

7/13 2438, 2459

4/6 1142, 1154
Legislation: (continued)

S. 2561 and H.R. 10668, identical bills to amend the Bank Holding Company Act of 1956 to bring within its scope certain testamentary trusts and charitable and educational foundations which control bank assets of $100 million or more, and require each Federal bank supervisory agency to take into consideration possible inconsistencies of a proposed merger with purposes and objectives of the Bank Holding Company Act when passing upon applications, agreed to consider further at next meeting.

Letters to Chairmen Patman and Robertson of the House and Senate Banking and Currency Committees, approved

S. 2671, a bill to redefine the silver content of silver coins, report sent to Senator Robertson, Chairman of the Senate Banking and Currency Committee, approved

S. 2716, a bill to require the Treasury Department to redeem silver certificates with silver dollars not silver bullion, and S. 2717, a bill to double the monetary value of silver, report unfavorable to legislation re, approved for transmittal to Chairman Robertson of the Senate Banking and Currency Committee

S. 2883, a bill to permit the establishment and operation of certain branch offices by Michigan National Bank, Lansing, Michigan, letter to Chairman Robertson of Senate Banking and Currency Committee, reporting unfavorably re, approved
Legislation: (continued)

S. 2891, a bill to extend for another two years the authority of the FRSSystem to purchase up to $5 billion of special securities direct from the Treasury, report which had been requested by Chairman Robertson of the Senate Banking and Currency Committee, would present same views that Chairman Martin had expressed on a companion bill H.R. 11499 at a hearing earlier in the day before the House Banking and Currency Committee.

S. 2937, a bill to authorize checks to be drawn in favor of certain organizations for the credit of a person's account under certain conditions, allowing Government agencies to draw single checks in favor of banking organizations for the credit of accounts of persons who regularly receive Government checks, letter approved for transmittal to Chairman Robertson of the Senate Banking and Currency Committee, favoring enactment.

S. 2950, a bill to authorize the Mint to continue to inscribe the 1964 mintage date on coins until adequate supplies are available:

Letter to Chairman Robertson of Senate Banking and Currency Committee, strongly urging favorable consideration of, approved.

Letter to Budget Bureau re, approved.

S. 2969, a bill to establish a Department of Consumer Affairs, unfavorable report to Chairman McClellan of the Senate Committee on Government Operations, approved.
Legislation: (continued)

S. 3049, a bill cited as the Housing Act of 1964, letter to Budget Bureau approved, re-expressing reservations re, but also indicating that since the bill has been enacted by Congress, the Board sees no reason for the President to withhold approval

Silver:

Content of silver coin, S. 2671, a bill to redefine the, report to Senator Robertson, Chairman of the Senate Banking and Currency Committee, approved

S. 2716, a bill to require the Treasury Department to redeem silver certificates with silver dollars, not silver bullion, and S. 2717, a bill to double the monetary value of silver, unfavorable report to Chairman Robertson of Senate Banking and Currency Committee, approved

Small Business Administration, letter approved for transmittal to Bureau of the Budget, supporting legislation proposed by, which would exempt State banks from various restrictions of State law with respect to real estate loans made in participation with

State:

Committee of State Officials on Suggested State Legislation of the Council of State Governments, letter to Bureau of the Budget replying that the Board has no proposals for State legislation which it would desire to present through the Budget Bureau for consideration by
Legislation: (continued)

State: (continued)

Legislation for 1965, letter approved for transmittal to the Bureau of the Budget in which the Board endorses the legislative proposals that the Small Business Administration wishes to submit to the

Proposed legislation which would put State banks on same footing with national banks when making loans in participation with Small Business Administration, letter to Bureau of the Budget, approved

Subpoena and enforcement authority, proposal being considered in connection with Board's legislative program, understood that Legal Division would proceed to draft legislation concerning topics discussed according to priorities indicated

Tax and loan accounts, one of the bills introduced by Chairman Patman of the House Banking and Currency Committee, included in the hearings on the FRSystem by the Subcommittee on Domestic Finance, Board members and FRBank Presidents invited to testify

Time and savings deposits, S. 1799, a bill introduced by Chairman Robertson of the Senate Banking and Currency Committee, which called for continuance of prohibition of interest payments on demand deposits, and concluded that purposes served by continuous regulation of maximum time and savings deposits interest rates, could be served as well on standby basis, and also that other deposit type financial institutions be encompassed under this authority
Legislation: (continued)
Time and savings deposits, S. 1799: (continued)
Further discussion
Letter to Chairman Robertson, approved
Truth in lending bill:
SEE: Legislation:
Finance charges

Lesceux, Jean Jacques:
Conversational French arrangements approved for, and Mrs. Renee Mikus of Washington, D. C., to give instruction in, to members of the Board and Board’s staff under the Board’s Training and Development Program, Board to pay $10 for each session conducted

Liberia:
InterAfrica (Liberia) Limited, Monrovia, Liberia, letter to Bankers International Financing Company, Inc., New York, New York, rescinding restrictions outlined in letter granting consent to purchase and hold shares of, pursuant to understanding at Board meeting of April 9, 1964

Lindsey, Thomas E.:
Examination reports, Board authorizes FRBank of Chicago to make available to, FDIC Examiner, the open and confidential sections of the March 16, 1964 report of examination together with related loan slips and correspondence

Liquidity:
Banking system:
Observation re possible changes that banks are employing in judging their own liquidity positions, topic for discussion with FAC
Change noted in make-up of bank assets, volume of time money had led to lower-liquidity standards, views of FAC expressed at joint meeting
Liquidity: (continued)
Banking system: (continued)
Staff to prepare revised draft letter to Secretary of the Treasury, stating that it was inappropriate for the Comptroller of the Currency to make a statement that mandatory reserve requirements imposed on member banks did not serve any useful function in maintaining bank liquidity and were not necessary for effective conduct of the monetary policy.

Listing service for institutional investors:
Rhode Island Hospital Trust Company, Providence, Rhode Island, proposed plan of, to provide a, letter stating that on the basis of facts presented, there appeared to be no violation, approved for transmittal to, Governor Mills dissenting, memorandum re his dissent placed in the Board's files.

Loan of employees:
Private enterprise:
Berge, Ansgar R., Vice President, FRBank of Boston, question re loan of Mr. Berge for period of one week on leave-without-pay basis, to assist with credit analysis in connection with contract which Arthur D. Little, Inc., had with Province of Manitoba, Canada, and the Manitoba Development Fund, Board did not object, suggestion that general subject be reviewed by Board at a later date.

Systems analyst, letter to Secretary of Agriculture re loan of, on a reimbursable basis for six to eight months to help convert Board's payroll to computer operations, approved.
Loan of employees: (continued)

Technical assistance assignments for System employees to work in foreign countries in the field of central banking, sponsored by International Monetary Fund, memorandum from Mr. Young recommending System's participation and suggesting guidelines, tentative approval given by Board, letter to FRBanks requesting list of possible candidates for assignment, and letter to International Monetary Fund, approved

Letter to International Monetary Fund re FRBank personnel selected for inclusion in the panel of experts being established by the Fund in connection with its program re, approved

(Individual names)

Beach, Oscar, FRBank of Cleveland, letter to Bank requesting an arrangement under which, would spend one or two days a week at the Board over a three-month period in connection with a pilot project for collection of data on small samples of consumer loans, Board to pay travel expenses of

Berge, Ansgar R., Vice President, FRBank of Boston, question re loan of Mr. Berge for period of one week on leave-without-pay basis, to assist with credit analysis in connection with contract which Arthur D. Little, Inc., had with Province of Manitoba, Canada, and the Manitoba Development Fund, no objection, suggestion that the general subject be reviewed by the Board at a later date
Loan of employees: (continued)

Davis, W. M., Assistant Cashier, FRBank of Atlanta:
Assignment to Board's offices for approximately six months, to occupy a Statistician-Economist position in the Division of Data Processing, travel and other expenses for his family and himself to be paid by the Board, letter to FRBank of Atlanta, approved

Recommendation that the Board designate Mr. Davis as Acting Director of Division of Data Processing, effective June 11, 1964, until a new Director is appointed, approved

Mr. Davis' assignment as Acting Director of Division of Data Processing was agreeable to President Bryan of FRBank of Atlanta

Farrell, Walter O., Examiner, FRBank of Boston, assignment to Board's Division of Examinations for approximately two months, with travel and expenses paid by FRBank of Boston, Mr. Farrell to be designated as FRExaminer while in Washington

Gajewski, Peter, Economist, Division of Research and Statistics, recommendation that, be detailed to Census Bureau on a reimbursable basis for the period November 16 through December 4, 1964, to attend an orientation class in preparation for his overseas assignment for the Agency for International Development upon his resignation from the Board in January 1965, approved
Loan of employees: (continued)

Grove, David L., Vice President, FRBank of San Francisco, to visit the Bank of Israel to advise re monetary problems and to visit several other countries on his return trip, approved, noted that Mr. Grove's itinerary will be furnished as soon as it is prepared

Kleppe, Martin I., Assistant Examiner, FRBank of Philadelphia, assignment to Board's Division of Examinations for a period of approximately three months, understood that the FRBank of Philadelphia would absorb all of Mr. Kleppe's salary and travel expenses

Kotsonis, Dionyssios, Economist, Research Department, FRBank of New York, leave of absence without pay for a period of four months, while aiding the Bernstein Committee in preparation of material relating to U.S. balance of payments, Bureau of the Budget to compensate and reimburse him for travel and out-of-pocket expenses, no objection by Board

Nettles, James K., Economist, Division of International Finance, authorized to assist the Central Bank of the Dominican Republic for a period of six weeks in connection with problems relating to construction of the Bank's balance of payments and national income statistics, with per diem in lieu of expenses

Post, Everett B., Manager, Planning Department, FRBank of New York, no objection to leave of absence without pay granted to, for an assignment with the Central Bank of the Philippines
Loan of employees: (continued)

Reynolds, John E., Chief, Special Studies and Operations Section, Division of International Finance, extension until May 31, 1964, of the reimbursable detail to the Bureau of the Budget to continue his assignment as Staff Director for the Review Committee for Balance of Payments Statistics, approved

Ritchie, Robert, Senior Examiner, FRBank of New York, on loan to the Board's Division of Examinations as a Federal Reserve Examiner for approximately three months, salary and travel expenses to be absorbed by the FRBank of New York.

Sammons, Robert L., Adviser, Division of International Finance, to undertake a mission along with James Vergari, Vice President of FRBank of Philadelphia, to the Central Bank of Honduras, for three or four weeks, approved, travel and hotel expenses to be paid by the Central Bank, and reimbursement for actual expenses including official entertainment authorized, letter to Central Bank of Honduras, approved

Schiff, Frank W., Assistant Vice President, FRBank of New York, Board interposes no objection to leave of absence without pay for a period of one year, to serve as a senior staff member of the Council of Economic Advisers.
Loan of employees: (continued)

Sidman, Thomas, Financial Accountant, Division of Corporate Finance, Securities and Exchange Commission, request on reimbursable basis the services of, for three months beginning September 21, 1964, with travel expenses incurred in connection with duties at Board, authorized, matter of possible extension of assignment open for future consideration.  

Assigned to Board's Legal Division as Consultant on Regulation F, letter to Securities and Exchange Commission, approved, requesting a three month extension of the reimbursable detail to the Board of

Solomon, Robert, Associate Adviser, Division of Research and Statistics, currently on loan to the Council of Economic Advisers, assignment to represent the Board and the Council with a group of technicians to study possible means of providing reserve assets to supplement gold in meeting the monetary requirements for financing growth in international trade, approved, with travel expense to be borne by the Board, and charged to the budget of the Division of Research and Statistics.

Governor Shepardson authorized to approve travel requests submitted by Mr. Solomon for the purpose of carrying out the prospective assignment.
Loan of employees: (continued)

Vergari, James, Vice President of FRBank of Philadelphia, to undertake a mission along with Robert L. Sammons, Adviser, Division of International Finance, to Central Bank of Honduras for a period of three to four weeks, approved, with necessary travel and hotel expenses to be paid by Central Bank of Honduras, with reimbursement for actual expenses including official entertainment, letter to Central Bank of Honduras, approved 12/30 4572, 4584

Yager, Charles A., Chief of Government Finance Section, Division of Research and Statistics, recommended for the position of Director of National Accounts and Statistics Branch of Organization for Economic Cooperation and Development, for a two year period, Board authorized assignment with salary and allowances to be paid by the Board and reimbursed by Organization for Economic Cooperation and Development where possible.

Confirmation re appointment of, approval of arrangements as outlined by Governor Shepardson 1/9 66

Loans:

Bank:

Chairman Fascell of House Legal and Monetary Affairs Subcommittee, inquiry from, re role of Federal bank supervisory agencies in connection with large loan transactions in banks based on collateral such as warehouse receipts and securities, reply to Chairman Fascell, approved 4/16 1330, 1338
Loans: (continued)
Bank: (continued)

Coins as collateral for:
Letter to Senator Bible re suggestion that use of, be prohibited 7/14 2474, 2488
Request by Mr. Belin, General Counsel of the Treasury, for Board's rea-
tion to proposal by the Comptroller of the Currency which would prohibit national banks from making loans on coins in excess of 70 per cent of the face value of the coins, understood that Mr. Hexter would indicate the Board's doubt that proposal would relieve coin shortage and that the Board questioned the advisability of such a prohibition 7/24 2577
Draft legislation proposed by FDIC to require a report of any bank loan se-
cured by 25 per cent or more of voting stock of an insured bank, favorable report to the Bureau of the Budget, approved, Governor Mills' reservations being noted 7/31 2696, 2706
Loans to business borrowers, including fi-
nance companies, quarterly survey to be undertaken by the FRSystem on an experimental basis re changes in bank prac-
tices re terms and conditions specified on 8/19 2873
Letter to Presidents of all FRBanks, approved 9/24 3288, 3292
Opinion of FAC re demand for, topic for dis-
cussion with FAC 8/25 2940, 2956
Anticipation that demand for bank loans will be more seasonal over rest of year, reflecting some acceleration in consumer buying and better than average holiday trade, views of FAC expressed at joint meeting 9/22 3229
Loans: (continued)

Bank: (continued)

Public Law 88-593, (H.R. 12267) changes in control or ownership, understood that staff would prepare a statement indicating that reports involving State member banks were to be submitted to FRBanks, such statement to be mailed to all insured banks by FDIC

Statement to all insured banks issued on September 18, 1964, Presidents of all FRBanks informed of statement

Letter to FRBank Presidents outlining procedure to be followed at regional level, copy of letter transmitted to FDIC and Comptroller of the Currency

Procedure in reporting as agreed by the Board and FDIC, letter to Comptroller of the Currency seeking to clarify difference in procedure in submitting reports to the Comptroller

Bank stock, loans and bank ownership secured by:

Request from Chairman Patman of House Banking and Currency Committee for further processing of data reported in 1962 questionnaire, "Schedule of Stockholders, Directors, Officers, and Loans Secured by Stock of Other Banks," used in Committee's study of, Board to hire outside firm to work on request, advice to Chairman Patman

Computers for Industry and Business, Inc., New York, New York, to process, Board to pay for work including authorization for resulting overexpenditure in 1964 Budget of Division of Data Processing, advice to Congressman Patman
Loans: (continued)

Business loan survey, request from Professors Peter Steiner and Roger Miller of University of Wisconsin for 1955 and 1957 data re, understood data would be furnished on the basis recommended in Mr. Holland's memorandum

Commercial and industrial, judgment of FAC re demand for, over the next six months, topic for discussion with FAC

No attempt to specify any particular expected rate of increase, views of FAC expressed at joint meeting

Consumer, letter to FRBank of Cleveland, requesting that Oscar Beach of the Bank's staff, spend one or two days a week at the Board, over a three month period to work on a pilot project for collection of data on small samples re, Board to pay travel expenses, in light of reply from FRBank of Cleveland, minor changes in the details of the arrangements were agreed upon

Domestic and foreign, judgment of FAC re demand for, over the rest of the year, topic for discussion with FAC

Domestic loan demands somewhat below expectations, demand for foreign loans currently strong, but with continued expansion of domestic loans and the reserve position less easy, banks may find it difficult to accommodate foreign borrowers, views expressed at joint meeting with FAC

Executive officers:

Indebtedness to National Bank of Detroit by its, due to purchase of a department store's retail customers' accounts, request for ruling under Reg. 0 and sec. 22(g) of FRAct, advice to FRBranch of Detroit
Loans: (continued)

Executive officers: (continued)

Indebtedness to National Bank of Detroit
by: (continued)

Understood that the Legal Division would undertake a general review of Regulation 0, to examine the possibility of amendment to exclude from the definitions of "extension of credit" and "indebtedness," the acquisition by a member bank of charges or time credit accounts of its executive officers.

Legal Division's memorandum re Comptroller of the Currency's ruling on loans by national banks to, violating section 22(g) of the FRAct and Regulation 0, understood no action would be taken by the Board at this time on matter of Comptroller's interpretation.

Regulation 0 and section 22(g) of the FRAct, ruling under:

Request by Morgan Guaranty Trust Company, New York, New York, for ruling permitting same loan ceiling for executive officers of State member banks stationed at foreign branches as that enjoyed by executive officers of national banks under Regulation M, question of legal basis for requested authority, staff to prepare a revised draft for Board's consideration.

Revised draft discussed re, interpretation approved, with understanding that it would be published in the Federal Register and FRBulletin, letter to the FRBank of New York, approved.
Loans: (continued)

Executive officers: (continued)

Regulation O and section 22(g) of the FRAct, ruling under: (continued)

Interpretation of, indicating that indebtedness to branches in the U.S. of foreign banks and to private banks by executive officers, must be reported, to be published in the FRBulletin and Federal Register, letter transmitted to Presidents of all FRBanks and a letter to FRBank of New York, approved 1/29 287,298-305

Interpretation published by Comptroller of the Currency intimated that national banks are not bound by definition of term "executive officer" as set forth in Board's, in reply to Chairman Fascell of the House Legal and Monetary Affairs Subcommittee stating that until Regulation O is changed, the present definition of "executive officer" is applicable to all member banks 2/10 438

Listed as one of the points of disagreement between the Board and Comptroller of the Currency, in a letter to Congressman Patman in reply to his request 9/3 3048,3064-69

Loans to executive officers in excess of the limitations prescribed by, noted in connection with the application of Corpus Christi Bank and Trust Company, Corpus Christi, Texas, for membership in FRSystem 4/27 1448, 1467

Residences, Governor Robertson indicated in legislative proposals that he was in favor of more liberal limitations than had been proposed for loans to executive officers for purchase of 6/11 2043
Loans: (continued)

Foreign, reports by commercial banks re, to be collected by FRBanks for forwarding to the Treasury Department, now mandatory under the interest equalization tax bill, agreed to discuss at joint meeting with the Presidents

Foreign banking corporations:
Restrictions on lending powers of foreign subsidiaries of, request by International Banking Corporation, a wholly-owned subsidiary of the First National City Bank, New York, New York, re exclusion from previously imposed conditions re loans by the National City Trust Company (Bahamas) Limited, understood a list of restrictions imposed re acquisition of shares of foreign banks in various cases would be prepared for consideration at the next Board meeting

Matter to be discussed further at another meeting

Revised draft of reply considered, to be further revised and reconsidered at the next meeting

Understood that agreement would be amended to conform with revised Regulation K, granting exception to conditions imposed on acquisitions of First National City Trust Company (Bahamas), Governors Robertson, Mitchell and Daane dissenting

Foreign and domestic:
Foreign lending by U.S. banks, question re current situation with respect to demand for loans from U.S. banks, topic for discussion with FAC

9/4 3079
9/1 2995
9/2 3022, 3035
10/6 3383
10/7 3416, 3443-45
1/31 313, 323
Loans: (continued)
Foreign and domestic: (continued)
Foreign lending by U.S. banks: (continued)
Strong foreign demand for loans from U.S. banks, however, should domestic demand for credit expand as level of business activity rises, resulting pressure on bank reserves may make banks in U.S. less willing to expand foreign loans, views of FAC expressed at joint meeting.
Judgment of FAC re demands over the rest of the year for, topic for discussion with FAC

Foreign loan demands currently strong, domestic loans somewhat below expectation, but with continued expansion of domestic loans and the reserve position less easy, banks may find it difficult to accommodate foreign borrowers, views expressed at joint meeting with FAC

Forest tracts, letter to Bureau of the Budget, offering no objection to the President's approving the enrolled bill, H.R. 8230, to amend Section 24 of the Federal Reserve Act, liberalizing the conditions of loans by national banks on

Government securities, discussion of reply to FRBank of New York on question re loans to dealers in, upon security by nonbanking concerns, question re prohibition under Section 19, paragraph 8, of the FRAct, for a member bank to act as agent for nonbanking corporations, agreed to hold for further consideration
Loans: (continued)

Government securities: (continued)

Suggested that FRBank of New York be requested to supplement its letter with further information relating to market practices before the Board takes action on the question, general agreement that this procedure should be followed.

Limitation of, as prescribed by section 5200 of Revised Statutes:

Capital notes and debentures being included as part of aggregate amount of unimpaired capital stock and surplus funds under ruling of Comptroller of Currency raises amount of loans possible to individual borrowers, recommendation that a statement of policy views and legal considerations involved be issued as a press release and as a formal interpretation that would be published in Federal Register and FRBulletin, staff to prepare revised draft of statement dealing with.

Maximum liability of a single borrower, during recent visits of delegation of Kansas bankers and two members of Federal Legislative Committee of American Bankers Association, there was comment in favor of raising, for national banks, and one, not in favor.

Ruling by Comptroller of Currency that for purposes of lending limitations of national banks, undivided profits could be treated as part of capital stock and surplus funds, views expressed that ruling was made without informing Board, staff to review propriety requesting copy of ruling as issued.
Loans: (continued)

Limitation of, as prescribed by section 5200 of Revised Statutes: (continued)

Ruling by Comptroller of the Currency re: (continued)

Board to send letter re undivided profits ruling to Federal bank supervisory agencies for comment 5/14 1760

General agreement that interpretation should be published that "undivided profits which are in fact earned surplus may be considered as unimpaired surplus in computing the lending limit on loans to individual borrowers." 5/21 1842

Interpretation approved for transmittal to the FRBanks and for publication in Federal Register and FRBulletin 6/11 2028, 2069

Memorandum re notice published in Federal Register by Comptroller of the Currency re revision of regulation on "Loans made by National Banks secured by Direct Obligations of the United States," letter to Comptroller approved, stating Board's views concerning further liberalizations without limitation on amount of such loans 10/28 3665, 3683

Mortgage, judgment re demand for over next six months, topic for discussion with FAC 1/31 313, 322

Incentive to keep going because of abundance of mortgage funds available, feeling that mortgage and real estate market was a potential danger spot 2/18 553

Real estate:

H.R. 11218, a bill to amend section 24 of FRAct, to permit national banks to make more liberal loans to individuals for redeveloping, to further rehabilitation of urban areas, Legal Division to advise Budget Bureau that Board did not favor bill 7/1 2327
Loans: (continued)

Real estate: (continued)

S. 3049, a bill which would provide further relaxation of real estate loan restrictions on national banks, letter to Budget Bureau, approved, re-expressing reservations but also indicating that since bill had been enacted by Congress, Board saw no reason for President to withhold approval

Term:

Change in demand for, or in willingness of banks to grant such loans, topic for discussion with FAC

Demand continues, members have observed no change in willingness of banks to grant such credit, some report more intense competition with tendency for rates and terms to soften, views expressed at joint meeting with FAC

Evidence of increasing use of term loans being used to finance plant expansion, topic for discussion with FAC

While there is a good demand for term loans, there has been no strong upward push to finance plant expansion, views expressed at joint meeting with FAC

V-loans, S. 2506, a bill to extend the Defense Production Act of 1950, Board has no objection to part of bill relating to Government guaranteed loans for defense production, which is considered by Office of Emergency Planning to be useful in securing working capital for defense contracts, report to Chm. Robertson of Senate Banking and Currency Committee, approved
Loans: (continued)
(Individual banks)

Banco Central de Costa Rica, telegram to FRBank of New York, approved, indicating affirmative action of Board re $2 million gold loan to, for a period of three months.

Banco de la Republica, Colombia, loan on gold, request for $30 million, comments on circumstances on which request is based, not submitted for recommendations or action at this time, to be brought before the Board when information is more complete.

Approval of loan or loans up to $30 million as requested, telegram to FRBank of New York.

Bank for International Settlements, extension of gold loan arrangements for FRBank of New York to make loans for, approved.

Burns State Bank, Burns, Kansas, continuance of deposit insurance after withdrawal from membership in the FRSystem, advice to FDIC with attention re loans made by.

Central Bank of the Philippines, loan on gold, request for loan of $15 million for three months, approved, telegram to FRBank of New York.

Corpus Christi Bank and Trust Company, Corpus Christi, Texas, certain loans in excess of limitation set by section 11(m) of FRAct and loans to executive officers of the bank in excess of limitations prescribed by section 22(g) of FRAct, noted in connection with application of, for membership in FRSystem.
Location of banks:

State member banks, letter to Senator Proxmire responding to his inquiry concerning the intention of Park State Bank, Milwaukee, Wisconsin, to move its main office to another location, and a related proposal by one of the Senator's constituents that changes in the location of main offices and branch offices of commercial banks should not be allowed without public notice and public hearing, approved.

(Individual banks)

Bank of Arkansas, Little Rock, Arkansas, establishment of an in-town branch (tellers window) at 4306 Asher Avenue, in connection with removal of its head office from that address to 400 Center Street, Little Rock, Arkansas, with understanding capital structure be increased, approved.

Fidelity-Philadelphia Trust Company, Philadelphia, Pennsylvania, granted extension of time to relocate a branch from the Lafayette Building at the northeast corner of Fifth and Chestnut Streets, Philadelphia, to the Rohm and Haas Building at the northwest corner of Sixth and Ranstead Streets, Philadelphia.

Park State Bank, Milwaukee, Wisconsin, letter to Senator Proxmire responding to his inquiry concerning the intention of, to move its main office to another location, approved.

6/30 2313, 2317

4/20 1360, 1363

7/21 2513, 2522

6/30 2313, 2317
Location of banks: (continued)

San Jose Barnett Bank, Jacksonville, Florida, in connection with application of Barnett National Securities Corporation, Jacksonville, Florida, for permission to acquire the proposed new bank, Board interposes no objection to changing location of proposed bank from San Jose Boulevard and University Boulevard to University Boulevard and St. Augustine Road

Wells Fargo Bank, San Francisco, California:

Relocation of a branch from 1440 Fulton Street to Fresno and Van Ness Streets, Fresno, California, approved

Relocation of a branch from First Street West and Napa Street, Sonoma, to West Napa Street and Fifth Street West, approved

Relocation of a branch from 26 N. San Joaquin Street to the northwest corner of the intersection of Miner and El Dorado Streets in Stockton, California, approved

Locations:

Foreign banking corporations:

Chemical Overseas Finance Corporation, Paget, Bermuda, letter to Chemical International Finance, Ltd., New York, New York, granting consent for, to move its head office from Huntley Towers, Paget, Bermuda, to the Belvedere Building, Hamilton, Bermuda, approved

Logistics Management Institute:
Bryan, Malcolm, President, FRBank of Atlanta, asked to serve on Board of Trustees of the Logistics Management Institute, a nonprofit organization organized by the Defense Department, no objection expressed to Mr. Bryan's acceptance of trusteeship

London, David, Hearing Examiner:
Selection for, to serve at hearing requested by First Oklahoma Bancorporation, Inc., Oklahoma City, Oklahoma, for a determination under section 4(c)(6) of the Bank Holding Company Act, approved

Selection for, to serve at hearing requested by First Wisconsin Bankshares Corporation, Milwaukee, Wisconsin, for a determination under section 4(c)(6) of the Bank Holding Company Act, approved

Long, Edward V., Senator:
Administrative Procedure Act, S. 1663, a bill to amend:
Report to Chairman Long of the Subcommittee on Administrative Practice and Procedure of the Senate Judiciary Committee on certain changes made by the Subcommittee re, approved

Report to Senator Long, approved, further explaining Board's opposition to, and furnishing kinds of information to Subcommittee that would be exempted from disclosure by an amendment to S. 1663, which is proposed by Board
Long, Russell B., Senator:

Private money orders, inquiry from, of the Senate Banking and Currency Committee, concerning issuance of, by nonbanking organizations, reply expressing view that Board would not recommend Federal supervision of the issuance of, letter with summary of information from FRBanks on subject, approved for transmittal to, sent also to Senator Robertson, Chairman of Senate Banking and Currency Committee

Loomis-Sayles and Company, Incorporated, Boston, Massachusetts, request for determination as to whether it is a "creditor" within the meaning of section 220.2(b) of Regulation T, and if so, whether it can be exempt from requirements of section 220.4 (c)(2) with respect to subscriptions, letter to FRBank of Boston, copy to Securities and Exchange Commission, substance of letter transmitted to all FRBanks with request that appropriate exchange committees be informed of position taken

Los Angeles, City of:

Music Center Lease Company, Los Angeles, California, letter to FRBank of San Francisco, concerning bonds of, Board determined that such bonds will be considered eligible for investment by State member banks, in light of ruling by Comptroller of the Currency that such bonds are eligible investments for national banks
Loss Sharing Agreement:
SEE: Insurance:
Loss Sharing Agreement

Luncheons:
Center for Latin American Monetary Studies, visits to Board by trainees from, during week of September 14, 1964, provisions made in budget of Secretary's Office for cost of program including luncheon

Cosmos Club, cost of small luncheon for Mr. Lucius Thompson-McCausland of the Bank of England and Mr. David Hubback of the British Treasury, approved, Mr. Ralph Young host at

Monetary economists, seminar on monetary research by, sponsored by Committee on Economic Stability of Social Science Research Council, Board to provide place for meetings and luncheon in staff dining room, staff to make necessary arrangements, unbudgeted expenditures approved within limit of estimate

National Association of Supervisors of State Banks, invitation to visit Board on April 1, 1964, for luncheon and conference with available members of Board, authorized

New York Clearing House Association, Governor Robertson reported that certain staff members would meet today with representatives of, to discuss proposal made by, re Regulation F, Securities of Member State Banks, suggestion that Board members might want to sit in on discussion and attend luncheon that had been scheduled
Luncheons: (continued)

Staff members invited to attend official luncheons in Board's private dining rooms, Employees' Committee requested that Board absorb a portion of costs of these luncheons for staff attending, turned down, Board agreed that staff should be made to understand that attendance was on strictly voluntary basis

State banking associations and other banking groups, authorization to proceed with necessary arrangements for, where appropriate, in connection with anticipated visits to the Board's offices by, approved

Luxembourg:


Board's further consideration grants certain stated liberalizations to conditions previously imposed

Continental International Finance Corporation, Chicago, Illinois, consent granted to purchase shares of

Board's further consideration grants certain stated liberalized conditions to condition previously imposed

Crocker-Citizens International Corporation, San Francisco, California, to purchase shares of

First Chicago International Finance Corporation, Chicago, Illinois, consent granted to purchase shares of
Luxembourg: (continued)
ADELA Investment Company, S.A., Luxembourg: (continued)

First National City Overseas Investment Corporation, New York, New York, consent granted to purchase shares of 6/5 1962, 1970

First Pennsylvania Overseas Finance Corporation, Philadelphia, Pennsylvania, consent granted to purchase shares of 12/7 4138, 4165

Board's further consideration grants certain stated liberalized conditions to that previously imposed 9/18 3185, 3195

International Bank of Detroit, Michigan, consent granted to purchase shares of 10/27 3658, 3662


Board's further consideration grants certain stated liberalized conditions to that previously imposed 9/18 3185, 3196

Manufacturers-Detroit International Corporation, Detroit, Michigan, consent granted to purchase shares of 6/19 2174, 2184

Board's further consideration grants certain stated liberalized conditions to that previously imposed 9/18 3185, 3199

Mellon Bank International, Pittsburgh, Pennsylvania, consent granted to purchase shares of 11/24 3989, 4002

Northwest International Bank, New York, New York, consent granted to purchase shares of 10/27 3658, 3661

Wells Fargo Bank International Corporation, San Francisco, California, consent granted to purchase shares of 9/18 3180, 3191

Consent granted subject to certain liberalized conditions outlined 9/18 3185
MacLennan, Colin, Vice President and Controller, Manufacturers Hanover Trust Company, New York, New York, designated as a member of the Committee set up by American Bankers Association to examine the question of uniform bank accounting procedures

Management consultants:
FRBank of Dallas, question of employment by, for review of operations and to make suggestions for improving efficiency, Board members favorable, Governor Mitchell to pass on to Mr. Irons suggestions of type and scope of agreement which would give assurance of maximum assistance to Bank by firm employed

Manuals:
Accounting Manual, FRBanks, to be revised to provide for submission of the budgets on a new budget report form to facilitate comparisons with the current period rather than the year-ago period, advice to Presidents of all FRBanks

Marcellus Wright & Sons, Richmond, Virginia, Board approves exercising option to purchase property for relocation facility for the joint use of Board and FRBank of Richmond, understood after consultation between Board and FRBank representatives that the Bank will ask the architectural firm of, to prepare plans for the facility
Margin requirements:
Commodity Exchange Act, proposed bill to amend, for purpose of giving Secretary of Agriculture authority to set margin requirements for trading in commodities, recent incidents in market for vegetable oils emphasized need for legislation, letter to Budget Bureau re amending of, approved

Massachusetts, State of:
Savings institutions, discussion re extensive information previously supplied by FRBank of Boston re competitive capacity of, general agreement that information should be brought up to date and made available to Board

McClellan, John L., Senator:
H.R. 5171, proposed amendment to, that would authorize Administrator of General Services to coordinate acquisition and utilization of automatic data processing equipment by Federal departments and agencies, Chairman McClellan of Senate Government Operations Committee, invited Board to comment and also asked if Board desired to have representative testify at hearings that might be held, agreement with suggestion that no letter be submitted or appearance requested

S. 2969, a bill to establish a Department of Consumer Affairs, report to, Chairman of Committee on Government Operations, approved, Board's view that it would be preferable to consider legislation addressed directly to specific problems rather than create a new government agency
McElwee, Charles R., Esq. of Dayton, Campbell & Love, Charleston, West Virginia, letter to, approved re eligibility of West Virginia loan associations for membership in FRSystem

McMillan Mortgage Company, Los Angeles, California, expansion of mortgage servicing business of Fidelity Bank, Beverly Hills, California, through the proposed acquisition of, question whether proposal was covered under the usual conditions of membership in FRSystem, letter approved indicating that Board's permission was necessary and such permission was given

Medical services:
SEE: Physical examinations and other medical services

Meetings:
Alaskan banking situation following recent earthquake:

Report by Mr. Solomon on an interagency meeting on reports from the Office of Emergency Planning re the extent of devastation in Alaska, FRBank of San Francisco planning to send a bank examiner and an officer of the Seattle Branch to study the situation

Report by Mr. Solomon re recent meeting at Treasury Department with respect to condition of banking services in Alaska, at conclusion of discussion Board questioned whether it would be appropriate to consider granting relief through relaxation of reserve requirements if a request of that kind were made
Meetings: (continued)

Alaskan banking situation following recent earthquake: (continued)

Report by Mr. McClintock of Board's staff on a meeting on April 7 at the Treasury Department relating to, attended by representatives of several Federal bank supervisory agencies, Mr. Rasmuson, President of the National Bank of Alaska, and Mr. Cuddy, President of First National Bank of Anchorage

American Bankers Association:
Regulation F, trading in bank securities, Governor Robertson reported on certain arrangements made by staff to meet with representatives of, to discuss Board's proposed, FDIC representatives invited to attend meetings

American Institute of Banking, telegram sent to Presidents of all FRBanks and Vice Presidents in charge of branches extending an invitation to an informal reception in Board's dining room for FRBank representatives attending American Institute of Banking Annual Convention in Washington, Board members in agreement with plans for reception

American Institute of Certified Public Accountants:
Regulation F, trading in bank securities, Governor Robertson reported on certain arrangements made by staff to meet with representatives of, to discuss Board's proposed, FDIC representatives invited to attend meetings
Meetings: (continued)

Balance of payments experts of OECD countries meeting in Paris, France, on February 10 and 11, 1964:

Request for Mr. John E. Reynolds to attend as Board's representative, approved

Travel to Paris to attend, and to attend meeting at International Monetary Fund on February 14, 1964, approved

Bank holding company, request from certain representatives of banks in upstate New York for meeting with Chairman Martin to discuss factors involved in proposed organization of a, which would include Chase Manhattan Bank, New York City, and the possible outcome of the application to organize such a company

Meeting held on July 8, 1964, with representatives of banks involved in attendance with Chairman Martin and Governors Daane and Shepardson

Bank for International Settlements:

Meeting of central bank economists to be held in Basle, Switzerland, March 7-9, 1964, attendance by Guy E. Noyes, Adviser, Board Members' Offices, and George Garvy, Economic Adviser, FRBank of New York, approved along with necessary travel for Mr. Noyes

President Scanlon, FRBank of Chicago, to travel to Basle, Switzerland, to attend monthly meeting of, and to visit a number of European central banks, letter to Chairman Briggs of FRBank of Chicago, noting action of the Chicago bank's directors in authorizing trip of President Scanlon, approved
Meetings: (continued)

Bank for International Settlements: (continued)

Annual meeting held in Basle, Switzerland in June 1964, Mr. Ralph A. Young, Director of Division of International Finance and Adviser to the Board, authorized to attend with reimbursement for official travel on basis of expenses incurred, including allowance for official entertainment.

Meeting for experts on the Euro-currency market to be held at, in Basle, Switzerland on July 6-7, 1964, with the understanding that the FRSystem would be represented by Mr. Samuel I. Katz, Associate Adviser, Division of International Finance, Mr. Fred H. Klopstock, Manager, Research Department, FRBank of New York, and Mr. David P. Eastburn, Vice President, FRBank of Philadelphia.

Messrs. Young and Hersey of Board's staff and George Garvy, Economic Adviser, FRBank of New York, to attend meeting of central bank economists at, in Basle, Switzerland, on November 9 to 11, 1964, approved.

Bank supervisory agencies (Federal), in regard to Comptroller's ruling concerning the statement that national banks were permitted messenger service by armored car or otherwise to meet need of customers and similar ruling by FDIC, Board discussed possible ramifications of Comptroller's ruling and the merits of a meeting of counsel of, as suggested by Governor Robertson, it was agreed that Governor Robertson's suggestion should be followed.
Meetings: (continued)

Bankers Association for Foreign Trade, Mr. Glenn M. Goodman, Assistant Director, Division of Examinations, to travel to Quebec, Canada, to attend meeting of, May 24-28, 1964, approved

Canadian Political Science Association, Mr. Boris Swerling, Senior Economist, Division of International Finance, to address annual meeting of, at Charlottetown, Prince Edward Island, Canada, June 11-13, 1964, approved, per diem in lieu of expenses, authorized

Center for Latin American Monetary Studies:
SEE: Center for Latin American Monetary Studies

Central bank economists, under the auspices of the Bank for International Settlements, attendance by Guy E. Noyes, Adviser, Board Members' Offices, and George Garvy, Economic Adviser, Federal Reserve Bank of New York, meeting to be held in Basle, Switzerland, March 7-9, 1964, approved along with necessary travel

Central bank heads of the American Continent:
Conference at Antigua, Guatemala, April 18-22, 1964:
Messrs. Sammons, Adviser, Division of International Finance, and Nettles, Economist in that Division, authorized to attend, as assistants to Chairman Martin and Governor Mitchell, with per diem in lieu of expenses

Report by Chairman Martin re, with supplementary comments by Governor Mitchell and Mr. Sammons
Meetings: (continued)

Central bank heads of the American Continent: (continued)

Conference at Antigua, Guatemala, April 18-22, 1964: (continued)

Payment to Center for Latin American Monetary Studies for amount covering Federal Reserve's share of expenses incurred by Center in performing secretariat functions for, approved

Cincinnati Branch building, Chairman Hall, Director of FRBank of Cleveland, to meet with Board on afternoon of December 2, 1964, to discuss plans for proposed new building

Coin shortage, meeting to be held on May 26, 1964, for purpose of discussing, with Assistant Secretary of the Treasury, Robert A. Wallace, Director of the Mint, Eva B. Adams, Presidents of Reserve Banks and Board members, memorandum of meeting placed in Board's files

Governor Mitchell mentioned that Assistant Secretary Wallace had expressed interest in having another discussion with the FRBank Presidents

Condition reports, proposal by FDIC that representatives of State and Federal bank supervisory agencies participate in a conference on banking condition reporting problems, letter to FDIC listing representatives and enclosing memorandum outlining the Board's needs for statistical information and plans for a data collection system built around the condition report series
Meetings: (continued)

Deputies of the Group of Ten Finance Ministers:

SEE: Meetings:

Group of Ten Finance Ministers

Directors of FRBanks and branches:

Annual Directors Day, March 18-19, 1964:

Letters of invitation to be sent to, approved

Governors Mills, Shepheardson, and Daane named as a committee of the Board to work with staff in formulating program for

Program planned, Governor Robertson to speak on Current Issues in Bank Supervision and Mr. Cardon, Board's legislative counsel, to make comments on hearings currently being conducted by Subcommittee on Domestic Finance of House Banking and Currency Committee, understood proposed program would be acceptable for basis to make final arrangements

Indicated that plans for dinner and program were satisfactory

Evaluation of, in memorandum by Mr. Morgan of Board's staff, distributed to Board, suggestion that if there were comments, they should be discussed at another meeting of the Board

Annual Directors Day, 1965:

Request for determination of, suitable time for, with suggestion that March 17-18, 1965, be considered, Chairman Martin suggested memorandum be circulated to members of Board to determine whether those dates would be convenient

Decision to hold annual meeting with Board on Thursday, March 25, 1965, preceded by a dinner on Wednesday, March 24, 1965
Meetings: (continued)

Discount officers of FRBanks:
Use of discount window at FRBanks, subject appropriate for consideration at a meeting of 3/25 981

Economists, academic:
Board had previously approved costs of seminar meetings in Special Project Budget for 1964, specific rate for payment of fee now authorized at the rate of $75 a day and travel in accordance with Board's travel regulations 2/27 666

Cost of a dinner on April 30, 1964, for group of, who were to meet with the Board on May 1, 1964, authorized 4/6 1152

Discussion re article in Washington Post concerning Board's recent meeting with academic economists, view of Board that there would be no objection to furnishing basic information on such meetings as they occurred, including names of participating economists 5/8 1670

Invitation to Mr. Emile van Lennep, Treasurer-General, Ministry of Finance, The Netherlands, to attend and participate in seminar with, on October 29-30, at Board's offices, approved, overexpenditure in budget of Division of Research and Statistics that might result, authorized 8/5 2720

Governor Mitchell reviewed highlights of recent meeting of Treasury's academic consultants 8/5 2720
Meetings: (continued)

Economists, monetary:
Seminar on monetary research by, sponsored by Committee on Economic Stability of Social Science Research Council, Board to provide financial assistance, a place to meet, and luncheon in staff dining room, limited number of Board's staff to participate, staff to proceed with necessary arrangements, unbudgeted expenditures approved within limit of estimate

Letter to Social Science Research Council, embodying a contract for collaboration between Board's research staff and scholars designated by Council for series of papers examining status of empirical research in monetary economics

Report to the Board by Mr. Brill on meeting held under sponsorship of Social Science Research Council

Esteva Group:
SEE: Meetings:

Group of Ten Finance Ministers

Euro-currency market, meeting of experts on the, to be held at the Bank for International Settlements in Basle, Switzerland, on July 6-7, 1964, with the understanding that the FRSystem would be represented by Samuel I. Katz, Associate Adviser, Division of International Finance; Fred H. Klopstock, Manager, Research Department, FRBank of New York; and David P. Eastburn, Vice President, FRBank of Philadelphia
Meetings: (continued)
Examination procedure, meeting between senior
field force of examiners, the
Board's Washington staff, and
representatives of the firm
of Haskins & Sells re the ap-
plication of statistical sam-
plings to the field of account-
ing, auditing, and examining,
mentioned in connection with
discussion of revision of ex-
amination report form
Examiners, Conference of Representatives of
Bank Examination Departments
of FRBanks:
SEE: Conferences:
Examiners
Federal Deposit Insurance Corporation:
Governor Robertson to confer with represen-
tatives of, in connection
with points of difference on
revision of Regulation F
Further discussion, with point by point
review of differences, Regu-
lation F would be issued sub-
ject to certain changes and
adjustments called for by
Governor Robertson's negotia-
tions with FDIC
Report by Governor Robertson on meetings
held with Chairman Barr and
Director Randall of, agree-
ment reached on all points of
difference discussed on Decem-
ber 17, now expected two agen-
cies to issue identical regu-
lations to become effective
January 1, 1965
Meeting between Chairman Barr of FDIC and
representatives of American
Bankers Association, re
Meetings: (continued)

Federal Open Market Committee:
Discussion concerning substitution of monthly meeting to replace usual three-week intervals presently observed, staff requested to prepare schedule of meeting dates for 1965 primarily on three-week basis with suggestions reflected in schedule including adjustment for holidays

Understood proposed tentative schedule of meeting dates concurred in by Board would be submitted to

Financial Analysts Federation:
Regulation F, trading in bank securities, Governor Robertson reported on certain arrangements made by staff to meet with representatives of, to discuss Board's proposed, FDIC representatives invited to attend meetings

Franklin National Bank, Franklin Square, New York, discussion re proposed reply to a letter of May 4, 1964, from Arthur T. Roth, Chairman of, who requested opportunity to discuss denial of permission to continue to carry country bank reserves upon establishment of a branch in New York City, agreed, with Governor Mills dissenting, to make arrangements for members of the Board's staff to meet with Mr. Roth

Meeting arranged, report of conference to be furnished Board members

Group of Ten Finance Ministers:
Deputies of:
Mr. Robert Solomon to represent Board and Council of Economic Advisers at meeting in Paris
Meetings: (continued)

Group of Ten Finance Ministers: (continued)
Deputies of: (continued)

Governor Shepardson authorized to approve travel requests submitted by Mr. Solomon for the purpose of carrying out prospective assignment

Report by Governor Daane re meeting relating to further work on assignment to study outlook of international monetary system and its future needs for liquidity

Mr. J. Herbert Furth, Adviser, Division of International Finance, authorized to travel to Paris, France, to attend a meeting on June 10, 1964, of a working group of, reimbursement on basis of actual travel expenses, Mr. Furth to serve as adviser to Mr. George Willis of Treasury, U. S. representative at the meeting, and also to serve as an observer for the Federal Reserve

Board briefed by Governor Daane on nature of forthcoming Ministerial Statement of Group of Ten, including the annex prepared by, to be distributed through the Treasury to FOMC, and to other FRBank Presidents, including press summary of Nineteenth Annual Report of the International Monetary Fund

Request that Robert Solomon, Associate Director, Division of Research and Statistics, attend a meeting of the study committee associated with, to be held in Rome, Italy, October 22 through October 30, 1964, approved
Meetings: (continued)

Group of Ten Finance Ministers: (continued)

Deputies of: (continued)

Governor Daane reported on recent meeting of, which was held in Paris, France

Esteva Group:

Mr. John E. Reynolds, Associate Adviser, Division of International Finance, to travel to Paris, France, for meeting of, on "liquidity creation" and balance-of-payments settlements, approved, to receive per diem in lieu of expenses

International Monetary Fund's meeting of balance-of-payments experts in Paris, through February 14, 1964, John E. Reynolds, Chief of Special Studies and Operations Section, Division of International Finance, to attend

National Association of Supervisors of State Banks, invitation to visit Board on April 1, 1964, for luncheon and conference with available members of Board, authorized

National City Bank of New York, New York, representatives of, met with Governor Robertson and members of Board re proposal that Robert W. Winthrop be permitted to rejoin bank's board of directors, if partnership firm of Wood, Struthers and Winthrop, New York, were to be incorporated, meeting held on November 5, 1964

National Foreign Trade Council, Inc., Fifty-First Convention of, to be held in New York City, Nov. 16-18, 1964, letter to, advising that Reed J. Irvine, Associate Adviser, Division of International Finance, had been designated to attend, approved
Meetings: (continued)

New York Clearing House Association:
Regulation F:
Governor Robertson reported on certain arrangements made by staff to meet with representatives of, to discuss Board's proposed, FDIC representatives invited to attend meetings

Members of Board's staff to meet today with representatives of, to discuss, suggestion that Board members might want to sit in on discussion and attend luncheon that had been scheduled

Organization for Economic Cooperation and Development:
SEE: Organization for Economic Cooperation and Development:
Meetings
Parking facilities, report by Mr. O'Connell on meeting of "Subcommittee on Pennsylvania Avenue, S.E." attended by Messrs. O'Connell and Kelleher, on status of negotiations to acquire triangular shaped lot next to present parking lot, memorandum re meeting placed in Board's files

Reserves, in recognition of numerous details of implementing an experimental sample for reserve reporting by country banks, a one-day planning meeting of FRSystem personnel to be held at Board on October 26, 1964

Scholars (sponsored by Social Science Research Council):
Proposed meeting of, to discuss availability of Board records for historical research, consensus that conference of 15 university scholars with Board paying expenses could meet at Board, Messrs. Young and Sherman to explore matter and report to Board
Meetings: (continued)

Scholars (sponsored by Social Science Research Council): (continued)

Proposed meeting of: (continued)
Understood necessary arrangements and appropriate provision would be made in 1965 budget to cover expenses re, letter to Social Science Research Council, advising that Board had authorized conference.

Television closed circuit, discussion concerning substitution of monthly meeting of Federal Open Market Committee to replace usual three-week intervals presently observed, possibility of resort to, for meeting mentioned, staff requested to prepare schedules of meeting dates for 1965 primarily on three-week basis with suggestions reflected in schedule including adjustment for holidays.

Member banks:

Borrowings:
SEE: Discount window:
Use of
Classification for purpose of electing Class A and Class B directors:
Eleventh District, believed to be satisfactory to FRBank of Dallas, Board concurs that no change should be made at this time.

Eighth District, present classification satisfactory for member banks, letter to FRBank of St. Louis.

Investments in foreign banks by:
Amendment proposed for section 25 of the FRAct, to permit national banks to acquire and hold directly stock in foreign banks, would apply to State member banks by virtue of section 9 of the FRAct.
Member banks: (continued)
Investments in foreign banks by: (continued)
Letter to Bureau of the Budget reporting on
Treasury draft bill permitting
member banks to purchase and
hold directly stock interest
in foreign banks
Objection voiced to dividing authority
over member banks
Memorandum distributed re newspaper story of
July 14, carrying reports of
ruling by Comptroller of the
Currency that national banks
could acquire stock of for-
eign banks directly, after
discussion Board gave unani-
mous approval to issuance of
press statement, in which
Board expressed opinion that
such direct acquisition and
holding by member banks of
stock in foreign banks is not
permissible under present law,
copy of Board's statement sent
to Federal Register

Notes, unsecured, issuance by:
First National Bank of Boston, Massachusetts,
announced intentions to issue:

Question re applicability to interest
rate limitations under Regula-
tion Q and reserve require-
ments of Regulation D, agreed
that Messrs. Noyes, Molony,
Hackley, and Solomon, under-
take to draft a statement for
further consideration by the
Board with possible discus-
sion with Reserve Bank Presi-
dents attending FOMC meeting,
no position to be taken until
further Board discussion
Member banks: (continued)
Notes, unsecured, issuance by: (continued)
First National Bank of Boston, Massachusetts, to issue: (continued)
General preference expressed for alternative draft of statement prepared by Governor Mitchell, understood that a revised draft would be prepared and distributed to Board and FRBank Presidents and that the subject would be discussed with Presidents following FOMC meeting

Revised draft of a proposed Board statement on issuance by, approved, understood that statement would be published in Federal Register and FRBulletin

Weekly reporting member banks:
Reporting of outstanding negotiable time certificates of deposit, coverage and timing of survey modified, instructions and forms transmitted to Presidents of all FRBanks

Membership dues and contributions:
FRBank of Kansas City, review of examination of, indicated that a contribution of $400 had been made to the Kansas City Crime Commission by, agreed that the files would be checked prior to further consideration of the matter

Consensus in favor of suggesting to FRBank of Kansas City that next time funds were solicited for Kansas City Crime Commission, Bank decline to contribute, letter conveying this suggestion, approved
Membership dues and contributions: (continued)

FRBank of Philadelphia, review of examination report of, disclosed an expenditure of $1,700 to Research Institute of America, Inc., for annual membership dues for officers and selected employees of, understood Governor Balderston would discuss expenditure with President Bopp

FRBanks:

Discretionary expenditures:
Discussion re, in connection with budgets of FRBanks for first half of 1964, indicated that members of Board were interested in seeing copies of material being furnished by FRBanks re Division of Bank Operations to prepare for Board's consideration a proposal to require periodic reports from, on various categories, including

Discussion re closer scrutiny in examination and more detailed reporting of, agreed that Division of Examinations be instructed to bring to Board's attention periodically for review and consideration, questionable expenditures of any significance that examiners might note in the course of an examination

FRBanks and Branches, Board noted without objection the action of the Presidents' Conference in approving the proposed increase in membership dues in NABAC, Association for Bank Audit, Control and Operation for FRBanks and Branches
Membership in FRSystem:

Advantages of:

Peoples Trust City Bank, Reading, Pennsylvania, concern expressed by FRBank of Philadelphia re letter from Mr. Malcolm Ruth, Chairman of, questioning the agreement re suggestion that memorandum sent recently to Congressman Rains for transmission to a constituent re, be included in letters to Mr. Ruth and the Reserve Bank.  

Memorandum prepared per request of Governors Balderston and Daane re suggestion that membership in FRSystem might be more attractive if FRBanks would accept unsorted deposits of cash items, letter with memorandum sent to Presidents of all FRBanks for comment.

Conditions:

Mortgage servicing business expansion by Fidelity Bank, Beverly Hills, California, through the proposed acquisition of McMillan Mortgage Company, Los Angeles, California, question whether proposal was covered under the usual conditions of membership, letter approved indicating that Board's permission was necessary and that such permission was given.

Travel service business, including auto rental and sale of trip insurance, question from Depositors Trust Company, Augusta, Maine, whether a State member bank may engage in, reply pointing out that Board assumed that the Bank would not hold title to autos used in travel business nor act as an insurer, text of letter sent to all FRBanks.
Membership in FRSystem: (continued)
Conditions: (continued)
(Individual banks)
Bank of Minneapolis and Trust Company, Minneapolis, Minnesota, application for, approved, with condition that such bank shall have paid-in and unimpaired capital stock of not less than $500,000 and other capital funds of not less than $700,000, letter approving with stated conditions numbered 3 transmitted to

Bank of West Blocton, Alabama, application for, approved, letter approving with stated conditions numbered 3 transmitted to

Depositors Trust Company, Augusta, Maine, question whether a State member bank may engage in travel service business, including auto rental, and sale of trip insurance from, reply approved

Fidelity Bank, Beverly Hills, California, expansion of mortgage servicing business through the proposed acquisition of McMillan Mortgage Company, Los Angeles, California, by, question whether proposal was covered under the usual conditions of membership, letter approved indicating that Board's permission was necessary and that such permission was given

First Western State Bank of Minot, North Dakota, application from First State Bank of Minot, North Dakota, to be known as, approved, with stated conditions numbered 3 stipulating certain capital funds
Membership in FRSystem: (continued)
Conditions: (continued)

New Jersey Bank and Trust Company, Clifton, New Jersey, granted further extension of time to comply with conditions numbered 3 agreeing to dispose of all corporate stock owned at the time of admission to

Stutsman County State Bank, Jamestown, North Dakota, application for, approved, letter approving with stated conditions numbered 3 transmitted to

Industrial loan associations, letter to Mr. Charles R. McElwee, Esq., of Dayton, Campbell & Love, Charleston, West Virginia, re eligibility of West Virginia loan associations for, approved

National banks, agreed staff would prepare revised draft letter to Secretary of the Treasury, patterned along lines of Governor Robertson's suggestions that it was inappropriate for the Comptroller of the Currency to state that, should be voluntary because mandatory reserve requirements imposed on member banks did not serve a useful function in maintaining bank liquidity

(Individual banks)
Bank of Minneapolis and Trust Company, Minneapolis, Minnesota, a bank in process of organization, application for, approved
Bank of West Blocton, Alabama, application approved, with stated conditions numbered 3
Membership in FRSystem: (continued)

Corpus Christi Bank and Trust Company, Corpus Christi, Texas, application approved

Letter to FRBank re certain outstanding loans which do not conform to limitations set by FRAct, and the operation of a temporary drive-in facility in violation of the Texas banking code

First State Bank of Minot, North Dakota, application approved, on condition that stipulated capital funds were provided

Advice that applicant (now to be known as First Western State Bank of Minot) had agreed to capital structure, letter with conditions numbered 3 transmitted to applicant bank under new title

First Western State Bank of Minot, North Dakota: Application of First State Bank of Minot, North Dakota, to be known as, approved with conditions numbered 3 stipulating certain capital funds

Board extends to June 15, 1964, the time within which admission to membership in FRSystem may be accomplished by

Midway Bank & Trust, Cedar Falls, Iowa, application made by Midway National Bank of Cedar Falls, Iowa, on behalf of, the State bank into which Midway National proposed to convert, for, approved

Governor Mills noted that primary motive of conversion of Midway National into a State bank was to take advantage of Iowa law that provides 20 per cent limit on loans to single borrowers rather than 10 per cent limit allowed in national banks, question of Board inconsistency noted
Membership in FRSystem: (continued)

New Jersey Bank and Trust Company, Clifton, New Jersey, granted further extension of time to comply with conditions numbered 3 agreeing to dispose of all corporate stock owned at time of admission to State Bank of Morton, Washington:

Application for membership in FRSystem, approved

Approved extension of time to accomplish

Stutsman County State Bank, Jamestown, North Dakota, application for membership in FRSystem, approved, with stated conditions numbered 3

Tennessee Bank and Trust Company, Houston, Texas, application for membership in FRSystem, approved, letter to FRBank of Dallas re compliance by, with certain regulations and statutes

Valley Bank of Nevada, Reno, Nevada, extension of time to accomplish membership in FRSystem, approved

Vidalia Banking Company, Vidalia, Georgia, application for, approved

Mercantile-Commerce Company, question from FRBank of St. Louis as to whether acquisition of stock of Digitronics Corporation by, an affiliate of Mercantile Trust Company, St. Louis, Missouri, constituted a violation of section 5136 of Revised Statutes and section 9 of the FRAAct, which prohibit member banks from purchasing corporate stocks for their own account, stock was purchased with proceeds of a loan obtained by officers of the affiliate from Security Trust Company of St. Louis, an unaffiliated bank, letter to the FRBank of St. Louis, approved
Mercantile Mortgage Company, St. Louis, Missouri, view of majority of the Board that continuation of loan activities through branch offices of Mercantile Mortgage Company, a subsidiary of Mercantile Trust Company, St. Louis, Missouri, constituted a violation of section 9 of the FRAct and section 5155 of the Revised Statutes, Governor Mitchell dissenting

10/6 3393, 3408

Messenger service by armored car or otherwise to meet need of customers:

Ruling by Comptroller of Currency permitting national banks to have:

Board not informed, understood that after check by staff, if circumstances warranted requesting copy of ruling as issued, a letter would be drafted for Board's consideration 5/6 1625

Memorandum to be prepared for Board's consideration, FDIC issued similar ruling 5/14 1760

Question re meeting of counsel of three Federal bank supervisory agencies, agreed to arrange 5/21 1843

Recommendation that the Board publish an interpretation holding that the use of, under certain circumstances would not constitute operation of a branch bank while under other circumstances determination would have to be made on a case by case basis, interpretation approved with Governor Robertson dissenting, to be published in Federal Register, letter to FRBank of Richmond 6/9 1986, 1997
Mexico:
Compania Fundidora de Fierro y Acero de Monterrey, S. A., a Mexican corporation, permission granted to Morgan Guaranty International Finance Corporation, New York, New York, a member of an underwriting group headed by Credito Bursatil, S. A., to participate in underwriting and acquiring shares of

Credito Bursatil, S. A., Mexico, D.F., Mexico: Consent granted to Morgan Guaranty International Finance Corporation, New York, New York, a member of an underwriting group headed by, to participate in underwriting with, and acquiring shares of Compania Fundidora de Fierro y Acero Monterrey, S. A., a Mexican corporation

Consent granted to Morgan Guaranty International Banking Corporation, New York, New York, to purchase additional shares of

Michigan State Banking Commissioner, Michigan National Bank, Lansing, Michigan, proposed purchase of assets and assumption of liabilities of Grand Ledge State Bank and the Loan and Deposit State Bank, both of Grand Ledge, Michigan, request by, for Board's reports on competitive factors, agreed to make report available, Governor Mills joining in approval due to changed circumstances in the case

Michigan, University of:
Consumer finances, annual surveys: Analysis of, request from Division of Research and Statistics to collaborate with Cornell University re, for years 1956-1964, approved, no direct expenditures by Board anticipated
Michigan, University of: (continued)
Consumer finances, annual surveys: (continued)
Annual data from, regarded as part of proposed 1965 program of Division of Research and Statistics' Consumer Credit and Finances Section, program and expenditures, approved

Mid-Continent Banker, St. Louis, Missouri:
Window dressing of commercial banks:
Letter from, inquiring as to results, as published in year-end statements of condition of program of FRSystem and FDIC to persuade banks to end practice of, agreed reply be sent to, with copies to Presidents of all FRBanks

Letters to Chairman Fascell of House Legal and Monetary Affairs Subcommittee, Chairman Dawson of House Committee on Government Operations, and Miss McKelvey of, re results of FRSystem efforts to eliminate practice of window dressing of commercial banks, approved

Mikus, Renee Mrs.:
Conversational French:
Arrangements for instructions by, as an activity of the Employees Training and Development Program, approved, course to continue approximately 12 weeks with Board paying fee and furnishing any materials or references needed, Mrs. Renee Mikus to be primarily responsible with Mrs. Germaine Grebil assisting

Arrangements for, and Mr. Jean Jacques Lesceux of Washington, D. C., to give instruction in, to members of Board and Board's staff under Employees Training and Development Program, Board to pay $10 for each session conducted, approved
Miller, Roger, Professor, University of Wisconsin, retained by Continental Illi-
nois National Bank and Trust
Company, Chicago, Illinois,
along with Peter Steiner, Pro-
fessor, University of Wiscon-
sin, to study geographical and
functional dimensions of busi-
ness loan markets of commer-
cial banks, understood request
from Professors Steiner and
Miller for data from 1955 and
1957 Business Loan Surveys
would be furnished on basis
recommended in Mr. Holland's
memorandum

Minutes:
Board of Governors:
Access to:
Messrs. Schremp and Geist pursuing request
from Chairman Patman of House
Banking and Currency Commit-
tee, to learn as much as pos-
sible about mechanism through
which Federal Reserve bought
and sold Government securities
in 1900's and 1920's, suggest-
ed that Mr. Sherman be autho-
rized to use his discretion
in making available minutes
as appeared relevant to study,
suggested that consideration
be given to analyzing for
Board contents of records
given out

Agreement with suggestion that Secretary
of Board be authorized to make
pertinent Board minutes and
records available at FRBuild-
ing to responsible persons to
study various aspects of the
FRSystem, agreed that Professor
Wicker of Indiana University,
may retain references in his
manuscript derived from min-
utes and records of Board
Minutes: (continued)

Federal Open Market Committee:
Degree of availability of, for use by interested parties if such minutes were placed in National Archives, question by Mr. Robert A. Schremp, a member of staff of Congressman Patman, Chairman of House Banking and Currency Committee

Letter to Archivist of the United States transferring FOMC minutes for the years 1936-1960 and commenting on other materials being studied with a view to their transmittal to National Archives

Secretary authorized to arrange for purchase of as many as 100 fascimile sets of 1936-1960, to be placed in FRBanks and Branches, and to retain a reserve supply in Board's offices, resulting overexpenditure in budget of Division of Administrative Services also authorized

Monetary policy:
Commission on Money and Credit, purchase of reprint of Board's answers to, approved with understanding that the Treasury Department's responses would also be included if the cost was not excessive and that participation of Reserve Banks in the purchase would be solicited

Comptroller of the Currency, agreed staff would prepare revised draft letter to Secretary of Treasury, saying that it was inappropriate for, to make a statement that reserve requirements imposed on member banks did not serve any useful function in maintaining bank liquidity and were not necessary for effective conduct of
Monetary policy: (continued)

System policy:

Question re effectiveness of recent, topic for discussion with FAC

Recent monetary and credit policy has been effective, domestic business activity continues to rise while balance of payments situation has been maintained since mid-1963, views of FAC expressed at joint meeting

1/31 313, 323

Question re appropriateness of recent monetary and credit policy, topic for discussion with FAC

Council members believe recent monetary and credit policy has been a major factor in economic expansion to its present high level, for reasons stated, members believe policy should now move gradually in direction of restraint, views expressed at joint meeting with FAC

2/18 575

Question re, prior to the November meeting of FAC, Board's staff would attempt an alternative approach for Board's consideration of, topic for discussion with FAC

In light of continuing expansion of economy since the tax cut, it is the opinion that monetary and credit policy should move in direction of restraint, increasing evidence of inflationary pressures on prices, views of FAC expressed at joint meeting

8/25 2940, 2957

Question re appropriateness of current monetary and credit policy accord with views expressed in policy statement adopted by American Bankers Association's 90th annual convention, what tendencies in economy would FAC cite in support of its views in this matter, topic for discussion with FAC

9/22 3233

10/29 3686, 3690
Monetary policy: (continued)

System policy: (continued)

Question re appropriateness of current monetary and credit policy: (continued)

Volume of excess reserves has been steadily reduced with gradual lessening of credit ease, which is in accord with FAC, and with broad objectives outlined in policy statement adopted by American Bankers Association's 90th Annual Convention, views expressed at joint meeting with FAC

Monetary research:

Seminar of monetary economists, sponsored by Committee on Economic Stability of Social Science Research Council:

Board to provide financial assistance including travel for those lacking assistance from other sources and for graduate student assistance during the summer, a place to meet, and luncheon in dining room of Board's staff during meetings; limited number of Board's staff to participate, staff to proceed with necessary arrangements, unbudgeted expenditures approved within limit of estimate

Letter to Social Science Research Council, embodying a contract for collaboration between Board's research staff and scholars designated by Council for a series of papers examining status of empirical research in monetary economics

Report to the Board by Mr. Brill re
Monetary system:

International, report by Governor Daane re recent meeting in Paris of the Deputies of the Group of Ten Finance Ministers of major industrial countries, re, and its probable future needs for liquidity

Money market:

Price indexes, agreement with suggestion made by Governor Mitchell at money market review that Federal Reserve undertake studies in (1) accuracy of wholesale price indexes, and (2) feasibility of constructing consumer price indexes that would reflect change in cost of achieving a given level of "utility" by consumers as distinguished from change in cost of a fixed list of goods and services

Statistics, reference to possibility of instituting additional statistical series, indicating that active support of Board would be forthcoming in formulating program for collection of additional data on behavior of money supply

Money orders:

National banks, ruling by Comptroller of the Currency that, would be permitted to sell money orders at non-banking outlets, view expressed that ruling should be given full consideration and had been made without Board being informed, understood that after check by staff, if circumstances warranted requesting a copy of the ruling as issued, a letter would be drafted for Board's consideration
Money orders: (continued)

Private:
Bank, draft of letter to FRBank of Cleveland, expressing opinion that the issuance of, by an authorized agent of a State member bank would not involve the operation of a branch, Governors Robertson and Mills concurred with recommendation, draft approved to be submitted to Comptroller of the Currency and FDIC for comment

Nonbank, issuance by:
Request from Chairman Robertson of Senate Banking and Currency Committee, for information re recent failure of a company in Los Angeles that engaged in issuance of, letter to FRBank Presidents for information re, approved

Replies to inquiries from Senators Robertson and Long re, expressing view that the Board would not recommend Federal supervision of, letters with summary of information from FRBanks, approved for transmittal to Senators Robertson and Long

Information relating to the regulation resale of, sent to Senator Gore in answer to his request for information on

Morgenstern, Professor Oskar, Princeton University, request from Mr. Bowman of Budget Bureau in light of request from Congressman Curtis of Joint Economic Committee, for comment on article by, in Fortune Magazine that raised the question re accuracy of Government economic statistics, consensus that Mr. Bowman should be informed that Board was not disposed toward a study re accuracy of Government economic statistics, but might contribute if study was formulated by Budget Bureau
Mortgage credit:
Study by Frederick M. Babcock of Washington, D. C., re methods of judging and improving portfolios pertaining to mortgage loans on income producing properties, approved with authorization granted for resultant overexpenditure in Board's 1964 budget, letter to Mr. Babcock pursuant to action

Motion pictures:
FRSystem, file entitled "Money on the Move," recommendation by Mr. Morgan, Staff Assistant, Board Members' Offices, that three prints of, be furnished to United States Information Agency at a cost of $380 to the Board, approved

Moving expenses:
Employees, reimbursed to FRBank employees who transferred to the Board's service prior to December 31, 1963, subsequently determined by an Internal Revenue ruling in March 1964, that these employees owed back taxes to the Federal government, Board to pay taxes for employees and assist them with their amended returns

Multer, Abraham J., Congressman:
H.R. 9548, a bill to prohibit banks from performing certain nonbanking services, Chairman Multer of Subcommittee on Bank Supervision and Insurance of House Committee on Banking and Currency, requested Board representative to testify on, Board to report to Subcommittee by letter
Multer, Abraham J., Congressman: (continued)
H.R. 9548, a bill to prohibit banks from performing certain nonbanking services: (continued)

After further comments re growth of such nonbanking services such as data processing by banks for other banks, it was agreed that further consideration would be given to reply to Chairman Multer

Report approved for transmittal to H.R. 9822, a bill to prohibit banks from engaging in personal property leasing business, Chairman Multer of House Subcommittee on Bank Supervision and Insurance, requested Board representative to testify on, Board to report to Subcommittee by letter

Report approved stressing two kinds of leasing, one desirable form for legitimate extension of credit, the other unsuitable activity for banks and should be discouraged or prohibited

Mund, Vernon A., Professor, request for status of Marine Bancorporation, Seattle, Washington, determined not to be a holding company within the meaning of the Bank Holding Company Act of 1956, and not to be a holding company affiliate of National Bank of Commerce, Seattle, Washington, except for purposes of section 23A of the FRAct, letter to, approved

Music Center Leasing Company, Los Angeles, California, letter to FRBank of San Francisco, re bonds of, Board determined such bonds will be considered eligible for investment by State member banks in light of ruling by Comptroller of Currency that such bonds are eligible investments for national banks
Mutilation of plates:
Signatures of FRBank officers in signing checks drawn as fiscal agents of the United States, designation of Daniel E. Lucas, Division of Bank Operations, as principal witness, and Dorothy Werner, Division of Bank Operations, as alternate witness, approved 7/9 2396

Mutual funds:
Expansion by banks into area of: H.R. 8499 and S. 2223, identical bills providing for regulation of collective investment funds:
Draft of report discussed, understood draft would be revised in light of discussion and considered further 3/17 880
Report re, approved and sent to Chairman Harris of House Interstate and Foreign Commerce Committee and Chairman Robertson of Senate Banking and Currency Committee and the General Counsel of the Treasury, understood copies would also be sent to the Comptroller of the Currency and FDIC for information 3/26 1026, 1038
Report to Bureau of the Budget, approved 4/10 1262, 1266
View re vestment of regulatory power over such funds in Comptroller of Currency and enforcement responsibility would be divided among the three Federal bank supervisory agencies, agreement with suggestion that statement presented before the Subcommittee on Commerce and Finance of House Interstate and Foreign Commerce Committee, concentrate on the view that Securities and Exchange Commission should regulate collective investment funds maintained by banks 6/4 1949
Mutual funds: (continued)
First Participating Fund, Inc., request by First National Bank of Boston, Massachusetts, for interpretation as to whether loans made by banks against collateral consisting of shares of a mutual fund in process of organization, would be subject to section 221.3(a) of Regulation U, reply to FRBank of Boston, indicating that the proposal would not meet the requirements of section 221.3(a) of Regulation U

No change in Board's position re, after reconsideration, advice to FRBank of Boston

Mutual savings banks:
Federal chartering of:
H.R. 258, a bill to authorize the establishment of Federal mutual savings banks:
Memorandum from Legal Division re request from Budget Bureau for report on H.R. 258, general discussion re, reply to Budget Bureau, approved

Request from Bureau of the Budget for Board's views re House Committee Print and certain revisions proposed by Federal Home Loan Bank Board, letter to Bureau of the Budget re, approved

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NABAC, Association for Bank Audit, Control and Operation:
Membership dues, proposed increase for FRBanks and Branches, noted without objection
National Advisory Council:
Inter-American Development Bank, proposal to expand the Fund for Special Operations (the Bank's soft loan window) assuming responsibility for the social development projects previously handled by Social Progress Trust Fund, a United States financed adjunct of the, report by Chairman Martin as a member of the National Advisory Council of International Monetary and Financial Problems, noted that Board would probably be asked by Bureau of the Budget for a report on the bill that Advisory Council was preparing to present for Congressional approval.

National Archives:
Federal Open Market Committee minutes:
Availability of, for use by interested parties if such minutes were placed in National Archives, questioned by Mr. Robert A. Schremp, a member of staff of Congressman Patman, Chairman of the House Banking and Currency Committee.

Letter to Archivist of the United States, transferring, for the years 1936-1960 and commenting on other materials being studied with a view to their transmittal to

National Association of Supervisors of State Banks:
Meeting, invitation to visit Board on April 1, 1964, for luncheon and conference with available members of Board, authorized.
National banks:

Branching of, decision in case, Walker Bank & Trust Company v. Saxon, would appear to hold that if State law permits State banks to establish branches, in certain geographical limits than national banks may be authorized to establish branches anywhere in that State, further information needed from official sources re court decision.

Collateral for bank loans, request by Mr. Belin, General Counsel for the Treasury, for Board's reaction to proposal by Comptroller of the Currency which would prohibit national banks from making loans in excess of 70 per cent of the face value of the coins, understood that Mr. Hexter would indicate Board's doubt that proposal would relieve coin shortage and that the Board questioned the advisability of such a prohibition.

Condition reports:

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<td>as of April 15, 1964</td>
<td>4/16</td>
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<td>as of June 30, 1964</td>
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<td>as of October 1, 1964</td>
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Call report data, request from the staff of the Comptroller of the Currency that the Board tabulate certain information from, suggestion that request be submitted in writing with information distributed to Board on the magnitude and complexity of the task.

Comptroller's Office to be informed that the Board was not in a position to undertake the work necessary in processing data as requested, memorandum placed in Board's files.
National banks: (continued)

Condition reports: (continued)

Reconciliation of Current National Bank Call Report, (Form 2130-A):

Collection of certain supplementary condition information directly from national banks, request for clearance by Bureau of the Budget

Reply to inquiry by Fullerton National Bank, Fullerton, Nebraska, re request for, from all FRBanks, in connection with their reports of condition as of June 30, 1964, approved, with understanding that same type of reply would be made to any similar inquiries and that substance of Board's letter would be sent to FRBanks for information

Debentures, issuance of capital notes and, by, further discussion re Comptroller of the Currency's interpretation published in Federal Register for December 24, 1963, prohibited by section 5200 of Revised Statutes, issuance of press statement on legal aspects of matter re, approved, possibility of preparing an article exploring subject in some depth that might be published in the FRBulletin

Directors, cumulative voting, Treasury draft bill to eliminate cumulative voting of shares of stock in election of directors of national banking associations unless provided for in the articles of association, report to Budget Bureau, approved
National banks: (continued)

Directors, cumulative voting: (continued)

Copy of letter to Budget Bureau also sent to Treasury Department's General Counsel Belin, in view of request for information to aid in coordinating policies of Federal bank supervisory agencies.

Drive-in facility of a branch of, letter approved regarding classification of FRBank of Cleveland being advised not to report State member bank drive-in facilities on Form F.R. 412.

Examinations, increased charges for reports of examination of, purchased by FRBanks from the Office of the Comptroller of the Currency, letter sent to Chairman Fascell of Legal and Monetary Affairs Subcommittee of House Committee on Government Operations.

Agreed to include estimate of costs of reproducing copies if originals of reports were available for that purpose, also comments indicating that these higher charges had the effect of reducing Reserve Bank annual payments to the Treasury.

International operations of:

Proposed regulation requiring approval by Comptroller of the Currency re, including establishment of foreign branches, investment in an Edge Corporation, or acquisition of controlling interest in a foreign bank or corporation, consensus that adoption would be unwise, understood that a revised draft reply would be prepared for consideration, question re availability of reply to parties other than Comptroller to be considered further.
National banks: (continued)

International operations of: (continued)

Proposed regulation requiring approval by Comptroller of the Currency re: (continued)

Revised letter approved, copies sent to national banks engaged in such activities

Question re continuing to invite Comptroller's comments on applications by national banks to establish overseas branches and on applications by Edge Act or agreement subsidiaries of national banks to make investments:

Discussed in connection with application of Bank of America National Trust and Savings Association, San Francisco, California, to establish a branch in Taipei, Taiwan, Republic of China, staff requested to draft letter to Comptroller re practice of inviting his views

Understood certain suggestions made by Governor Balderston would be reflected in new draft to be considered at tomorrow's meeting

Letter to Comptroller of the Currency, approved

Question re continuing practice of requesting comments from Comptroller of the Currency with respect to, in handling application for Bank of America National Trust and Savings Association, to establish a foreign branch, Board agreed to similar pattern for handling applications at least for time being

Investments directly in foreign banks:

Proposed ruling by Comptroller of Currency that would permit, approval given to reply letter to Mr. Faulstich, Administrative Assistant to Comptroller re
National banks: (continued)
Investments directly in foreign banks: (continued)

Proposed letter to Chairmen of Congressional Committees on Banking and Currency re proposed amendment to section 25 of FRAct to permit, agreed that proposal be held in abeyance and that Legal Division prepare legislative proposals that Board could consider recommending to Congress at end of year or in early 1965

Report to Bureau of Budget on Treasury draft bill permitting member banks, objection voiced to dividing authority over member banks

Reports of ruling by Comptroller of the Currency allowing, in newspaper story of July 14, approval re issuance of statement, in which Board expressed opinion that such direct acquisition and holding by member banks of stock in foreign banks is not permissible under present law, copy of Board's statement sent to Federal Register

Loans on forest tracts, letter to Bureau of the Budget offering no objection to the President's approving the enrolled bill, H.R. 8230, to amend Section 24 of the FRAct, liberalizing the conditions of loans by national banks on forest tracts

Loans to individual borrowers, limitation of:
Ruling of Comptroller of Currency re use of debentures and capital notes as capital stock in computation of:
Recommendation that statement of Board's views and legal considerations re, be issued to the press and a formal interpretation be published in the Federal Register and FRBulletin
National banks: (continued)
Loans to individual borrowers, limitation of: (continued)
Ruling of Comptroller of Currency re use of debentures and capital notes as capital stock in computation of: (continued)

During recent visits of delegation of Kansas bankers and two members of Federal Legislative Committee of American Bankers Association, there was comment in favor of raising loan limitation of national banks and one comment not in favor

Memorandum re notice published in Federal Register by Comptroller of the Currency re revision of regulation on "Loans made by National Banks secured by Direct Obligations of the United States," letter to Comptroller approved, stating Board's views concerning further liberalizations without limitation on amount of such loans

Membership in FRS System, agreed staff would prepare revised draft letter to Secretary of Treasury, patterned along lines of Governor Robertson's suggestion that it was inappropriate for the Comptroller of the Currency to state that membership in FRS System should be voluntary, because mandatory reserve requirements imposed on member banks did not serve a useful function in maintaining bank liquidity and were not effective for monetary policy
National banks: (continued)

Messenger service:
Ruling by Comptroller of the Currency that national banks could provide, by means of armored cars or otherwise, to meet the requirements of their customers, ruling not cleared under provisions outlined in Secretary of Treasury's letter of March 3, 1964, staff to check and if circumstances warrant the requesting of a copy of the ruling as issued, a letter should be drafted for Board's consideration

Understood that memorandum would be prepared for Board's consideration re

After discussion of possible ramifications of Comptroller's ruling and the merits of a meeting of counsel of three Federal bank supervisory agencies, it was agreed to arrange a meeting

Money orders, ruling by Comptroller of the Currency that national banks would be permitted to sell money orders at nonbanking outlets, ruling not cleared under procedures outlined in Secretary of Treasury's letter of March 3, 1964, staff to check, and if circumstances warrant the requesting of a copy of ruling as issued, a letter should be drafted for Board's consideration

Real estate loans by:
H.R. 11218, a bill to amend section 24 of the FRAct to permit more liberal, for redeveloping real property to further rehabilitation of urban areas, Bureau of Budget advised by telephone that Board did not favor bill but if support was given, consideration should be made to tighten its provisions
National banks: (continued)
Real estate loans by: (continued)
S. 3049, a bill to amend section 24 of the FRAct so as to liberalize in two respects the powers of, with respect to conventional home mortgage loans, letter to Budget Bureau approved, re-expressing reservations but also indicating that since bill had been enacted by Congress, the Board saw no reason for the President to withhold approval.

Relations with dealers in securities, letter to FRBank of New York approved, re a recent ruling by Comptroller of the Currency as to status under section 32 of the Banking Act of 1933, of an interlocking relationship involving George L. Degener, director of Millerton National Bank, Millerton, New York, and also serving as a special partner in Chaplin, McGuiness & Co., Pittsburgh, Pennsylvania, which has an office in New York City, understanding that substance of letter would be sent to all FRBanks.

Undivided profits:
Ruling by Comptroller of the Currency, indicating that, could be treated as part of capital stock and surplus funds, ruling not cleared under procedure outlined in Secretary of Treasury's letter of March 3, 1964, staff to check, and if circumstances warrant the requesting of a copy of the ruling as issued, a letter should be drafted for Board's consideration.
National banks: (continued)
Undivided profits: (continued)
Ruling by Comptroller of the Currency: (continued)

Board to send letter re, to Federal bank supervisory agencies for their comments

Memorandum distributed attaching a proposed interpretation that would state that, "it is the Board's opinion that undivided profits do not constitute 'capital', 'capital stock', or 'surplus' for the purposes of provisions of FRAct . . .", discussion disclosed general agreement that interpretation should be published but that prior to publication it would be submitted to the "Dillon procedure"

Office of the Comptroller of the Currency, expressed agreement with the Board's statement that for the purposes of lending limits, the question was one for determination under State laws as to State banks and under the National Bank Act as to, Board approved for transmittal to FRBanks and for publication in Federal Register and the FRBulletin, an interpretation concluding that undivided profits are not a part of a bank's "capital stock"

(Names of individual banks)
Alameda National Bank, Jefferson County (post office, Denver), Colorado, determined that United Corporation, Denver, Colorado, is not a holding company affiliate of, except for purposes of section 23A of the FRAct
National banks: (continued)

Alamo National Bank of San Antonio, Texas, permission to maintain reduced reserves, denied

American National Bank of Brunswick, Georgia, applications of Citizens and Southern National Bank and Citizens and Southern Holding Company, both of Savannah, Georgia, to acquire additional shares of, approved

Issuance of order and statement authorized

American National Bank of Cheyenne, Wyoming, determined that Royal Properties, Inc., Phoenix, Arizona, is not a holding company affiliate of, except for purposes of section 23A of the FRAct

American National Bank of Maryland, Silver Spring, Maryland, permission granted to continue to maintain reduced reserves

American National Bank of St. Joseph, Missouri, penalty for deficiency in reserves, waived

American National Bank of San Bernardino, California, proposed merger of, into Bank of California, N.A., San Francisco, California, report to Comptroller of the Currency on competitive factors, approved

American National Bank of Vincennes, Indiana, report to the Comptroller of the Currency on the competitive factors involved in the proposed mergers of First National Bank of Bicknell, Bicknell Trust and Savings Company, and Citizens State Bank, all of Bicknell, Indiana, into, approved

10/19 3593, 3598
7/27 2597
8/7 2740, 2756-61
12/22 4499, 4508
9/23 3248, 3268
1/10 74, 83
4/10 1263
1/17 174
National banks: (continued)


Athens National Bank, Athens, Ohio, American Financial Corporation, Cincinnati, Ohio, determined not to be a holding company affiliate of, except for purposes of section 23A of FRAct, Governor Robertson dissenting

Atlantic National Bank of Jacksonville and Atlantic Trust Company, both of Jacksonville, Florida:
Consent granted to change the name of proposed new bank being organized from Daytona Atlantic Bank, Daytona Beach, Florida, to Westside Atlantic Bank of Daytona Beach, Florida, shares held by

Issuance of order extending to September 15, 1964, the time to open for business Westside Atlantic Bank of Daytona Beach, (formerly known as Daytona Atlantic Bank), Daytona Beach, Florida, approved

Bank of America National Trust and Savings Association, San Francisco, California:
Application to establish a branch in Managua, Nicaragua, approved, six-month extension granted

Application to establish a branch in Taipei, Taiwan, Republic of China, action deferred pending further consideration of letter to be sent to Comptroller re practice of inviting his comments on applications
National banks: (continued)
Bank of America National Trust and Savings Association, San Francisco, California: (continued)

Application to establish a branch in Taipei, Taiwan, Republic of China: (continued)

Understood suggestions by Governor Balderston would be reflected in new draft to be considered at tomorrow's meeting

Board decided to wait a reasonable time for receipt of any comments from Comptroller of the Currency before taking action on application in view of decision to continue to invite Comptroller's comments on such applications

Application approved, letter to, no word received from the Comptroller of the Currency

Application to establish a branch in the City of Vienna, Austria, approved, six-month extension granted

Extension of time within which to establish a branch in the City of Madrid, Spain, granted

Letter to, acknowledging receipt of notice of its intent to establish a branch in Rotterdam, The Netherlands

Letter to, acknowledging receipt of notice of its intent to establish a branch in Calcutta, India

Letter to, acknowledging receipt of notice of its intent to establish an additional branch in the Orchard Road area of the City of Singapore

Bank of California, N. A., San Francisco, California, proposed merger of American National Bank of San Bernardino, California, into, report to Comptroller of Currency on competitive factors, approved
National banks: (continued)

Bath National Bank, Bath, Maine, report to the Comptroller of the Currency on the proposed consolidation of Canal National Bank, Portland, Maine, and, discussion re complacency about developments in banking structure in State of Maine, concentration of banking resources, and the handling of bank merger applications at the regional level, agreed that draft of report would be referred back to the Division of Examinations for further study and resubmission to Board

Report to Comptroller of the Currency on competitive factors, approved

Belfast National Bank, Belfast, New York, report to FDIC on the competitive factors involved in the proposed merger of, into The First Trust Company of Allegany County, Wellsville, New York, approved

Bensonhurst National Bank of Brooklyn in New York, Brooklyn, New York, application of Chemical Bank New York Trust Company, New York, New York, to acquire the assets and assume the liabilities of, approved, Governors Robertson and Daane dissenting

Issuance of order and statement approving, authorized, establishment of two branch banks incident to, approved

Broadway National Bank of Tampa, Florida, issuance of general voting permits to First National Bank of Tampa and Union Security and Investment Company, both of Tampa, Florida, to vote stock owned in, and Second National Bank of Tampa, Florida, authorized
National banks: (continued)

Brookfield National Bank, Brookfield, Wisconsin:
Application of First Wisconsin Bankshares Corporation, Milwaukee, Wisconsin, to acquire controlling shares of common stock to be issued by, a proposed new bank, approved 3/6 746

Issuance of order and statement, authorized 3/25 966,1004-15

Issuance of a general voting permit to First Wisconsin Bankshares Corporation, Milwaukee, Wisconsin, to vote shares in, authorized 8/13 2808, 2826

Canal National Bank, Portland, Maine:
Report to the Comptroller of the Currency on the proposed consolidation of, and The Bath National Bank, Bath, Maine, agreed that draft of report would be referred back to Division of Examinations for further study and resubmission to Board 4/17 1346

Report to Comptroller of the Currency on competitive factors, approved 4/24 1426

Capital National Bank, Cleveland, Ohio, permission granted to Capital Bank, a nonmember bank being admitted to membership in the FRSystem under a national bank charter, with title of, to maintain country reserves, effective as of the date of entrance into membership in the System 11/23 3970, 3982

National banks: (continued)

Central National Bank of Richmond, Virginia:
Frequent use of discount window at FRBank of Richmond noted in examination report of FRBank, request that statement for the record be obtained from the FRBank on any analysis that might have been made and reasons construed as constituting justification

Richard J. Higgerson, appointment as assistant examiner, FRBank of Richmond, approved, not to participate in examination of, as long as his father is an officer of

Century National Bank and Trust Company, New York, New York, granted permission to carry same reserves as maintained by non-reserve city banks, effective date it opens for business

Chelsea National Bank, New York, New York, granted permission to maintain same reserves as non-reserve city banks

Cherry Hill National Bank, Cherry Hill Township, New Jersey:
Report to the Comptroller of the Currency on the competitive factors involved in the proposed merger of, into First Camden National Bank and Trust Company, Camden, New Jersey, approved

Request by representatives of Camden Trust Company, Camden, New Jersey, for release of Board's report to Comptroller of the Currency, approved, subject to appropriate clearance
National banks: (continued)

Chesapeake National Bank, Towson, Maryland:

Telegram to FRAgent at Richmond, authorizing issuance of a general voting permit to Financial General Corporation, Washington, D. C., and Morris Plan Corporation, New York, New York, to vote stock of

Telegram to FRAgent at Richmond, authorizing issuance of a general voting permit to Chesapeake Shares Corporation, New York, New York, to vote stock of

Cheshire National Bank of Keene, New Hampshire, report to the Comptroller of the Currency on the competitive factors involved in the proposed purchase of assets and assumption of liabilities of the Winchester National Bank, Winchester, New Hampshire, by, approved

Christiana National Bank, Christiana, Pennsylvania, proposed merger of, into Lancaster County Farmers National Bank, Lancaster, Pennsylvania, report to Comptroller of the Currency on competitive factors, approved

Citizens First National Bank of Ridgewood, New Jersey, proposed merger of First National Bank and Trust Company of Ramsey, New Jersey, into, report to Comptroller of Currency on competitive factors, approved
National banks: (continued)

Citizens National Bank of Beaver Falls, Pennsylvania, report to Comptroller of the Currency on the competitive factors involved in the proposed consolidation of Western Pennsylvania National Bank, McKeesport, Pennsylvania, with, approved


Citizens National Bank of Covington, Virginia, proposed merger of, into First National Exchange Bank of Virginia, Roanoke, Virginia, report to Comptroller of the Currency on competitive factors, approved


Citizens National Bank of Hampton, Virginia, proposed merger of, into Citizens Marine Jefferson Bank, Newport News, Virginia, report to FDIC on competitive factors, approved

Citizens National Bank of Poland, New York, proposed merger of, into Oneida National Bank and Trust Company, Utica, New York, report to Comptroller of Currency on competitive factors, approved
National banks: (continued)

Citizens National Bank, Tell City, Indiana, repayment of a certificate of deposit before date of maturity in emergency arising from a strike, under exception provided for in section 217.4(d) of Regulation Q, letter to, approved


Citizens and Southern National Bank of South Carolina, Charleston, South Carolina:

Report to the Comptroller of the Currency on competitive factors involved in the proposed merger of Carolina Bank, Graniteville, South Carolina, into, approved

Report to Comptroller of the Currency on competitive factors involved in the proposed merger of Citizens Bank of Darlington, South Carolina, into, approved

Report to the Comptroller of the Currency on the competitive factors involved in the proposed merger of Peoples National Bank of Rock Hill, South Carolina, into, approved

Citizens and Southern National Bank, and Citizens and Southern Holding Company, both of Savannah, Ga., applications of, for approval of acquisition of additional shares of American National Bank of Brunswick, Georgia, approved

Issuance of order and statement, authorized

12/2 4098, 4118

9/1 2986

4/15 1296

4/24 1424

7/2 2342

7/27 2597

8/7 2740, 2756-61
National banks: (continued)

City Bank and Trust Company, N. A., Jackson, Michigan, report to the Comptroller of the Currency on the competitive factors involved in the proposed consolidation of, and Calhoun State Bank, Homer, Michigan, approved. 10/12 3478

City National Bank and Trust Company of Chicago, Illinois, request from Professors Peter Steiner and Roger Miller, University of Wisconsin, retained by Continental Illinois National Bank and Trust Company, Chicago, Illinois, for 1955 and 1957 data re Business Loan Surveys, to be made use of by Continental re Justice Department's challenge of their merger with, agreed to comply. 11/3 3726

Civic National Bank, Marina del Rey, California, granted permission to continue to carry reduced reserves. 10/28 3664, 3681

Columbia National Bank of Chicago, Illinois, permission to maintain same reserves as nonreserve city banks, approved. 2/4 364, 382

Commercial National Bank of Spartanburg, South Carolina, proposed merger of, into First National Bank of South Carolina of Columbia, South Carolina, report to Comptroller of the Currency on competitive factors, approved. 11/16 3834

Commonwealth National Bank, Boston, Massachusetts, granted permission to carry same reserves as maintained by nonreserve city banks, effective date it opens for business. 8/14 2836, 2844
National banks: (continued)

Commonwealth National Bank of Dallas, Texas, permission to maintain same reserves as nonreserve city banks, approved

Commonwealth National Bank of San Francisco, California, granted permission to carry same reserves as maintained by nonreserve city banks, effective date it opens for business

Community National Bank, Liberty, New York, report to the Comptroller of the Currency on the competitive factors involved in the proposed merger of, with and into Marine Midland National Bank of Southeastern New York, Poughkeepsie, New York, approved

Continental Illinois National Bank and Trust Company, Chicago, Illinois, Professors Peter Steiner and Roger Miller of University of Wisconsin, retained by, to study geographical and functional dimensions of business loan markets of commercial banks, understood that data from 1955 and 1957 Business Loan Surveys would be furnished on basis recommended in Mr. Holland's memorandum

Crocker-Citizens National Bank, San Francisco, California, application to organize Crocker-Citizens International Corporation, San Francisco, California, under section 25(a) of the FRAct approved, preliminary permit issued

Final permit transmitted

Cumberland County National Bank and Trust Company, New Cumberland, Pa.: Proposed merger of First National Bank of Mount Holly Springs, Pa., into, report to Comptroller of Currency on competitive factors, approved
National banks: (continued)

Cumberland County National Bank and Trust Company, New Cumberland, Pennsylvania: (continued)

Proposed merger of First National Bank of Mount Holly Springs, Pennsylvania, into: (continued)

Letter to Mr. Patterson, Secretary of Banking of the State of Pennsylvania, enclosing copy of report on competitive factors submitted to Comptroller of the Currency, in connection with

Denver United States National Bank, Denver, Colorado, issuance of a general voting permit to Denver U. S. Bancorporation, Inc., Denver, Colorado, authorized to vote the stock of

Dyersville National Bank, Dyersville, Iowa, determined that Central West Corporation, Davenport, Iowa, is not a holding company affiliate of, except for purposes of section 23A of the FRAct

Elks County National Bank of Ridgway, Pennsylvania, report to FDIC on the competitive factors involved in the proposed merger of, into St. Marys Trust Company, St. Marys, Pennsylvania, approved

Farmers and Mechanics National Bank of Phoenixville, Pennsylvania, Board concludes that the interlocking services of Charles T. Weiland as Vice President of Greeley and Company, Philadelphia, Pennsylvania, and director of, are not forbidden by section 32 of the Banking Act of 1933, letter to FRBank of Philadelphia, approved
National banks: (continued)

Farmers National Bank of Bloomsburg, Pennsylvania, proposed merger with Miners National Bank of Wilkes-Barre, Pennsylvania, report to Comptroller of Currency on competitive factors, approved  


Fidelity National Bank, Lynchburg, Virginia, proposed merger of Bank of Appomattox, Virginia, into, report to Comptroller of Currency on competitive factors, approved  

Fidelity National Bank of Twin Falls, Idaho, establishment of a branch in Jerome, Idaho, by Bank of Idaho, Boise, protest by, noted  

First Bank and Trust Company, National Association, Fords, New Jersey, proposed merger of Woodbridge National Bank, New Jersey, into, report to Comptroller of Currency on competitive factors, approved  

First Camden National Bank and Trust Company, Camden, New Jersey, report to Comptroller of Currency on competitive factors in proposed merger of Cherry Hill National Bank, Cherry Hill, New Jersey, into, approved
National banks: (continued)

First and Citizens National Bank of Alexandria, Virginia, issuance of limited voting permit to United Virginia Bankshares Incorporated, Richmond, Virginia, to vote shares in, authorized

First and Merchants National Bank, Richmond, Virginia, proposed merger of First National Bank of Waynesboro, Virginia, into, report to Comptroller of the Currency on competitive factors, approved

First National Bank of Allentown, Pennsylvania, report to the Comptroller of the Currency on the competitive factors in the proposed merger of The Macungie Bank, Macungie, Pennsylvania, into, approved

First National Bank of Anchorage, Alaska, President D. H. Cuddy of, attended meeting on April 7, at the Treasury Department, to discuss the banking situation in Alaska due to recent earthquakes and tidal waves, letter to Mr. Cuddy, noting that for 1964, penalties for reserve deficiencies of Alaskan member banks were waived

First National Bank of Assumption, Illinois, penalty for deficiency in reserves, waived


First National Bank of Bear Valley, Denver, Colorado, granted permission to maintain same reserves as nonreserve city banks
National banks: (continued)


First National Bank of Boston, Massachusetts:
Approving establishment of a branch in London, England, under provisions of section 25 of FRAct, six-month extension, granted

Board to review case of financial dealings between Serge Semenenko, officer and director of, and the Baird Foundations of New York, and to advise House Select Committee on Small Business re possible violation of FRlaw or regulations

Letters to Chairman Patman of House Select Committee on Small Business and Securities and Exchange Commission re Baird Foundations, approved

Sole stockholder of Bank of Boston International, New York, New York, amendment of corporation's Articles of Association, approved

No reply received from Comptroller of Currency, inviting his views re, Board to continue requesting his views
National banks: (continued)
First National Bank of Boston, Massachusetts: (continued)

Interpretation requested by, as to whether loans made by banks against collateral consisting of shares of First Participating Fund, Inc., a mutual fund in process of organization, would be subject to section 221.3(a) of Regulation U, reply to FRBank of Boston, indicating that the proposed plan would not meet the requirements of section 221.3(a)

No change in Board's position re, after reconsideration, advice to FRBank of Boston

Issuance of unsecured notes, announced by, question re applicability to interest rate limitations under Regulation Q and reserve requirements of Regulation D, agreed that Messrs. Noyes, Molony, Hackley, and Solomon, undertake to draft a statement for further consideration by Board with possible discussion with Reserve Bank Presidents attending FOMC meeting

Alternate draft statement prepared by Governor Mitchell, preferred, staff to implement minor changes and submit to Board and FRBank Presidents, subject would then be discussed with Presidents following FOMC meeting

Penalty for deficiency in reserves, waived
First National Bank of Buena Vista, Virginia, report to Comptroller of the Currency on the competitive factors in the proposed merger of, into Virginia National Bank, Norfolk, Virginia, approved
National banks: (continued)
First National Bank at Burlington, Colorado, determined that First of Burlington Agency, Inc., Burlington, Colorado, is not a holding company affiliate of, except for purposes of section 23A of FRAAct
First National Bank of Cairo, New York, application of State Bank of Albany, New York, to merge with, Governor Robertson dissenting
Issuance of order and statement, authorized, dissenting statement issued, operation of branches at former offices of, approved
First National Bank in Callicoon, New York, proposed consolidation of, and First National Bank of Narrowsburg, New York, report to the Comptroller of the Currency on competitive factors, approved
First National Bank, Cedar Falls, Iowa, issuance of a general voting permit to Greater Iowa Corporation, Des Moines, Iowa, to vote stock of, approved
First National Bank of Centerville, Iowa, proposed merger of, with Iowa Trust and Savings Bank, Centerville, Iowa, report to FDIC on competitive factors, approved
First National Bank of Circleville, Ohio, proposed merger with Scioto Bank, Commercial Point, Ohio, report to Comptroller of the Currency on the competitive factors, approved
National banks: (continued)

First National Bank of Colorado Springs, Colorado, criticism by President Stone of, re manner in which the Federal Reserve furnished supplies of coin to member banks, indicating that he contemplated suing the FRBank of Kansas City, for recovery of money he had spent to obtain coin from other sources, letter approved, with understanding that it would be cleared with the Treasury Department prior to dispatch to Mr. Stone

No objection by Treasury Department, reply sent to Mr. Stone

9/23 3251, 3279

First National Bank of Davenport, Iowa, issuance of a general voting permit to Brenton Companies, Inc., Des Moines, Iowa, to vote the stock owned or controlled in, authorized

First National Bank of Decatur, Alabama, Executive Vice President, Lester H. Smith of, had sent a letter to the publisher of the Decatur Daily, presenting questions re banking structure of the United States, copy submitted by Congressman Rains to Board for comment, Board to consider further

Reply to Congressman Rains, approved

First National Bank of Denver, Colorado, letter to Eugene H. Adams, President of, acknowledging his appointment by President of American Bankers Association, as Chairman of a Committee to study problems arising from current conflicts between bank supervisory agencies

1/16 151

1/20 189, 193-200

5/27 1874, 1891
National banks: (continued)


First National Bank of Edinburg, Texas, letter re purchase of additional shares of, along with shares of other banks, causing the Lincoln Liberty Life Insurance Company, Houston, Texas, to become a bank holding company without prior Board approval, prompt selling of shares of, upon realization that a violation had been committed, causes Board to concur in FRBank's opinion that violation should not be reported to Department of Justice 4/17 1346, 1355

First National Bank of Elkhart, Indiana, report to the Comptroller of the Currency on the competitive factors in the proposed merger of State Bank of Nappanee, Indiana, into, approved 7/24 2562

First National Bank of Fonda, Iowa, determined that Stege Insurance Agency, Inc., Fonda, Iowa, is not a holding company affiliate of, except for purposes of section 23A of the FRAct 2/26 647, 654

National banks: (continued)

First National Bank of Fremont, Nebraska, determined that D B, Inc., Council Bluffs, Iowa, is not a holding company affiliate of, except for purposes of section 23A of the FRAct

Governor Robertson's opinion was that complications of case warranted an unfavorable determination

First National Bank in Gadsden, Alabama, report to the Comptroller of the Currency on the proposed merger of, into State National Bank of Alabama, Decatur, Alabama, approved

First National Bank of Golden City, Missouri, determined that First Finance Company, Nevada, Missouri, is not a holding company affiliate of, except for purposes of section 23A of FRAct, Governor Robertson dissenting

Governor Robertson expressed opinion that consumer finance companies should not be allowed to buy control of banks without restrictions being imposed

First National Bank of Hagerman, New Mexico, report to the Comptroller of the Currency on the competitive factors in the proposed purchase of assets and assumption of liabilities of, by The First National Bank of Roswell, New Mexico, approved

National banks: (continued)


First National Bank of Highland, New York, report to the Comptroller of the Currency on the competitive factors in the proposed consolidation of The First National Bank of Milton, New York, and, approved


First National Bank of Lacona, New York, proposed merger of, into Merchants National Bank & Trust Company of Syracuse, New York, report to Comptroller of the Currency on competitive factors, approved

First National Bank of Lander, Wyoming, determined that First Capital, Lander, Wyoming, is not a holding company affiliate of, except for purposes of section 23A of FRAct
National banks: (continued)

First National Bank of Lebanon, Virginia, report to the Comptroller of the Currency on the competitive factors in the proposed merger of, into The First National Exchange Bank of Virginia, Roanoke, Virginia, approved 4/9 1233

First National Bank of Lexington, Virginia:
Issuance of a general voting permit to Lexington Shares, Inc., New York, New York, to vote the stock of, authorized 9/9 3087, 3099

First National Bank, Liberty, Missouri:
Applicability of the Banking Act of 1933, to proposed purchase of a controlling interest in Prescott, Wright, Snider Company, Kansas City, Missouri, by Charles E. James, Chairman of the Board of, opinion that Mr. James' proposed purchase would violate sections 20 and 32 of the Banking Act of 1933, advice to FRBank of Kansas City 7/27 2593,2594-2601
New proposal by Mr. James, whereby shares would be sold for cash, subject to voting trust to Selected Financial Plans, Inc., a wholly-owned subsidiary of Prescott, Wright & Snider, Kansas City, Mo., letter to FRBank of Kansas City, indicating that new proposal would not violate section 20 of Banking Act of 1933 10/12 3479, 3487
National banks: (continued)

First National Bank of Lock Haven, Pennsylvania, penalty for deficiency in reserves, waived

First National Bank of Marlin, Texas, recently closed, letter and memorandum from Chairman Barr of FDIC, inviting comments re proposed litigation, question was whether certain certificates of deposit issued by, to savings and loan associations, represented insured deposits or uninsured borrowed funds "by reason of illegal amount of interest paid thereon," memorandum and letter picked up by FDIC messenger, it being indicated that the FDIC would like to consider matter further

Mr. Hackley reviewed petitions filed by FDIC re

First National Bank of Mercer County, Greenville, Pennsylvania, report to the Comptroller of the Currency on competitive factors re proposed merger of The First National Bank of West Middlesex, Pennsylvania, into, approved

First National Bank, Meridian, Mississippi, penalty for deficiency in reserves, waived

First National Bank of Milltown, New Jersey, report to FDIC on competitive factors re proposed merger of, into The Edison Bank, Edison, New Jersey, approved

National banks: (continued)

First National Bank of Minoa, New York, proposed merger of, into Lincoln National Bank and Trust Company of Central New York, Syracuse, New York, report to Comptroller of the Currency on competitive factors, approved 1/10 77

First National Bank at Moundsville, West Virginia, report to the Comptroller of the Currency on competitive factors re proposed merger of Marshall County Bank, Moundsville, West Virginia, into, approved 9/18 3186

First National Bank of Mount Holly Springs, Pennsylvania:
Proposed merger of, into Cumberland County National Bank and Trust Company, New Cumberland, Pennsylvania, report to Comptroller of the Currency on competitive factors, approved 6/29 2292

Request from Secretary of Banking of State of Pennsylvania, that the Board disapprove proposed merger of, with Cumberland County National Bank and Trust Company, New Cumberland, Pennsylvania, reply approved, enclosing copy of report on competitive factors submitted to Comptroller of the Currency, in connection with application in question 7/30 2673, 2688

First National Bank of Mount Vernon, New York, application of Chemical Bank New York Trust Company, New York, New York, to merge with, approved, Governor Robertson dissenting 2/4 372

Issuance of order and statement, authorized, dissenting statement of Governor Robertson, issued, operation of branches at main office and three branches of, approved 2/14 477, 503
National banks: (continued)

First National Bank of Narrowsburg, New York, proposed consolidation of, and First National Bank in Callicoon, New York, report to Comptroller of the Currency on competitive factors, approved


First National Bank of Norton, Virginia, report to Comptroller of the Currency on competitive factors in the proposed consolidation of, with The First National Bank of Wise, Virginia, approved

First National Bank of Osceola, Nebraska, determined that Osceola Insurance, Inc., Osceola, Nebraska, is not a holding company affiliate of, except for purposes of section 23A of the FRAct

Observation made by Governor Robertson that case pointed up the need for legislation such as Board has recommended to bring one-bank cases within purview of the Bank Holding Company Act

First National Bank of Park Ridge, New Jersey, application of County Trust Company, Tenafly, New Jersey, to merge with, approved, case discussed as another step in trend toward elimination of independent units in this area of New Jersey
National banks: (continued)

First National Bank of Park Ridge, New Jersey: (continued)
Issuance of order and statement, authorized, incident to the merger, operation of branches at the three offices of, approved 5/6 1614, 1631-33

First National Bank of Perry, Iowa, issuance of a general voting permit to Brenton Companies, Inc., Des Moines, Iowa, to vote the stock of, authorized 3/16 867, 874

First National Bank of Pleasanton, California, President Harding of, telephoned opposition to the establishment of a branch by Wells Fargo Bank in the San Ramon Village Shopping Center, Alameda County, California, agreed that Mr. Harding would be accorded opportunity to present his views to Board's staff, comments re general question of processing branch applications 4/3 1134

Views presented by Mr. Harding studied closely, concluded that the Pleasanton bank should not be insulated from competition 4/24 1423


National banks: (continued)

First National Bank of Quinter, Kansas, determined that Quinter Insurance Service, Inc., Quinter, Kansas, is not a holding company affiliate of, except for purposes of section 23A of the FRAct.

1964 3/4 705, 712

First National Bank of Raymondville, Texas, determined that Lincoln Liberty Life Insurance Company, Houston, Texas, is not a holding company affiliate of, except for purposes of section 23A of the FRAct.


Change in title of Girard Trust Corn Exchange to Girard Trust Bank, issuance of order and statement, authorized, operation of a branch at sole office of, approved.

First National Bank of Roswell, New Mexico, report to Comptroller of the Currency on competitive factors in the proposed purchase of assets and assumption of liabilities of the First National Bank of Hagerman, New Mexico, into, approved.

1983 6/9 1983
National banks: (continued)

First National Bank of Sharpsville, Pennsylvania:
Report to Comptroller of the Currency on competitive factors in the proposed purchase of assets and assumption of liabilities of, by McDowell National Bank of Sharon, Pennsylvania, staff requested to review report in light of questions raised, to be considered further by Board

Report to Comptroller of the Currency, approved in form more closely aligned with views expressed in memorandum from FRBank of Cleveland

3/11 792

First National Bank of Shelby, Nebraska, determined that Shelby Insurance, Inc., Shelby, Nebraska, is not a holding company affiliate of, except for purposes of section 23A of the FRAct

Governor Mitchell to distribute materials prepared by FRBank of Chicago and Minneapolis, matter to be discussed further to determine if additional steps might be warranted

3/2 691, 700

First National Bank of Somersworth, New Hampshire, report to Comptroller of the Currency on competitive factors in the proposed merger of Salmon Falls Bank, Rollinsford, New Hampshire, into, approved

4/15 1294

First National Bank of South Carolina of Columbia, South Carolina:
Proposed merger of Darlington County Bank and Trust Company, Darlington, South Carolina, into, report to Comptroller of the Currency on competitive factors, approved

2/25 620
National banks: (continued)

First National Bank of South Carolina of Columbia, South Carolina: (continued)

Proposed merger of Commercial National Bank of Spartanburg, South Carolina, into, report to Controller of the Currency on competitive factors, approved

First National Bank of Sterling, Colorado, penalty for deficiency in reserves waived by Denver Branch, action ratified by Board

First National Bank of Tahoka, Texas, Mr. John Jacob Hegi, Assistant Examiner, FRBank of Dallas, appointment approved, not to participate in the examination of, as long as his father is an officer of the bank

First National Bank of Tampa, Florida, and Union Security & Investment Co., Tampa, Florida:

Applications to become bank holding companies through acquisition of shares of the Second National Bank of Tampa, Florida, a proposed new bank, approved, with Governors Robertson and Mitchell dissenting

Statement of Governor Mills in support of application

Issuance of order and statement, approving, authorized, dissenting statement by Governor Robertson, issued, letter to applicants, approved

Issuance of general voting permits to Union Security & Investment Co., Tampa, Florida, and, to vote stock owned in Broadway National Bank of Tampa, and Second National Bank of Tampa, both of Tampa, Florida, authorized
National banks: (continued)

First National Bank of Waynesboro, Virginia, proposed merger into First and Merchants National Bank, Richmond, Virginia, report to Comptroller of the Currency on competitive factors, approved.


First National Bank of Westboro, Massachusetts, report to FDIC on competitive factors in the proposed consolidation of, into Guaranty Bank and Trust Company, Worcester, Massachusetts, approved.

First National Bank, Westminster, Colorado, determined that First Plaza Company, Lincoln, Nebraska, is not a holding company affiliate of, except for purposes of section 23A of FRAct, Governor Robertson dissenting.
National banks: (continued)


First National Bank of Winnsboro, Texas, determined that Etex Banco, Inc., Tyler, Texas, is not a holding company affiliate of, except for purposes of section 23A of the FRAAct, Governor Robertson abstaining 10/8 3450, 3461

First National Bank of Wise, Virginia, report to Comptroller of the Currency on competitive factors in the proposed consolidation of The First National Bank of Norton, Virginia, with, approved 6/24 2251

First National Bank, Wynnewood, Oklahoma, Board ratifies action taken by the Oklahoma City Branch, in waiving assessment of penalty for deficiency in reserves 2/5 388, 398

First National Bank and Trust Company, Camden, New Jersey, request by Camden Trust Company, Camden, New Jersey, to see copy of Board's report to Comptroller of the Currency on the competitive factors in the application of, to merge with Cherry Hill National Bank, Cherry Hill Township, New Jersey, request authorized, subject to appropriate clearance 7/9 2396

First National Bank and Trust Company, Georgetown, Kentucky, proposed merger of Georgetown National Bank, Georgetown, Kentucky, into, report to Comptroller of the Currency, approved 4/8 1207
National banks: (continued)

First National Bank and Trust Company of Kalamazoo, Michigan:

Report to Comptroller of the Currency on competitive factors in the proposed purchase of assets and assumption of liabilities of The Denton State Bank, Denton, Michigan, by, approved 3/11 793

Report to Comptroller of the Currency on competitive factors re proposed merger of Allegan State Bank, Allegan, Michigan, into, approved 6/15 2115

First National Bank and Trust Company of Lexington, Kentucky, request by Chairman Fascell of the Legal and Monetary Affairs Subcommittee, re Board activities under the Bank Merger Act, agreed on additional language in reply, that would recognize the decision of the Supreme Court in the case of the United States v., reply to be brought back to the Board for further discussion 4/8 1209

First National Bank and Trust Company of Ramsey, New Jersey, proposed merger of, into Citizens First National Bank of Ridgewood, New Jersey, report to Comptroller of the Currency on competitive factors, approved 12/21 4466

First National Bank and Trust Company of Roebling, New Jersey, application of Bordentown Banking Company, Bordentown, New Jersey, to merge with, approved, order and statement to be prepared 2/19 580

Issuance of order and statement authorized, including prior approval of operation of a branch at the sole office of 2/25 620,637-43
National banks: (continued)


First National City Bank of Alliance, Ohio, penalty for deficiency in reserves, waived 2/4 364, 385

First National City Bank, New York, New York:
Notice of intent to establish a branch in Makati, Republic of the Philippines, acknowledged 1/20 190

Branch in San Juan, Puerto Rico, of, possibility of destruction of unfit currency through use of incinerator, adequacy of facility to be determined, agreed Mr. Farrell would accompany Treasury representatives if inspection trip was taken 1/22 237

Question whether section 32 of Banking Act of 1933, would prohibit interlocking service of Robert W. Winthrop as a director of, and as a partner in firm of Wood Struthers & Winthrop, New York City, agreed that matter would be held over for consideration at time when more members of Board were available 3/27 1049

Letter to FRBank of New York, with finding that Mr. Winthrop's service as a director of a member bank was prohibited by law, approved, substance of letter to be published in FRBulletin and Federal Register 4/7 1188, 1194-98

Request to reconsider, denied 5/13 1737
National banks: (continued)

First National City Bank, New York, New York: (continued)

Question re valuation of shares of foreign banking corporations held by Edge or agreement corporations presented by International Banking Corporation, New York, New York, a subsidiary of 6/23 2224

Notice of intent to establish a branch in West Berlin, Germany, acknowledged 7/1 2332

Request from Chairman J. S. Rockefeller of, for removal of restrictions on loan operations of subsidiaries of International Banking Corporation, New York, which would not be applicable to operations of direct foreign branches of, understood a revised reply and staff memorandum on points raised by, would be prepared for consideration at another Board meeting 7/24 2563

Discussion re restrictions on loan operations of First National City Trust Company (Bahamas) Limited, a subsidiary of International, understood a list of restrictions imposed re acquisition of shares of foreign banks, in various cases, would be prepared for consideration at next Board meeting 9/1 2995

Certain questions that had arisen in connection with agreement under which International Banking Corporation (a wholly-owned subsidiary of,) was operating, as well as conditions under which International Banking Corporation held stock of First National City Trust Company (Bahamas) Limited, Nassau, Bahamas, to consider further at another meeting 9/2 3022
National banks: (continued)

First National City Bank, New York, New York: (continued)

Request from Chairman J. S. Rockefeller of, for removal of restrictions on loan operations of subsidiaries of International Banking Corporation, New York: (continued)

Consideration of revised draft of reply to Chairman Rockefeller of, understood draft would be revised and reconsidered at next meeting

Agreement amended to conform with revised Regulation K, granting exception to conditions imposed on acquisitions of First National City Trust Company (Bahamas), Governors Robertson, Mitchell and Daane dissenting

Notice of intent to establish a branch on Avenida Central, Panama City, Republic of Panama, acknowledged

Notice of intent to establish a branch in Cartagena, Colombia, acknowledged

Establishment of a branch in City of La Paz, Bolivia, approved, six-month extension, granted

Banque de l'Afrique Occidentale, discussion re letter from Vice President Scott of International Banking Corporation, a wholly-owned subsidiary of, requesting reconsideration of conditions of Board's letter of July 23, 1964, granting consent to acquire shares of, memorandum to be prepared as a basis for further consideration

Agreed to modify conditions submitted in letter of July 23, 1964, Governor Robertson dissenting
National banks: (continued)

First National City Bank, New York, New York: (continued)

Establishment of a branch in City of Port-
of-Spain, Trinidad and Tobago, approved, six-month extension, granted

Notice of intent to establish a branch in the Vallejo District of Mexico City, Mexico, acknowledged

Board approved establishment of such a branch on July 25, 1963, but time limit for opening the branch expired on August 1, 1964

Establishment of a branch in Dublin, Ireland, approved, six-month extension, granted

Notice of intent to establish an additional branch in Callao, Peru, acknowledged

Notice of intent to establish an additional branch in Argentina, to be located in the Villa Crespo section of Buenos Aires, acknowledged

Extension of time to establish a branch in Concepcion, Chile, granted

Extension of time to establish a branch in the Chowringhee area of Calcutta, India, granted

Permission granted to increase the amount it may invest in stock of International Banking Corporation, New York, New York

Notice of intent to establish an additional branch in Malaysia, to be located in Georgetown, Penang, acknowledged

National banks: (continued)

First National Exchange Bank of Virginia, Roanoke, Virginia:
Report to Comptroller of the Currency on competitive factors in the proposed merger of The First National Bank of Lebanon, Virginia, into, approved 4/9 1233

Report to Comptroller of the Currency on competitive factors in the proposed merger of The First National Bank of Richlands, Virginia, into, approved 4/9 1233


First National Trust and Savings Bank of Lynchburg, Virginia, issuance of a limited voting permit to United Virginia Bankshares Incorporated, Richmond, Virginia, to vote shares of, authorized 9/9 3087

First Navajo National Bank, Holbrook, Arizona:
Issuance of limited voting permit to Navajo Bancorporation, Inc., Phoenix, Arizona, to vote shares of, authorized 1/8 31, 44

Proposed acquisition through foreclosure of Valley State Bank, Lamar, Colo., by Navajo Bancorporation, Inc., Phoenix, Arizona, a holding company affiliate of, barred by Bank Holding Company Act, because of crossing State lines, to discuss with staff of the FRBank of San Francisco 10/19 3594
National banks: (continued)


First Security Bank of Idaho, N. A., Boise, Idaho:

Report to Comptroller of the Currency on competitive factors in the proposed purchase of assets and assumption of liabilities of The Farmers Bank, Kendrick, Idaho, by the, approved 7/9 2379

Report to Comptroller of the Currency on competitive factors in the proposed merger of First Security Bank of Twin Falls, Idaho, into, approved 9/24 3284

Memorandum re copy of protest filed with Comptroller of the Currency by two competing banks re proposed merger of First Security Bank of Twin Falls, Idaho, into, agreed that no supplemental report to Comptroller would be made 10/23 3618

Protest by, re the establishment of a branch in Jerome, Idaho, by the Bank of Idaho, noted 11/6 3769

First Union National Bank of North Carolina, Charlotte, North Carolina, frequent use of discount window at FRBank of Richmond, noted in examination report of the FRBank, request that statement for the record be obtained 3/16 871, 876

Five Point National Bank of Miami, Florida, permission to maintain same reserves as nonreserve city banks, granted 3/31 1074, 1080
National banks: (continued)

Fort McIntosh National Bank of Beaver, Pennsylvania, report to Comptroller of the Currency on competitive factors in the proposed merger of, into Western Pennsylvania National Bank, McKeesport, Pennsylvania, approved

Fort Worth National Bank, Fort Worth, Texas, letter to FRBank of Dallas, stating Board's view that the status of, as a bank holding company, would terminate upon divestment of certain bank stocks

Such divestment would make unnecessary the filing of a Form F.R. Y-6, for the fiscal year in which the divestment occurred

Founders National Bank of Oklahoma City, Oklahoma, granted permission to carry same reserves as maintained by nonreserve city banks, effective date it opens for business

Franklin National Bank, Franklin Square, New York:

Application for a delay in imposition of reserve city requirements upon the establishment of three branches in New York City, denied, understood that decision of Board could be released prior to the publication date of the next weekly H.2 release in the event of an inquiry

Meeting with Mr. Arthur T. Roth, Chairman of, as requested, to discuss denial of permission to continue to carry country bank reserves upon establishment of a branch in New York City, letter to Mr. Roth, approved, with Governor Mills dissenting re wording of letter, consensus that no mention of Board's action be made in H.2 release, Governor Mills dissenting

12/16 4341
5/21 1828, 1852
5/21 1853
4/22 1379, 1386
4/27 1447, 1463
5/15 1778, 1787
National banks: (continued)

Franklin National Bank, Franklin Square, New York: (continued)

Meeting with Mr. Arthur T. Roth, Chairman of: (continued)
Meeting arranged, report to be furnished to each Board member

Indicated inequities in present formula of reserve requirements and urged the Board to consider a graduated basis, memorandum to be prepared re question whether a graduated basis of reserve requirements could be adopted without obtaining legislation

5/27 1884

Freedom National Bank of New York, New York, granted permission to maintain same reserves against deposits as are required to be maintained by nonreserve city banks, effective as of date it opens for business

6/3 1937

Friendly National Bank of Southwest Oklahoma City, Oklahoma, permission granted to maintain reduced reserves

9/11 3107, 3114

Fullerton National Bank, Fullerton, Nebraska, reply to Mr. C. H. Hosler, President of, approved, re reconciliation statement requested by Federal Reserve of all national banks, in connection with their reports of condition as of June 30, 1964, with understanding that same type of reply would be made to any similar inquiries, substance of Board's letter to be sent to all FRBanks for information

5/8 1669, 1676

7/27 2594, 2605

Garden State National Bank of Teaneck, New Jersey, proposed merger of, into National Community Bank of Rutherford, New Jersey, report to Comptroller of Currency on competitive factors, approved

11/12 3805
National banks: (continued)

Georgetown National Bank, Georgetown, Kentucky, proposed merger of, into First National Bank and Trust Company, Georgetown, Kentucky, report to Comptroller of the Currency on competitive factors, approved

Grace National Bank of New York, New York, eighty per cent of which is owned by W. R. Grace & Co., which company proposes to acquire C. J. Devine & Co., which would be incorporated into Devine Corporation, thereupon Grace & Co. would transfer to Devine Corporation the stock of, letter to Grace & Co., advising that proposed arrangement would be prohibited by section 20 of the Banking Act of 1933, approved

Granite National Bank, Salt Lake City, Utah, permission to maintain same reserves as nonreserve city banks, granted

Guaranty National Bank, Tulsa, Oklahoma, granted permission to carry same reserves as nonreserve city banks, effective as of date it opens for business

Harbor National Bank of Boston, Massachusetts, granted permission to maintain same reserves as nonreserve city banks

Harrisburg National Bank and Trust Company, Harrisburg, Pennsylvania, report to Comptroller of the Currency on the competitive factors in the proposed merger of First National Bank of New Bloomfield, Pennsylvania, into, approved
National banks: (continued)


Heritage National Bank, Los Angeles, (Westwood), California, granted permission to maintain reduced reserves 10/28 3664, 3680

Hollywood National Bank, Los Angeles, (Hollywood), California, permission to maintain same reserves as nonreserve city banks, granted 12/22 4499, 4507


Houston National Bank, Houston, Texas, report to Comptroller of the Currency on competitive factors in the proposed merger of Tennessee Bank and Trust Company, Houston, Texas, with, approved 10/12 3479

Idabel National Bank, Idabel, Oklahoma, telegram to FRAgent at Kansas City, authorizing issuance of a limited voting permit to First Oklahoma Bancorporation, Inc., Oklahoma City, Oklahoma, to vote the stock of 12/7 4139, 4167

Idaho First National Bank, Boise, Idaho, proposed merger of Pocatello National Bank, Pocatello, Idaho, into, report to Comptroller of the Currency on competitive factors, approved 8/5 2717

Inwood National Bank of Dallas, Texas, granted permission to carry same reserves as nonreserve city banks, effective as of date it opens for business 2/23 949, 960
National banks: (continued)

Johnson County National Bank of Franklin, Indiana, report to FDIC on competitive factors in the proposed merger of, with Farmers Trust Company, Franklin, Indiana, approved

Lafayette National Bank, Lafayette, Indiana, proposed purchase of assets and assumption of liabilities of Bank of Dayton, Indiana, by, report to Comptroller of the Currency on competitive factors, approved

Lancaster County Farmers National Bank, Lancaster, Pennsylvania, proposed merger of Christiana National Bank, Christiana, Pennsylvania, into, report to Comptroller of the Currency on competitive factors, approved

Liberty National Bank of Dallas, Texas, granted permission to maintain same reserves as nonreserve city banks

Liberty National Bank and Trust Company, Buffalo, New York:
Report to Comptroller of the Currency on competitive factors in the proposed merger of Peoples Bank of Erie County, Hamburg, New York, into, approved

Request from certain representatives of banks in upstate New York, for meeting with Chairman Martin to discuss factors involved in proposed organization of a bank holding company that would include, and the possible outcome of an application to organize such a company

Meeting held on July 8, 1964, with representatives of banks, Chairman Martin and Governors Shepardson and Daane attending
National banks: (continued)

Lincoln National Bank of Chelsea, Massachusetts, permission granted to continue to maintain reduced reserves, effective as of the date a branch is opened in Boston 10/21 3600, 3608

Lincoln National Bank of Miami, Florida, permission to maintain same reserves as nonreserve city banks, granted 5/21 1828, 1849

Lincoln National Bank, Philadelphia, Pennsylvania, permission granted to maintain same reserves against deposits as are required by nonreserve city banks 7/9 2375, 2405

Lincoln National Bank and Trust Company of Central New York, Syracuse, New York:

Proposed merger of First National Bank of Minoa, New York, into, report to Comptroller of the Currency on competitive factors, approved 1/10 77

Request from certain representatives of banks in upstate New York, for meeting with Chairman Martin, to discuss factors involved in proposed organization of a bank holding company that would include, and the possible outcome of an application to organize such a company 7/2 2354

Meeting held on July 8, 1964, with representatives of banks, Chairman Martin and Governors Shepardson and Daane attending 7/2 2355

Lincoln National Bank and Trust Company of Fort Wayne, Indiana, proposed merger of, and First State Bank of Hoagland, Indiana, report to Comptroller of the Currency on competitive factors, approved 11/25 4007
National banks: (continued)
Livestock National Bank of Kansas City, Missouri, permission granted to maintain same reserves as nonreserve city banks

Question of considering the volume and ratio of interbank deposits in determining whether a bank would be allowed to carry reduced reserves, discussed

Loudoun National Bank of Leesburg, Virginia, application of First Virginia Corporation, Arlington, Virginia, to acquire 80 per cent or more of the voting shares of, denied

Marine Midland National Bank of Southeastern New York, Poughkeepsie, New York, report to Comptroller of the Currency on competitive factors in the proposed merger of Community National Bank, Liberty, New York, with and into, approved


McDowell National Bank of Sharon, Pennsylvania: Report to Comptroller of the Currency on competitive factors in the proposed purchase of assets and assumption of liabilities of The First National Bank of Sharpsville, Pennsylvania, by, staff requested to review report in light of questions raised prior to further consideration by Board

Report approved in form more closely aligned with views expressed in memorandum from FRBank of Cleveland
National banks: (continued)

Meadow Brook National Bank, Jamaica, New York, application to carry reduced reserves, denied  
6/11 2026, 2068

Mechanics National Bank of Worcester, Massachusetts, report to Comptroller of the Currency on competitive factors in the proposed merger of Industrial City Bank and Trust Company, Worcester, Massachusetts, into, approved  
6/18 2132

Merchants National Bank & Trust Company of Syracuse, New York, proposed merger of First National Bank of Laconia, New York, into, report to Comptroller of the Currency on competitive factors, approved  
1/9 50

Merchantville National Bank and Trust Company, Merchantville, New Jersey:
Application of Camden Trust Company, Camden, New Jersey, to merge with, denied  
6/10 2003

Order and statement denying application, discussed, staff requested to redraft statement and resubmit it to Board for further consideration  
6/23 2223

Issuance of order and statement denying application, authorized  
6/26 2269, 2281-83

Request by Mr. Robert Davis, President of Camden Trust Company, to meet with Governor Balderston re, denied, appointment to be arranged  
7/2 2353

Request by representatives of Camden Trust Company, Camden, New Jersey, for release by Board of reports on competitive factors in connection with the denied, compliance with request authorized, subject to appropriate clearance with other Government agencies concerned  
7/9 2396
National banks: (continued)

Merchantsville National Bank and Trust Company, Merchantsville, New Jersey: (continued)

Letters to Camden Trust Company, Camden, New Jersey, and, approved, advising that Board had concluded against reconsideration of its action denying application for permission to merge the two banks 8/5 2717,2732-35

Merrimack Valley National Bank, Haverhill, Massachusetts:

Application by Baystate Corporation, Boston, Massachusetts, to acquire shares of Merrimack Valley National Bank, Haverhill, Massachusetts, agreed to delay consideration of application until Massachusetts Board of Bank Incorporation had held public hearing, understanding Baystate Corporation would be advised informally that this was Board's intent 2/13 470

Approved after views were expressed 3/16 868

Issuance of order and statement, authorized, concurring statement by Governor Robertson, issued 4/9 1237, 1249

Issuance of a general voting permit to Baystate Corporation, Boston, Massachusetts, to vote stock in, authorized 6/2 1910, 1918

Miami National Bank, Miami, Florida, determination that Mount Clemens Industries Corporation, Bala-Cynwyd, Pennsylvania, was not a holding company affiliate of, except for purposes of section 23A of FRAct, copy sent to FRBank of New York 11/20 3940,3947-49

Owned by The Buckeye Corporation, New York, which is owned by Massachusetts Mohair Plush Company, Inc., New York, New York, determination will make all three companies holding company affiliates of 11/20 3941
National banks: (continued)

Michigan Bank, N.A., Detroit, Michigan, determined that Michigan National Bank, Lansing, Michigan, is not a bank holding company as a result of its control of the Employees Profit-Sharing Trusts of Michigan National Bank, Lansing, and

Michigan National Bank, Lansing, Michigan:

Competitive factor reports requested by Mr. Slay, Michigan State Banking Commissioner, in the proposed purchase of assets and assumption of liabilities of Grand Ledge State Bank, and Loan and Deposit State Bank, both of Grand Ledge, Michigan, by, denied, proposed that new memorandum re releasing of reports on competitive factors, be considered promptly

Agreed to make available to Mr. Slay

Determined not to be a bank holding company as a result of its control of the Employees Profit-Sharing Trusts of Michigan National Bank and Michigan Bank, N.A., Detroit, Michigan, as defined in the Bank Holding Company Act of 1956

Proposed purchase of assets and assumption of liabilities of Citizens Industrial Bank, Grand Rapids, Michigan, by, report to Comptroller of the Currency on competitive factors, approved

Report to Chairman Robertson of Senate Banking and Currency Committee, on S. 2883, a bill to permit establishment and operation of certain branch offices by, approved, Board believes bill would be damaging to State and Federal relationships and to bank supervision
National banks: (continued)

Midway National Bank of Cedar Falls, Iowa, application made by, on behalf of Midway Bank & Trust, Cedar Falls, Iowa, the State bank into which, proposed to convert, for membership in the FRSystem, approved

Governor Mills noted that primary objective of conversion of Midway National into a State bank was to take advantage of Iowa law that provides 20 per cent limit on loans to single borrowers rather than 10 per cent limit allowed in national banks, question of inconsistency, noted

Millerton National Bank, Millerton, New York, letter to FRBank of New York, approved, re a recent ruling by Comptroller of the Currency, as to status under section 32 of the Banking Act of 1933, of an interlocking relationship involving Mr. George L. Degener, director of, who served also as a special partner in Chaplin, McGuiness & Co., Pittsburgh, Pennsylvania, which has an office in New York City, understanding that substance of letter would be sent to all FRBanks


1/31 312, 320

1/31 312

8/5 2716, 2730

10/29 3685
National banks: (continued)

Mission National Bank of Los Angeles, California, permission to maintain same reserves as nonreserve city banks, granted

National Bank of Alamance, Graham, North Carolina:
Criticism of conflicting interpretations of Board, FDIC, and Comptroller of the Currency, by Mr. E. M. Todd, Executive Vice President and Cashier of, discussion whether reply should be made from Board, agreed to hold matter for further study and consideration at another meeting

Agreed President Wayne, FRBank of Richmond, would reply in the form of a statement to be used in replying to such inquiries

Letter to FRBank of Richmond, ratifying action taken by the Bank in waiving the assessment of a penalty incurred by, because of a deficiency in reserves, approved

National Bank of Alaska, Anchorage, Alaska, President E. E. Rasmuson of, attended meeting on April 7 at the Treasury Department, to discuss banking situation in Alaska due to recent earthquakes and tidal waves, letter to Mr. Rasmuson, noting that for 1964, penalties for reserve deficiencies of Alaskan member banks were waived

National Bank of Commerce of Chicago, Illinois, report to Comptroller of the Currency on competitive factors in the proposed merger of, into Central National Bank in Chicago, Illinois, approved, Governor Robertson dissenting
National banks: (continued)

National Bank of Commerce of Dallas, Texas:
Granted permission to carry same reserves as maintained by nonreserve city banks, effective first biweekly reserve computation period after date of Board's letter 2/19 579, 598

Revocation of permission previously granted to carry reduced reserves, approved 10/21 3601, 3610

National Bank of Commerce of Seattle, Washington:
Proposed purchase of assets and assumption of liabilities of Bank of Endicott, Washington, by, report to Comptroller of the Currency on competitive factors, approved 4/10 1263

Determined not to be a bank holding company within the meaning of the Bank Holding Company Act of 1956, and not to be a holding company affiliate of Marine Bancorporation, Seattle, Washington, except for purposes of section 23A of the FRAct, letter to Professor Mund, University of Washington, Seattle, Washington, in connection with his request for information re status of Marine Bancorporation, approved 5/13 1732, 1742

National Bank of Dayton, Ohio, proposed merger of Community Bank of Dayton, Ohio, into, report to Comptroller of the Currency on competitive factors, approved 5/27 1874

National Bank of Des Moines, Iowa, issuance of a general voting permit to Brenton Companies, Inc., Des Moines, Iowa, to vote the stock of, authorized 3/16 867, 874
National banks: (continued)

National Bank of Detroit, Michigan, question whether indebtedness to, of executive officers resulting from bank's purchase of department store's retail customer accounts, must be approved by directors of the bank in order to fall within exception to prohibition contained in section 22(g) of FRAct and Regulation O, letter advising, approved 1/8 35, 48

National Bank of Geneva, New York, discussion re legal questions arising in connection with an application for a determination under section 4(c)(6) of the Bank Holding Company Act, re increases in Financial Institutions, Inc., indirect ownership of voting shares of, through acquisition of additional shares of Geneva Shareholders, Inc., agreed prior Board approval under the Bank Holding Company Act, was not required 8/19 2868


National Bank of Oak Cliff in Dallas, Texas, granted permission to maintain same reserves as nonreserve city banks 4/15 1293, 1311
National banks: (continued)

National Bank of South Dakota, Sioux Falls, South Dakota, letter approved to Attorney General for the State of South Dakota, re merger of three State banks into


National Bank and Trust Company of Central Pennsylvania, York, Pennsylvania, report to Comptroller of the Currency on competitive factors in the proposed merger of First National Bank and Trust Company of Hanover, Pennsylvania, into, approved

National Bank and Trust Company of Chariton, Iowa, determined that Hy-Vee Food Stores, Inc., Chariton, Iowa, is not a holding company affiliate of, except for purposes of section 23A of the FRAct

National Bank and Trust Company at Charlottesville, Virginia, report to Comptroller of the Currency on competitive factors in the proposed merger of The Peoples Bank of Stuarts Draft, Inc., Stuarts Draft, Virginia, into, approved

National City Bank of New York, New York, request that Robert W. Winthrop be permitted to rejoin bank's board of directors, if partnership firm of Wood, Struthers & Winthrop, are incorporated, Board ruled that proposal did not sufficiently alter structure of Winthrop & Struthers, which must be regarded as a single enterprise under sec. 32, in order to forbid service as a director of
National banks: (continued)

National Commercial Bank and Trust Company, Albany, New York, proposed merger of Citizens National Bank and Trust Company of Oneonta, New York, into, report to Comptroller of the Currency on competitive factors, approved 9/1 2986

National Community Bank of Rutherford, New Jersey:
Report to Comptroller of the Currency on competitive factors in the proposed merger of Fair Lawn-Radford Trust Company, Fair Lawn, New Jersey, into, approved 7/2 2342

Report to Comptroller of the Currency on competitive factors in the proposed merger of Garden State National Bank of Teaneck, New Jersey, into, approved 11/12 3805


Newton National Bank, Newton, Massachusetts, letter to FRBank of Boston, reaffirming position previously taken that service of Mr. Howard Whitmore, Jr., business manager of John P. Chase, Inc., Boston, Massachusetts, and as director of, is forbidden under section 32 of the Banking Act of 1933 and Regulation R 3/2 691, 698

Northwest Des Moines National Bank, Des Moines, Iowa, issuance of a general voting permit to Brenton Companies, Inc., Des Moines, Iowa, to vote stock owned or controlled in, authorized 3/16 867, 874
National banks: (continued)

Oakwood National Bank, Los Angeles (Woodland Hills), California, granted permission to carry same reserves as maintained by non-reserve city banks

Oceanside National Bank, Oceanside, California, penalty for deficiency in reserves, waived

Okey-Vernon National Bank of Corning, Iowa, determined that Whitmore Company, Inc., Corning, Iowa, is not a holding company affiliate of, except for purposes of section 23A of the FRAct

Old National Bank of Washington, Spokane, Washington:
Proposed merger of First National Bank of Pullman, Washington, into, report to Comptroller of the Currency on competitive factors, approved, Governor Robertson dissenting

Proposed purchase of assets and assumption of liabilities of Tri-Cities National Bank, Pasco, Washington, by, report to Comptroller of the Currency on competitive factors, approved

Oneida National Bank and Trust Company, Utica, New York, proposed merger of Citizens National Bank of Poland, New York, into, report to Comptroller of the Currency on the competitive factors, approved

Palmer First National Bank and Trust Company of Sarasota, Florida, deposit of funds in a savings account in, at Governor Mills' suggestion, letter to, was approved after last paragraph was revised so as to describe in part a pertinent ruling of Board published in FRBulletin in 1959, re deposit of trust funds
National banks: (continued)


Pennsylvania National Bank and Trust Company of Pottsville, Pennsylvania:

Proposed merger of Union National Bank of Mahanoy City, Pennsylvania, into, report to Comptroller of the Currency on competitive factors, approved.

Report to Comptroller of the Currency on competitive factors in the proposed merger of Ashland National Bank, Ashland, Pennsylvania, with and into, approved.


Governor Mills added to views he had expressed at Board meeting on June 12, 1964 re
National banks: (continued)

Peoples National Bank of Long Island, Patchogue, New York:
Penalty for deficiency in reserves, waived 8/13 2808, 2825
Report to Comptroller of the Currency on competitive factors in the proposed merger of The National Bank of Lake Ronkonkoma, New York, into, approved 10/14 3520
Difficulties in reaching an accurate conclusion due to lack of information provided, noted by Governor Robertson 10/14 3520

Peoples National Bank of Pulaski, Virginia, issuance of a general voting permit to Virginia Commonwealth Corporation, Richmond, Virginia, covering its stock in, approved 7/1 2324, 2336

Peoples National Bank of Rock Hill, South Carolina, report to Comptroller of the Currency on competitive factors in the proposed merger of, into The Citizens and Southern National Bank of South Carolina, Charleston, South Carolina, approved 7/2 2342


Peoples National Bank & Trust Company of Bay City, Michigan, proposed merger of State Bank of Linwood, Michigan, into, report to Comptroller of the Currency on competitive factors, approved 3/27 1047

Philadelphia National Bank, Philadelphia, Pennsylvania, decision by Supreme Court of United States re bank merger case involving, Chm. Fascell of House Legal and Monetary Affairs Subcommittee, presented five questions re Board activities under Bank Merger Act of 1960, agreed to redraft reply to Chairman Fascell 4/8 1209
National banks: (continued)

Pioneer National Bank, Los Angeles, California, permission to maintain same reserves as nonreserve city banks, approved 1/22 233, 245

Pittsburgh National Bank, Pittsburgh, Pennsylvania, application for permission to organize a corporation under section 25(a) of the FRAct, to be known as Pittsburgh International Finance Corporation, with home office in Pittsburgh, Pennsylvania, approved, preliminary permit issued 5/18 1790,1800-01

Governor Robertson expressed view that Board should take a close look at the whole picture of American bank lending abroad 5/18 1791

Pocatello National Bank, Pocatello, Idaho, proposed merger of, into Idaho First National Bank, Boise, Idaho, report to Comptroller of the Currency on competitive factors, approved 8/5 2717

Port Clinton National Bank, Port Clinton, Ohio, determined that Union Financial Corporation, Cleveland, Ohio, is not a holding company affiliate of, except for purposes of section 23A of FRAct 11/16 3834, 3845

Poudre Valley National Bank of Fort Collins, Colorado, determined that Flour Mills of America, Inc., Kansas City, Missouri, and Inland Investment Company, Fort Worth, Texas, are not holding company affiliates of, except for purposes of section 23A of the FRAct 1/13 91, 99

Poweshiek County National Bank of Grinnell, Iowa, issuance of a general voting permit to Brenton Companies, Inc., Des Moines, Iowa, to vote stock of, authorized 3/16 867, 874
National banks: (continued)

Racine County National Bank, Franksville, Wisconsin, penalty for deficiency in reserves, waived

Ranchers National Bank of Winner, South Dakota, determined that Ranchers Security Corporation, Winner, South Dakota, is not a holding company affiliate of, except for purposes of section 23A of the FRAct

Republic National Bank of Dallas, Texas, in court case involving three officers of Farmers & Merchants Bank of Long Beach, California, information was given by, to the Chief National Bank Examiner, Eleventh Federal Reserve District, letter to FRBank of San Francisco, pointing out that it would be better to have Special Agent Kintz of FBI or Comptroller of the Currency, request the letter which Senior Vice President of, wrote re Farmers & Merchants Bank of Long Beach, California

Republic National Bank of New York, New York, granted permission to carry same reserves as nonreserve city banks

Republic National Bank of Tulsa, Oklahoma, granted permission to carry same reserves as maintained by nonreserve city banks, effective date it opens for business

Rockingham National Bank of Exeter, New Hampshire, report to Comptroller of the Currency on competitive factors in the proposed merger of New Market National Bank, Newmarket, New Hampshire, with, approved
National banks: (continued)


Governor Mills added to views he had expressed at Board meeting on June 12, 1964 re

San Francisco National Bank, San Francisco, California:
Application for permission to carry reduced reserves, questioned by Board because of its top-heavy condition in loans and time deposits, as well as its record of payment of time certificates before maturity in violation of Regulation Q, letter to Comptroller of the Currency, re Board's proposed action and for comments re

Application approved, with instructions to FRBank of San Francisco, that the bank be reminded that unless it discontinues the practice of paying interest on time deposits before maturity in violation of Regulation Q, such deposits would be reclassified as demand deposits and reserve requirements would be raised accordingly

Seaboard Citizens National Bank, Norfolk, Virginia, proposed merger of Farmers Bank of Holland, Incorporated, Holland, Virginia, into, report to Comptroller of the Currency on competitive factors, approved
National banks: (continued)


Second National Bank of New Haven, Connecticut:
Penalty for deficiencies in reserves, waived
Board amends its letter of April 15, re clerical errors
Proposed merger of Guilford Trust Company, Guilford, Connecticut, into, report to Comptroller of the Currency on competitive factors, approved


Issuance of order and statement, authorized, dissenting statements of Governors Mills, Robertson and Mitchell, issued

Second National Bank of Tampa, Florida:
Application of First National Bank of Tampa, Florida, to become a bank holding company through the acquisition by Union Security and Investment Company, Tampa, Florida, of shares of, a proposed new bank, approved, Governors Robertson and Mitchell dissenting

Statement of Governor Mills in support of application

Issuance of order and statement, authorized, dissenting statement by Governor Robertson issued
National banks: (continued)

Second National Bank of Tampa, Florida: (continued)
Issuance of general voting permits to First
National Bank of Tampa and
Union Security and Investment
Company, both of Tampa, Flor-
ida, to vote stock in Broad-
way National Bank of Tampa,
Florida, and, authorized

Security National
Bank, Denver, Colorado:
Issuance of a limited voting permit to First
Colorado Bankshares, Inc.,
Englewood, Colorado, to vote
stock of, approved

Issuance of a general voting permit to First
Colorado Bankshares, Inc.,
Englewood, Colorado, to vote
shares in, authorized

(Seventeenth) 17th Street National Bank, Denver,
Colorado, permission granted
to maintain reduced reserves

Silverlake National Bank, Los Angeles, California,
granted permission to carry
same reserves as are required
by nonreserve city banks

Society National Bank of Cleveland, Ohio, letter
to Society Corporation, Cleve-
land, Ohio, rescinding Board's
1959 determination of holding
company affiliate status, ef-
fective if and when Society
Corporation acquires bank
holding company status, by
virtue of its acquisition of
stock in Fremont Savings Bank
Company, Fremont, Ohio, in
addition to its holdings in

South Colorado National Bank of Denver, Colorado,
granted permission to carry
same reserves as maintained
by nonreserve city banks, ef-
fective on the date it opens
for business
National banks: (continued)

South Des Moines National Bank, Des Moines, Iowa, issuance of a general voting permit to Brenton Companies, Inc., Des Moines, Iowa, to vote the stock owned or controlled in, authorized

Southern Maryland National Bank of La Plata, Maryland, report to FDIC on competitive factors in the proposed merger of, into Suburban Trust Company, Hyattsville, Maryland, approved

Southern National Bank of North Carolina, Lumberton, North Carolina, proposed merger of Bank of Rowland, North Carolina, into, report to Comptroller of the Currency on competitive factors, approved

Southwestern National Bank of Oklahoma City, Oklahoma, granted permission to carry same reserves as maintained by nonreserve city banks, effective on the date it opens for business


State National Bank of Alabama, Decatur, Alabama: Report to Comptroller of the Currency on competitive factors in the proposed merger of Peoples Bank, Collinsville, Alabama, into, approved

Report to Comptroller of the Currency on competitive factors in the proposed merger of The First National Bank in Gadsden, Alabama, approved
National banks: (continued)

Steel City National Bank of Chicago, Illinois, question re eligibility of State of Israel Bonds as an investment for, ruling by Comptroller of the Currency, in his revised Investment Securities Regulation, is favorable to such investment, Board holds it is in no position either to authorize or object

Stock Yards National Bank of South Omaha, Omaha, Nebraska, permission granted to maintain same reserves as nonreserve city banks

Stockyards National Bank, Wichita, Kansas, determined that the Sierra Petroleum Company, Inc., Wichita, Kansas, is not a holding company affiliate of, except for purposes of section 23A of the FRAct

Governor Robertson commented that the case fell within the so-called one-bank cases and he would not oppose the request in spite of his disagreement with the policy

Surety National Bank, Los Angeles (Encino), California, granted permission to maintain same reserves as maintained by nonreserve city banks

Texas National Bank of Dallas, Texas, granted permission to maintain same reserves as nonreserve city banks

Third National Bank of Nashville, Tennessee, report to Comptroller of the Currency on competitive factors in the proposed merger of Nashville Bank and Trust Company, Nashville, Tennessee, into, approved
National banks: (continued)


Union National Bank in Houston, Texas, granted permission to carry same reserves as maintained by non-reserve city banks, effective on the date it opens for business 2/28 675, 683


Union National Bank of Pittsburgh, Pennsylvania, proposed consolidation of, and Commonwealth Bank and Trust Company, both of Pittsburgh, Pennsylvania, report to Comptroller of the Currency on competitive factors, approved 1/31 313

United Community National Bank, Washington, D. C., granted permission to maintain same reserves as maintained by nonreserve city banks 9/3 3044, 3057


Vermont National and Savings Bank, Brattleboro, Vermont, proposed merger of Windsor County National Bank of Windsor, Vermont, into, report to Comptroller of Currency on competitive factors, approved 12/7 4436
National banks: (continued)

Virginia National Bank, Norfolk, Virginia:
Proposed merger of First National Bank of Buena Vista, Virginia, into, report to Comptroller of the Currency on the competitive factors, approved 3/2 692

Proposed merger of Southern Bank of Commerce, Danville, Virginia, into, report to Comptroller of the Currency on competitive factors, approved 3/4 705

Proposed merger of Bank of Glade Spring, Virginia, into, report to Comptroller of the Currency on competitive factors, approved 10/29 3685

West Omaha National Bank, Omaha, Nebraska, granted permission to maintain same reserves as nonreserve city banks, effective as of date it opens for business 11/19 3923, 3930

Western Pennsylvania National Bank, McKeesport, Pennsylvania:
Proposed consolidation of, and Beaver County Trust Company, New Brighton, Pennsylvania, report to Comptroller of the Currency on competitive factors, approved 1/10 76

Report to Comptroller of the Currency on competitive factors in the proposed consolidation of, and Citizens National Bank of Beaver Falls, Pennsylvania, approved 8/11 2763

Report to Comptroller of the Currency on competitive factors in the proposed merger of, and Citizens State Bank, Aliquippa, Pennsylvania, approved 10/14 3522

Report to Comptroller of the Currency on competitive factors in the proposed merger of The Fort McIntosh National Bank of Beaver, Pennsylvania, into, approved 12/16 4341
National banks: (continued)

Westmont National Bank, Houston, Texas, granted permission to carry same reserves as maintained by non-reserve city banks, effective date it opens for business

Westmoreland National Bank of Dallas Texas, granted permission to carry same reserves as maintained by nonreserve city banks

Williamsport National Bank, Williamsport, Pennsylvania, report to Comptroller of the Currency on competitive factors in the proposed consolidation of The First National Bank of Williamsport, Pennsylvania, with the, approved

Winchester National Bank, Winchester, New Hampshire, report to Comptroller of the Currency on competitive factors in the proposed purchase of assets and assumption of liabilities of the, by Cheshire National Bank of Keene, New Hampshire, approved

Windsor County National Bank of Windsor, Vermont, proposed merger of, into Vermont National and Savings Bank, Brattleboro, Vermont, report to Comptroller of the Currency on competitive factors, approved

Woodbridge National Bank, Woodbridge, New Jersey, proposed merger of, with and into First Bank and Trust Company, National Association, Fords, New Jersey, report to Comptroller of the Currency on the competitive factors, approved

Zions First National Bank, Salt Lake City, Utah, penalty for deficiencies in reserves, waived
National Foreign Trade Council, Inc.:
National Foreign Trade Convention, Fifty-First, to be held in New York City, November 16-18, 1964, letter to, advising that Reed J. Irvine, Associate Adviser, Division of International Finance, had been designated to attend, approved

National Housing Act:
Section 408, draft bill to amend, to provide for the regulation of savings and loan association holding companies and subsidiary companies, generally favorable report sent to Bureau of the Budget

National Labor Relations Board:
Hearing examiners: London, David, selected by Civil Service Commission as hearing examiner in hearing re request of First Oklahoma Bancorporation, Inc., Oklahoma City, Oklahoma, determined that activities planned to be undertaken by its proposed nonbanking subsidiary, First Oklahoma Baninsurance, Inc., were of kind described in section 4(c)(6) of Bank Holding Company Act

National Science Foundation:
Condition reports, access to call reports for period December 1959-June 1963, request from a group of academicians at University of Illinois, to use in connection with a study of commercial bank behavior that had been undertaken with support from, and from the Graduate College of University of Illinois, approved
Netherlands:
Bankierscompagnie, N.V., The Hague, The Netherlands, letter to Morgan Guaranty International Banking Corporation, New York, New York, re consent previously granted to purchase shares of, Board's further consideration grants certain stated liberalized conditions

Van Lennep, Emile, Treasurer-General, Ministry of Finance, invitation extended to attend and participate in a seminar with academic economists, October 29-30, at Board's offices, to be asked to address a dinner meeting on the role of monetary policy in balance of payments adjustments, approval of overexpenditure in budget of Division of Research and Statistics for 1964

New Jersey Bankers Association:
Savings deposits, memorandum from Legal Division, with respect to letter from FRBank of New York, commenting on recommendation by, that regulations of Board and FDIC be amended to permit any person or organization to maintain savings deposits with insured banks up to $50,000, letter to FRBank of New York, approved

New York Clearing House Association:
Meeting with:
Governor Robertson reported on certain arrangements made by staff for, to discuss Board's proposed Regulation F, FDIC representatives invited to attend
Meeting with: (continued)
Governor Robertson reported that meeting would be held today, suggestion that Board members might want to sit in on discussion and attend luncheon that had been scheduled

News service ticker:
Dow-Jones Financial, recommendation to install in the FDIC Building, for the joint use of the Board and FDIC, with costs to be shared equally, approved, with authorization for any resultant overexpenditure in Research and Statistics Division's "All Other Account"

Nonbank services:
H.R. 9548, a bill to prohibit banks from performing certain nonbanking services:
Board to report to Chairman Multer of House Subcommittee on Bank Supervision and Insurance
After further comments re growth of such nonbanking services such as data processing by banks for other banks and others, it was agreed that further consideration would be given to reply to Chairman Multer
Letter approved for transmittal to Chairman Multer

Nonmember banks:
Condition reports of insured:
Call as of April 15, 1964
Call as of June 30, 1964
Call as of October 1, 1964
Call as of January 6, 1965, expected to be announced as per telephone conversation between Governor Mills and Chairman Barr of FDIC
Nonmember banks: (continued)

Time and savings deposits, amendment by FDIC to regulation specifying maximum rate of interest on time deposits and on that portion of any savings deposit that has remained on deposit for less than twelve months, action taken to coordinate with Board's action in amending Regulation Q supplement

(Individual banks)

Albert City Savings Bank, Albert City, Iowa, appointment of Richard C. Kindwall, Assistant Examiner, FRBank of San Francisco, approved, not to participate in the examination of, as long as Mr. Kindwall's father is an officer of that bank

Appleton State Bank, Appleton, Wisconsin, a subsidiary of Valley Bancorporation, Appleton, Wisconsin, whose applications to acquire 80 per cent or more of voting shares of Sherwood State Bank, Sherwood, Wisconsin, and of Reedsville State Bank, Reeds-ville, Wisconsin, were approved, Governor Robertson dissenting, agreed that after consultation with FDIC, a letter would be drafted drawing attention for need to improve capital position of

Letter indicating need for immediate improvement in capital structure of, approved

Bank of Appomattox, Virginia, proposed merger of, into Fidelity National Bank, Lynchburg, Virginia, report to Comptroller of the Currency on competitive factors, approved
Nonmember banks: (continued)

Bank of Crestwood, Missouri, application of Clayton Bancshares Corporation, Clayton, Missouri, to become a bank holding company through proposed merger with Hampton Bankshares Corporation and Crestwood Bank Shares Corporation, resulting in ownership of more than 25 per cent of shares of Hampton Bank of St. Louis, Clayton Bank, Clayton, Missouri, and, with surviving corporation renamed United Bancshares Corporation, application denied, with Governor Mitchell dissenting

Issuance of order denying application of Clayton Bancshares Corporation, approved

Bank of Davis, California, proposed merger of Bank of Sacramento, California, with, report to FDIC on competitive factors, approved

Bank of Dayton, Indiana, proposed purchase of assets and assumption of liabilities of, by Lafayette National Bank, Lafayette, Indiana, report to Comptroller of the Currency on competitive factors, approved


Bank of Galt, Iowa, proposed purchase of assets and assumption of liabilities of, by Wright County State Bank, Clarion, Iowa, report to FDIC on competitive factors, approved
Nonmember banks: (continued)

Bank of Graham, Bluefield, Virginia, application of Farmers Bank of Clinch Valley, Tazewell, Virginia, to merge with, under charter of Farmers Bank of Clinch Valley, and title of Bank of Tazewell County, Tazewell, Virginia, approved  

Issuance of order and statement authorized, incident to merger, two offices of Bank of Graham (one of which has been approved but not yet opened) would become branches of Bank of Tazewell County

Bank of Green Bay, Wisconsin:

Report to FDIC on competitive factors in the proposed consolidation of, with Peoples Trust and Savings Bank, Green Bay, Wisconsin, approved  

Request by Peoples Trust & Savings Bank, Green Bay, Wisconsin, for a copy of Board's, approved

Bank of Kendall, Florida, application of Commercial Bancorp, Inc., Miami, Florida, to become a bank holding company through the acquisition of 80 per cent or more of the voting shares of Commercial Bank of Miami, Miami, Florida, and, approved  

Issuance of order and statement, authorized

Bank of Rowland, North Carolina, proposed merger of, into Southern National Bank of North Carolina, Lumberton, North Carolina, report to Comptroller of the Currency on competitive factors, approved

Bank of Sacramento, California, proposed merger of, with Bank of Davis, California, report to FDIC on competitive factors, approved
Nonmember banks: (continued)

Bank of Sonoma County, Sebastopol, California, report to FDIC on competitive factors in the merger of Sebastopol National Securities Company, Wilmington, Delaware, into, approved, transactions involved purely internal operation, report obtained in accordance with provisions of the law, since merger was consummated on June 18, 1963

Bank of Tokyo of California, insured bank, question re applicability of section 6(a)(4) of Bank Holding Company Act, to transactions involving interest-bearing deposits between Bank of Tokyo, Ltd., a registered bank holding company, and, understood interpretation would be published in Federal Register and FRBulletin

Berks County Trust Company, Reading, Pennsylvania, proposed merger of Schuylkill Trust Company, Pottsville, Pennsylvania, into, report to FDIC on competitive factors, approved


Bowery Savings Bank, New York, New York, report to FDIC on competitive factors in the proposed merger of, into The Manhattan Savings Bank, New York, New York, approved
Nonmember banks: (continued)
Bowery Savings Bank, New York, New York, report to FDIC on competitive factors: (continued)
Letter to FDIC, indicating that Board had no further comments to add to previous report

Branford Trust Company, Branford, Connecticut, report to Comptroller of the Currency on competitive factors in the proposed merger of, into The First New Haven National Bank, New Haven, Connecticut, approved

Brown Brothers Harriman & Company, New York, New York, request by FRBank of New York, for various interpretations under the FRAct, concerning the meaning of the word "bank" as related to private banks such as

Calhoun State Bank, Homer, Michigan:
Application of City Bank and Trust Company, Jackson, Michigan, to consolidate with, denied, Governor Mitchell dissenting
Issuance of order and statement denying, authorized, dissenting statement of Governor Mitchell issued, incident to consolidation office of, to be operated as branch of City Bank and Trust Company

Request for release of reports on competitive factors, re, sending of reports from Justice Department and FDIC, authorized, report from Comptroller of the Currency to be released when consent is received

Consent received from Comptroller of the Currency, letter transmitting report sent
Nonmember banks: (continued)

Calhoun State Bank, Homer, Michigan: (continued)
Report to Comptroller of the Currency on competitive factors in the proposed consolidation of City Bank and Trust Company, National Association, Jackson, Michigan, with, approved

Cape Cod Trust Company, Harwichport, Massachusetts, application of Hyannis Trust Company, Hyannis, Massachusetts, to consolidate with, under charter of Hyannis Trust Company and title of Cape Cod Bank and Trust Company, approved, Governors Robertson, Mitchell, and Daane dissenting

Issuance of order and statement, authorized, dissenting statement, issued, operation of a branch at the main office of, approved

Capital Bank, Cleveland, Ohio, permission granted to maintain same reserves as nonreserve city banks, effective as of the date the bank is admitted to membership under a national bank charter as The Capital National Bank


Carolina Bank, Graniteville, South Carolina, report to Comptroller of the Currency on competitive factors in the proposed merger of, and Carolina Bank of South Carolina, Charleston, approved

Chatham Bank, Chicago, Illinois, information requested by FDIC re liquidation of, Board contacted prior to communication with State member banks, Mr. Solomon to contact FDIC
Nonmember banks: (continued)

Citizens Bank, Fountain Inn, South Carolina, proposed merger of, into Southern Bank and Trust Company, Greenville, South Carolina, report to FDIC on competitive factors, approved

Citizens Bank of Oregon, Lake Oswego, Oregon, proposed merger of, into United States National Bank of Oregon, Portland, Oregon, report to Comptroller of the Currency on competitive factors, approved

Citizens Bank, Pekin, Indiana, report to FDIC on competitive factors in the proposed acquisition of assets and assumption of liabilities of, by Farmers-Citizens Bank, Salem, Indiana, approved

In connection with usual report, Board requested any further information in connection with investigation re possible violation of Bank Holding Company Act of 1956

Citizens Industrial Bank, Grand Rapids, Michigan, proposed purchase of assets and assumption of liabilities of, by Michigan National Bank, Lansing, Michigan, report to Comptroller of the Currency on competitive factors, approved

Citizens Marine Jefferson Bank, Newport News, Virginia, proposed merger of Citizens National Bank of Hampton, Virginia, into, report to FDIC on competitive factors, approved
Nonmember banks: (continued)

Citizens Mutual Savings Bank, Spokane, Washington, proposed consolidation of Washington Mutual Savings Bank, Seattle, Washington, with Citizens Savings and Loan Society of Spokane, Washington, upon the latter institution's conversion into, report to FDIC on competitive factors, approved 10/8 3449

Citizens Savings and Loan Society of Spokane, Washington, proposed consolidation of Washington Mutual Savings Bank, Seattle, Washington, with, upon the former institution's conversion into Citizens Mutual Savings Bank, Spokane, Washington, report to FDIC on competitive factors, approved 10/8 3449

Citizens State Bank, Aliquippa, Pennsylvania, report to Comptroller of the Currency on competitive factors in the proposed merger of Western Pennsylvania National Bank, McKeesport, Pennsylvania, and, approved 10/14 3522


Nonmember banks: (continued)

City Bank and Trust Company, Milwaukee, Wisconsin, request from Mr. Robert D. Lemense, Counsel for, for copies of reports on competitive factors submitted to the Board in connection with application of, to acquire assets and assume liabilities of American State Bank, Milwaukee, Wisconsin, no objections by FDIC to release of report, compliance with request authorized, subject to appropriate clearance with Comptroller of the Currency and Department of Justice, letter to FRBank of Chicago

City Savings Bank of Brooklyn, New York, report to FDIC on competitive factors in the proposed merger of The Greater New York Savings Bank, Brooklyn, New York, into, approved

Clayton Bank, Clayton, Missouri, application of Clayton Bancshares Corporation, Clayton, Missouri, to become a bank holding company through proposed merger with Hampton Bankshares Corporation, St. Louis, Missouri, and Crestwood Bank Shares Corporation, Crestwood, Mo., resulting in ownership of more than 25 per cent of shares of Hampton Bank of St. Louis, Bank of Crestwood, Missouri, and, with surviving corporation renamed United Bancshares Corporation, denied, Governor Mitchell dissenting

Issuance of order and statement, approved
Nonmember banks: (continued)

Commercial Bank of Miami, Florida, application of Commercial Bancorp, Inc., Miami, Florida, to become a bank holding company through the acquisition of shares of, and Merchants Bank, both of Miami, Florida, and Bank of Kendall, Florida, approved

Issuance of order and statement, authorized

Community Bank of Dayton, Ohio, proposed merger of, into National Bank of Dayton, Ohio, report to Comptroller of the Currency on competitive factors, approved

Council Bluffs Savings Bank, Council Bluffs, Iowa, proposed purchase of assets and assumption of liabilities of McClelland Savings Bank, McClelland, Iowa, by, report to FDIC on competitive factors, approved

Crown Savings Bank, Newport News, Virginia, recently closed bank, in light of differences in records, information re wire transfers from the account of, requested by FDIC, agreed this did not constitute unpublished information of the Board, but compliance with the request was a decision for the FRBank of Atlanta, also agreed that any information ultimately selected and considered as unpublished information of the Board could be disclosed by the FRBank

Daytona Atlantic Bank, Daytona Beach, Florida, permission granted for Atlantic National Bank and Atlantic Trust Company, both of Jacksonville, Florida, to change the name of the proposed new bank from, to Westside Atlantic Bank of Daytona Beach, Florida
Nonmember banks: (continued)

Denton State Bank, Denton, Michigan, report to Comptroller of the Currency on competitive factors in the proposed purchase of assets and assumption of liabilities of, by First National Bank and Trust Company of Kalamazoo, Michigan, approved

Douglas County Bank, East Wenatchee, Washington, proposed merger of Security State Bank of Ephrata, Washington, with, report to FDIC on competitive factors, approved

Edison Bank, Edison, New Jersey, report to FDIC on competitive factors in the proposed merger of The First National Bank of Milltown, New Jersey, into, approved


Farmers-Citizens Bank, Salem, Indiana, report to FDIC on competitive factors in the proposed acquisition of assets and assumption of deposit liabilities of The Citizens Bank, Pekin, Indiana, by, approved

In connection with usual report, Board requested any further information in connection with investigation re possible violation of Bank Holding Company Act of 1956

Farmers Exchange Bank, Centreville, Mississippi, proposed merger of, with Mechanics-State Bank, McComb, Mississippi, report to FDIC on competitive factors, approved
Nonmember banks: (continued)

Farmers Trust Company, Franklin, Indiana, report to FDIC on the competitive factors in the proposed merger of The Johnson County National Bank of Franklin, Indiana, with, approved 9/25 3297

Fidelity-Bankers Trust Company, Knoxville, Tennessee, report to FDIC on the competitive factors in the proposed merger of, and The Tennessee Valley Bank, Knoxville, Tennessee, approved 1/17 174

First Security Bank of Twin Falls, Idaho:

Memorandum re copy of protest filed with Comptroller of the Currency by two competing banks and transmitted to Board by the counsel for protestants re, agreed to accept recommendation that no supplemental report to Comptroller be made 10/23 3618

First State Bank, Hazelwood, North Carolina, proposed merger of, into Northwestern Bank, North Wilkesboro, North Carolina, report to FDIC on competitive factors, approved 9/30 3327

First State Bank of Hoagland, Indiana, proposed merger with Lincoln National Bank and Trust Company of Fort Wayne, Indiana, report to Comptroller of the Currency on competitive factors, approved 11/25 4007

First State Bank of Hope, North Dakota, report to FDIC on competitive factors in proposed purchase of assets and assumption of liabilities of, by Page State Bank, Page, North Dakota, approved 11/6 3771
Nonmember banks: (continued)

First State Bank of Minot, North Dakota, application for membership in the FRSystem, approved on condition that stipulated capital funds were provided, and it was understood that applicant would be advised informally through FRBank of Minneapolis.

Advice that applicant bank (now to be known as First Western Bank of Minot, North Dakota), had agreed to capital structure, letter with conditions numbered 3, transmitted to applicant bank under new title.

First State Bank, Monterey, Kentucky, report to FDIC on competitive factors in the proposed acquisition of assets and assumption of liabilities of, by Peoples Bank and Trust Company, Owenton, Kentucky, approved.

First State Bank of Oregon, Milwaukie, Oregon, proposed merger of Peoples Bank of Oregon, Beaverton, Oregon, and Gresham State Bank, Gresham, Oregon, into, report to FDIC on competitive factors, approved.

First State Bank, South Charleston, Ohio, report to FDIC on competitive factors in the proposal under which The Savings Commercial Bank, Springfield, Ohio, would merge with, and the resulting institution would purchase the assets and assume the liabilities of The Springfield Savings Society of Clark County, Ohio, Springfield, Ohio, approved.

First Trust Company of Allegany County, Wells-ville, New York, report to FDIC on competitive factors in the proposed merger of Belfast National Bank, Belfast, New York, into, approved.
Nonmember banks: (continued)

Fremont Savings Bank Company, Fremont, Ohio:
Application of Society Corporation, Cleveland, Ohio, to become a bank holding company through the acquisition of shares of, approved, Governor Robertson dissenting, agreed to follow procedure recommended by Legal Division with reference to brief filed by Mr. Stark, an attorney representing the opposition, including issuance of order and statement, without an intermediate order reflecting Board's decision on the opposers' request

Issuance of order and statement, authorized, dissenting statement by Governor Robertson, issued

Letter to Society Corporation, Cleveland, Ohio, rescinding Board's 1959 determination of holding company affiliate status, effective if and when Society Corporation acquires bank holding company status by virtue of its acquisition of stock in, in addition to its holdings in Society National Bank of Cleveland, Ohio

Appeal filed seeking reversal of, opposition filed by Department of Justice, motion to dismiss appeal filed by Society Corporation, Mr. O'Connell to inform Board re outcome, report on motions

Extension of time to January 27, 1965, granted to Society Corporation, within which to comply with provision re date by which proposed acquisition was required to be consummated

Issuance of order granting extension, authorized
Nonmember banks: (continued)

Frontier Bank, Covelo, California, application by Wells Fargo Bank, San Francisco, California, to establish a de novo branch in Covelo, California, because of worsened condition of, a nonmember insured bank, which FDIC was planning to close, approved.

Grand Ledge State Bank, Grand Ledge, Michigan: Request by Mr. Slay, Michigan State Banking Commissioner, for reports on competitive factors in the proposed purchase of assets and assumption of liabilities of, and Loan and Deposit State Bank, Grand Ledge, Michigan, by Michigan National Bank, Lansing, Michigan, proposed that new memorandum re releasing of reports be considered.

Agreed to make report available to Mr. Slay.

Greater New York Savings Bank, Brooklyn, New York, report to FDIC on competitive factors in the proposed merger of, into The City Savings Bank of Brooklyn, New York, approved.

Gresham State Bank, Gresham, Oregon, and Peoples Bank of Oregon, Beaverton, Oregon, proposed merger of, into First State Bank of Oregon, Milwaukie, Oregon, report to FDIC on competitive factors, approved.

Groton Savings Bank, Mystic, Connecticut, report to FDIC on competitive factors in the proposed purchase of assets and assumption of liabilities of Stonington Savings and Loan Association, Pawcatuck, Connecticut, by, approved.
Nonmember banks: (continued)

Guaranty Bank and Trust Company, Worcester, Massachusetts, report to FDIC on the competitive factors in the proposed consolidation of First National Bank of Westboro, Massachusetts, into, approved

Guilford Trust Company, Guilford, Connecticut, proposed merger of, into Second National Bank of New Haven, Connecticut, report to Comptroller of the Currency on competitive factors, approved

Hampton Bank of St. Louis, Missouri, application of Clayton Bancshares Corporation, Clayton, Mo., to become a bank holding company through proposed merger with Hampton Bankshares Corporation and Crestwood Bank Shares Corporation, resulting in ownership of more than 25 per cent of shares of Bank of Crestwood, Clayton Bank, and, all of Missouri, with surviving corporation renamed United Bancshares Corporation, denied, Governor Mitchell dissenting

Issuance of order denying, authorized

Industrial City Bank and Trust Company, Worcester, Massachusetts, report to Comptroller of the Currency on competitive factors in the proposed merger of, into Mechanics National Bank of Worcester, Massachusetts, approved

Industrial Trust and Savings Bank, Muncie, Indiana, report to FDIC on competitive factors in the proposed merger of, and Yorktown State Bank, Yorktown, Indiana, approved
Nonmember banks: (continued)

Iowa Trust and Savings Bank, Centerville, Iowa, proposed merger of First National Bank of Centerville, Iowa, with, report to FDIC on the competitive factors, approved 12/8 4216

Jefferson Banking Company, Jefferson, Ohio, report to FDIC on the competitive factors in the proposed merger of The Citizens Banking Company of Rock Creek, Ohio, into, approved 7/6 2368

Liberty Mutual Savings Bank, Yakima, Washington, proposed consolidation of Washington Mutual Savings Bank, Seattle, Washington, with Liberty Savings and Loan Association of Yakima, Washington, upon the latter's conversion into, report to FDIC on the competitive factors, approved 12/7 4140

Liberty Real Estate Bank and Trust Company, Philadelphia, Pennsylvania, request from Professor Goodman of Northwestern University, for report on competitive factors re merger of Fidelity-Philadelphia Trust Company, Philadelphia, Pennsylvania, with, agreed to discuss further after receiving views from the Comptroller of the Currency, Justice Department, and FDIC, pending requests to be filled, if agencies submitting reports have no objections 2/17 517

Clearance obtained from the agencies concerned, report transmitted 2/17 521, 537
Nonmember banks: (continued)

Loan and Deposit State Bank, Grand Ledge, Michigan:

Request by Mr. Slay, Michigan State Banking Commissioner, for reports on competitive factors re proposed purchase of assets and assumption of liabilities of Grand Ledge State Bank, Grand Ledge, Michigan, and Michigan National Bank, Lansing, Michigan, memorandum re releasing of reports to be considered

Agreed to make report available to Mr. Slay

Macungie Bank, Macungie, Pennsylvania, report to Comptroller of the Currency on competitive factors in the proposed merger of, into The First National Bank of Allentown, Pennsylvania, approved

Manhattan Savings Bank, New York, New York, report to FDIC on competitive factors in the proposed merger of The Bowery Savings Bank, New York, New York, into, approved

Letter to FDIC, indicating that Board had no further comments to add to previous report

Marshall County Bank, Moundsville, West Virginia, report to Comptroller of the Currency on competitive factors in the proposed merger of, into First National Bank at Moundsville, West Virginia, approved

McClelland Savings Bank, McClelland, Iowa, proposed purchase of assets and assumption of liabilities of, by Council Bluffs Savings Bank, Council Bluffs, Iowa, report to FDIC on competitive factors, approved
Nonmember banks: (continued)

Mechanics-State Bank, McComb, Mississippi, proposed merger of Farmers Exchange Bank, Centreville, Mississippi, with, report to FDIC on competitive factors, approved

Merchants Bank, Miami, Florida, application of Commercial Bancorp, Inc., Miami, Florida, to become a bank holding company through the acquisition of shares of Commercial Bank of Miami, Florida, Bank of Kendall, Florida, and, approved

Issuance of order and statement, authorized

Nashville Bank and Trust Company, Nashville, Tennessee, report to Comptroller of the Currency on competitive factors in the proposed merger of, into The Third National Bank of Nashville, Tennessee, approved

Northwestern Bank, North Wilkesboro, North Carolina:

Report to FDIC on competitive factors in the proposed merger of Security Bank and Trust Company, Rutherfordton, North Carolina, into, approved

Report to FDIC on competitive factors in the proposed merger of First State Bank, Hazelwood, North Carolina, into, approved

Page State Bank, Page, North Dakota, report to FDIC on competitive factors in the proposed purchase of assets and assumption of liabilities of First State Bank of Hope, North Dakota, by, approved

Peoples Bank, Collinsville, Alabama, report to Comptroller of Currency on competitive factors in proposed merger of, into State National Bank of Alabama, Decatur, Alabama, approved
Nonmember banks: (continued)

Peoples Bank of Oregon, Beaverton, Oregon, and Gresham State Bank, Gresham, Oregon, proposed merger of, into First State Bank of Oregon, Milwaukie, Oregon, report to FDIC on competitive factors, approved 6/4 1949

Peoples Bank of Rockland County, New York, New York, application of The County Trust Company, White Plains, New York, to merge with, approved, with Governors Mills and Robertson dissenting 12/16 4348

Issuance of order and statement, authorized, dissenting statement of Governor Mills in which Governor Robertson concurred, issued, incident to merger, the three offices of, would become branches of County Trust Company 12/28 4543,4550-58

Peoples Bank of Stuarts Draft, Inc., Stuarts Draft, Virginia, report to Comptroller of the Currency on competitive factors in the proposed merger of, into National Bank and Trust Company at Charlottesville, Virginia, approved 8/11 2764

Peoples Bank and Trust Company, Owenton, Kentucky, report to FDIC on competitive factors in the proposed acquisition of assets and assumption of liabilities of First State Bank, Monterey, Kentucky, by, approved 11/27 4055

Reedsville State Bank, Reedsville, Wisconsin, application of Valley Bancorporation, Appleton, Wisconsin, to acquire shares of, approved, Governor Robertson dissenting 12/8 4217
Nonmember banks: (continued)

Reedsville State Bank, Reedsville, Wisconsin, application of Valley Bancorporation, Appleton, Wisconsin, to acquire shares of: (continued)

Issuance of two orders and statement, authorized, along with letter to Valley Bancorporation, which emphasized need for improvement in capital structure of Appleton State Bank, largest subsidiary of Valley Bancorporation

Rollinsford Savings Bank, Rollinsford, New Hampshire, report to FDIC on competitive factors in the proposed merger of, into Somersworth Savings Bank, Somersworth, New Hampshire, approved

St. Marys Trust Company, St. Marys, Pennsylvania, report to FDIC on competitive factors in the proposed merger of Elks County National Bank of Ridgway, Pennsylvania, into, approved, including statement concerning the elimination of the potential for competition, in case the common ownership of the two banks should be terminated

Salmon Falls Bank, Rollinsford, New Hampshire, report to Comptroller of the Currency on competitive factors in the proposed merger of, into The First National Bank of Somersworth, New Hampshire, approved

San Jose Barnett Bank, Jacksonville, Florida: Application of Barnett National Securities Corporation, Jacksonville, Florida, to acquire shares of, a proposed new bank, approved, amendment to earlier application for acquisition of shares of The Arlington Barnett Bank, Arlington, Florida, application viewed by Board as a new one
Nonmember banks: (continued)

San Jose Barnett Bank, Jacksonville, Florida: (continued)

Application of Barnett National Securities Corporation, Jacksonville, Florida, to acquire shares of: (continued)

Issuance of order and statement, authorized 8/12 2771,2797-99

Board interposes no objection to changing location of proposed bank from San Jose Boulevard to University Boulevard and St. Augustine Road 9/23 3250, 3277

Extension of time to consummate requested, issuance of order to extend time, authorized 11/12 3803, 3824

Savings Commercial Bank, Springfield, Ohio, report to FDIC on competitive factors in the proposed merger with The First State Bank, South Charleston, Ohio, and the resulting institution would purchase the assets and assume the liabilities of The Springfield Savings Society of Clark County, Ohio, Springfield, Ohio, approved 12/2 4098

Schuylkill Trust Company, Pottsville, Pennsylvania, proposed merger of, by Berks County Trust Company, Reading, Pennsylvania, report to FDIC on competitive factors, approved 3/27 1046

Scioto Bank, Commercial Point, Ohio, proposed merger of, and First National Bank of Circleville, Ohio, report to Comptroller of the Currency on competitive factors, approved 11/25 4007

Sebastopol National Securities Company, Wilmington, Delaware, report to FDIC on competitive factors in the proposed merger of, into The Bank of Sonoma County, Sebastopol, California, approved 3/20 927
Nonmember banks: (continued)

Security Bank and Trust Company, Rutherfordton, North Carolina, report to FDIC on competitive factors in the proposed merger of, into The Northwestern Bank, North Wilkesboro, North Carolina, approved 5/22 1856


Security Trust Company of St. Louis, Missouri, question from FRBank of St. Louis as to whether acquisition of stock of Digitronics Corporation by Mercantile-Commerce Company, an affiliate of Mercantile Trust Company, St. Louis, Missouri, constituted a violation of section 5136 of Revised Statutes and section 9 of FRAct, which prohibit member banks from purchasing stocks for their own account, stock was purchased with proceeds of a loan obtained by officers of the affiliate from, an unaffiliated bank, letter to FRBank of St. Louis, approved 10/8 3450, 3463

Sherwood State Bank, Sherwood, Wisconsin, application of Valley Bancorporation, Appleton, Wisconsin, to acquire shares of, approved, Governor Robertson dissenting 12/8 4217

Issuance of two orders and statement, authorized, along with letter to Valley Bancorporation, which emphasized need for improvement in capital structure of Appleton State Bank, largest subsidiary of Valley Bancorporation 12/21 4466, 4476-92
Nonmember banks: (continued)

Silver Creek State Bank, New Philadelphia, Pennsylvania, proposed merger of, into Union Bank and Trust Company, Pottsville, Pennsylvania, report to FDIC on competitive factors, approved

Somersworth Savings Bank, Somersworth, New Hampshire, report to FDIC on competitive factors in the proposed merger of Rollinsford Savings Bank, Rollinsford, New Hampshire, into, approved

South Wheeling Bank and Trust Company, Wheeling, West Virginia, application of Wheeling Dollar Savings & Trust Company, Wheeling, West Virginia, to purchase assets and assume liabilities of, approved, Governor Robertson dissenting

Issuance of order and statement, authorized, dissenting statement of Governor Robertson, issued

Southern Bank of Commerce, Danville, Virginia, proposed merger of, into Virginia National Bank, Norfolk, Virginia, report to Comptroller of the Currency on competitive factors, approved

Southern Bank and Trust Company, Greenville, South Carolina, proposed merger of Citizens Bank, Fountain Inn, South Carolina, into, report to FDIC on competitive factors, approved

Springfield Savings Society of Clark County, Ohio, Springfield, Ohio, report to FDIC on competitive factors in the proposal under which The Savings Commercial Bank, Springfield, Ohio, would merge with The First State Bank, South Charleston, Ohio, and the resulting institution would purchase the assets and assume the liabilities of, approved
Nonmember banks: (continued)

State Bank of Linwood, Michigan, proposed merger of, by Peoples National Bank & Trust Company of Bay City, Michigan, report to Comptroller of the Currency on competitive factors, approved 3/27 1049

State Savings Bank of Minden City, Michigan, review of petitions filed by FDIC, asking for determination as to whether certain purported "deposits" by savings and loan associations in the two closed banks, First National Bank of Marlin, Texas, and, were insured deposits or borrowed money, question re court's position in light of possible violation of Regulation Q 6/2 1915

Stonington Savings and Loan Association, Pawcatuck, Connecticut, report to FDIC on competitive factors in the proposed purchase of assets and assumption of liabilities of, by Groton Savings Bank, Mystic, Connecticut, approved 4/30 1549

Suburban Trust Company, Hyattsville, Maryland, report to FDIC on competitive factors in the proposed merger of The Southern Maryland National Bank of La Plata, Maryland, into, approved 10/21 3602

Tennessee Bank and Trust Company, Houston, Texas, determined that Tennessee Gas Transmission Company, Houston, Texas, and Tenneco Corporation, Houston, Texas, were not holding company affiliates of, except for purposes of section 23A of the FRAct 4/6 1142, 1155

Governor Robertson abstained from voting, comments by Governor Mills re so-called one-bank cases with which Governor Shepardson concurred 4/6 1143
Nonmember banks: (continued)

Tennessee Valley Bank, Knoxville, Tennessee, report to FDIC on competitive factors in the proposed merger of Fidelity-Bankers Trust Company, Knoxville, Tennessee, and, approved

Union Bank and Trust Company, Pottsville, Pennsylvania, proposed merger of Silver Creek State Bank, New Philadelphia, Pennsylvania, into, report to FDIC on competitive factors, approved

Valley State Bank, Lamar, Colorado:
Proposed acquisition of majority of shares of, by Navajo Bancorporation, Inc., Phoenix, Arizona, a holding company affiliate of First Navajo National Bank, Holbrook, Arizona, move would be barred by section 3(d) of the Bank Holding Company Act, because of crossing state lines, matter to be pursued by staff of FRBank of San Francisco

Acquisition consummated in violation of sections 3(a) and 3(d) of the Bank Holding Company Act, understood that Mr. O'Connell would secure all available facts for submission to the Department of Justice

Washington Mutual Savings Bank, Seattle, Washington:
Proposed consolidation of, with Citizens Savings and Loan Society of Spokane, Washington, upon the latter institution's conversion into Citizens Mutual Savings Bank, Spokane, Washington, report to FDIC on competitive factors, approved
Nonmember banks: (continued)

Washington Mutual Savings Bank, Seattle, Washington: (continued)

Proposed consolidation of, with Liberty Savings and Loan Association of Yakima, Washington, upon the latter's conversion into Liberty Mutual Savings Bank, Yakima, Washington, report to FDIC on competitive factors, approved

Westside Atlantic Bank of Daytona Beach, Florida:
Permission granted for Atlantic National Bank and Atlantic Trust Company, both of Jacksonville, Florida, to change the name of proposed new bank from Daytona Atlantic Bank, Daytona Beach, Florida, to

Issuance of an order extending to September 15, 1964, the time in which Atlantic National Bank of Jacksonville and Atlantic Trust Company, both of Jacksonville, Florida, could open for business the, (formerly known as Daytona Atlantic Bank), approved

Wickford Savings Bank, Wickford, Rhode Island, application of Rhode Island Hospital Trust Company, Providence, Rhode Island, to purchase the assets of, approved

Issuance of order and statement, authorized, including approval of operation of a branch at office of

Wright County Bank, Clarion, Iowa, proposed purchase of assets and assumption of liabilities of Bank of Galt, Iowa, by, report to FDIC on competitive factors, approved

Yorktown State Bank, Yorktown, Indiana, report to FDIC on competitive factors in proposed merger of Industrial Trust and Savings Bank, Muncie, Indiana, and, approved
Notes:

Capital and debentures:
SEE: Debentures

Short-term:

Proposed revision of Regulation Q, that would define deposits to include funds obtained through use of, letters to Chairman of FDIC, Comptroller of the Currency, and Presidents of all FRBanks, requesting views re

Views as to prospects for issuance of short-term capital notes to secure loanable funds, topic for discussion with FAC

Anticipation of an expansion in issuance of short-term notes to secure loanable funds, particularly if interest rates are above ceilings imposed on time deposits, growing use of this technique probably will be confined for the present to larger banks in major money centers, views expressed at joint meeting with FAC

Unsecured:

Issuance by member banks, First National Bank of Boston, Massachusetts, intention to issue, question of applicability to interest rate limitations under Regulation Q and reserve requirements of Regulation D, agreed that Messrs. Noyes, Molony, Hackley, and Solomon, draft a statement for further consideration by Board with possible discussion with Reserve Bank Presidents attending FOMC meeting

Preference expressed for alternative draft of statement prepared by Governor Mitchell, understood that a revised draft would be prepared and distributed to Board and FRBank Presidents
Notes: (continued)
Unsecured: (continued)
Issuance by member banks: (continued)
Revised draft of proposed Board statement re, approved, to be published in Federal Register and Federal Reserve Bulletin
Government Robertson held view that it would be wise to withhold comments to Comptroller of the Currency re, until receipt of Comptroller's views re another problem
Discussion re handling of, as deposits and their use for purpose of obtaining funds, Mr. Hackley mentioned responses received from FRBanks reflected almost unanimously that, should not be treated as deposits
Question from Discount Corporation of New York, New York, and Aubrey G. Lanston & Co., Inc., New York, New York, primary dealers in securities of United States Government having interlocking directorates with member banks, had applied for a ruling by the Board re possible dealing in, without contravening prohibition of section 32 of Banking Act of 1933 and Regulation R, interpretation approved, to be published in Federal Register and FRBulletin, letter to FRBank of New York
Nowak, Evert F.: Programmer, Board agrees to pay $450 to, to program a Treasury study of commercial banks' bad debt reserves for tax purposes
Oaths of office:
Presidents of FRBanks, advised Mr. Robert A. Schremp, staff member of House Banking and Currency Committee, that FRBank Presidents took, when serving as a member or alternate member of the Federal Open Market Committee, but did not, in their capacity as Presidents of the FRBanks

Open market operations:
Records re:
House Banking and Currency Committee to study the mechanism through which the Federal Reserve bought and sold Government securities in the 1900's and 1920's, suggested that Mr. Sherman be authorized to make relevant minutes and other records available to Messrs. Schremp and Geist, staff members of the Committee, no objection

Board advised by Robert A. Schremp, that the Committee had prepared a document re open market operations of FRBanks during period of 1920's and earlier and wanted to check it out with the Board, Board to be careful not to give any indication suggesting approval of the paper

Reserves, question whether 1964 seasonal reserve needs should be met through, or by reducing reserve requirements, statements read by Governors Balderston, Robertson and Mills, question re informing FRBank economists of Board's thinking, view that information should be confined to Board and its staff
Open market operations: (continued)
Reserves, question whether 1964 seasonal reserve needs should be met through, or by reducing reserve requirements: (continued)
Not the time to reduce reserve requirements, statement read by Governor Mills

System Open Market Account:
Procedure for allocation of, to avoid deficiencies in reserves, request for comment by FRBanks re suggestions presented, with Governor Mills' objections noted, letter to FRBanks, approved

Sample of weekly reports of vault cash and deposits subject to reserve requirements of country member banks, establishment of, as part of effort to improve current data available to Manager of, approved

System open market transactions, table showing gross purchases and sales of United States Government securities by maturity category, with similar data for repurchase agreements and net transactions in bankers' acceptances, proposal to publish in FRBullentin with a two-month lag, approved, with understanding that consideration would be given to the possibility of publishing figures with only one-month time lag

Orders:
Atlantic National Bank of Jacksonville, and Atlantic Trust Company, both of Jacksonville, Florida, extending to September 15, 1964, the time to open for business Westside Atlantic Bank of Daytona Beach, Florida (formerly known as Daytona Atlantic Bank) in connection with its acquisition by
Orders: (continued)

Bank of Tazewell County, Tazewell, Virginia, approving application of Farmers Bank of Clinch Valley, Tazewell, Virginia, to merge with Bank of Graham, Bluefield, Virginia, under the title of, two offices of Bank of Graham (one of which has been approved but not yet opened) would become branches of Barnett National Securities Corporation, Jacksonville, Florida, approving application to acquire voting stock of the San Jose Barnett Bank, Jacksonville, Florida, a proposed new bank

Granting extension of time within which to consummate acquisition

Baystate Corporation, Boston, Massachusetts, approving the application to acquire shares of Merrimack Valley National Bank, Haverhill, Massachusetts

Bordentown Banking Company, Bordentown, New Jersey, approving application to merge with First National Bank and Trust Company of Roebling, New Jersey, operation of branch at sole office of National Bank and Trust Company of Roebling, approved

Camden Trust Company, Camden, New Jersey, denying application to merge with Merchantville National Bank and Trust Company, Merchantville, New Jersey

Cape Cod Bank and Trust Company, Hyannis, Massachusetts, approving application of Hyannis Trust Company, Hyannis, Massachusetts, to consolidate with Cape Cod Trust Company, Harwichport, Massachusetts, under title of
Orders: (continued)

Chemical Bank New York Trust Company, New York, New York:

Approving the application to acquire the assets and assume the liabilities of Bensonhurst National Bank of Brooklyn in New York, Brooklyn, New York

Approving the merger of First National Bank of Mount Vernon, New York, to merge into

Citizens and Southern National Bank and Citizens and Southern Holding Company, both of Savannah, Georgia, approving application for acquisition of voting shares of American National Bank of Brunswick, Georgia

City Bank and Trust Company, Jackson, Michigan, denying application to consolidate with Calhoun State Bank, Homer, Michigan, and dissenting statement of Governor Mitchell

Clayton Bancshares Corporation, Clayton, Missouri, denying application to become a bank holding company through acquisition of voting shares of Bank of Crestwood, Missouri and Hampton Bank of St. Louis, Missouri

Commercial Bancorp, Inc., Miami, Florida, approving acquisition of stock of Commercial Bank of Miami, Merchants Bank of Miami, West Miami, and Bank of Kendall, all of Florida

County Trust Company, Tenafly, New Jersey, approving application to merge with The First National Bank of Park Ridge, New Jersey

County Trust Company, White Plains, New York, approving application to merge with The Peoples Bank of Rockland County, New York, New York
Orders: (continued)

Farmers Bank of Clinch Valley, Tazewell, Virginia, approving application to merge with Bank of Graham, Bluefield, Virginia, under the charter of, and with title of Bank of Tazewell County, Tazewell, Virginia, two offices of Bank of Graham (one of which has been approved but not yet opened) would become branches of Bank of Tazewell County

First National Bank of Tampa, Florida, and Union Security & Investment Co., Tampa, Florida, approving applications to become bank holding companies through acquisition of shares of Second National Bank of Tampa, a proposed new bank

First Oklahoma Bancorporation, Inc., Oklahoma City, Oklahoma, approving hearing to determine whether activities of proposed non-banking subsidiary, First Oklahoma Baninsurance, Inc., were of the kind described in section 4(c)(6) of the Bank Holding Company Act, so as to make inapplicable prohibitions of section 4 of the Act, Mr. David London of National Labor Relations Board, selected as hearing examiner

First Wisconsin Bankshares Corporation, Milwaukee, Wisconsin:

Approving application to acquire shares of Brookfield National Bank, Brookfield, Wisconsin, a proposed new bank

Approving hearing for 4(c)(6) determination under the Bank Holding Company Act, re activities of First Wisconsin Company, David London, selected as hearing examiner
Orders: (continued)


Hyannis Trust Company, Hyannis, Massachusetts, approving application to consolidate with Cape Cod Trust Company, Harwichport, Massachusetts, under title of Cape Cod Bank and Trust Company, Hyannis, Massachusetts 3/25 966,996-1003


Society Corporation, Cleveland, Ohio: Approving application to become a bank holding company through acquisition of stock of Fremont Savings Bank Company, Fremont, Ohio, with dissenting statement of Governor Robertson 2/10 425, 430

Seeking to appeal reversal of Board's order of July 27, 1964, approving application to become a bank holding company through acquisition of stock of Fremont Savings Bank Company, Fremont, Ohio, opposition filed by Department of Justice, motion to dismiss appeal filed by Mr. O'Connell to inform Board of outcome 7/27 2598, 2612

Report on motions 10/13 3497

10/13 3497
Orders: (continued)

Society Corporation, Cleveland, Ohio: (continued)
Granting an extension of time in which to comply with provision re date by which proposed acquisition was required to be consummated for permission to become a bank holding company by acquiring stock of Fremont Savings Bank Company, Fremont, Ohio

State Bank of Albany, New York, approving an application to merge with First National Bank of Cairo, New York, with dissenting statement by Governor Robertson

State and Savings Bank, Monticello, Indiana, approving application to merge with The Monon Bank, Monon, Indiana

Summit and Elizabeth Trust Company, Summit, New Jersey, approving application of Summit Trust Company, Summit, New Jersey, to merge with Elizabethport Banking Company, Elizabeth, New Jersey, under charter of former and title of

Union Security and Investment Company, Tampa, Florida, and First National Bank of Tampa, Florida, approving applications to become bank holding companies through acquisition of shares of Second National Bank of Tampa, a proposed new bank

Valley Bancorporation, Appleton, Wisconsin, approving application to acquire shares of Sherwood State Bank, Sherwood, Wisconsin, and of Reedsville State Bank, Reeds- ville, Wisconsin

Wells Fargo Bank, San Francisco, California, approving application to merge with Bank of Amador County, Jackson, California
Orders: (continued)

Wheeling Dollar Savings & Trust Co., Wheeling, West Virginia, approving application to acquire assets of South Wheeling Bank and Trust Company, Wheeling, West Virginia, Governor Robertson dissenting

Worthen Bank & Trust Company, Little Rock, Arkansas, approving application to merge with Bank of Arkansas, Little Rock, Arkansas

Organization for Economic Cooperation and Development:

Meeting of balance-of-payments experts, Mr. John E. Reynolds, Chief of Special Studies and Operations Section, Division of International Finance, to travel to Paris, France, to attend meeting of, on February 10-11, 1964, approved

Meeting of Working Party 2 of:

Sigel, Stanley, Assistant to the Director of Division of Research and Statistics:

To travel to Paris, France, April 13-18, 1964, to attend, expenses to be paid by Board

To travel to Paris, France, and London, England, during period Nov. 6-15, 1964, to attend, and confer with staff members of Bank of England

Meetings of Working Party 3:

Katz, Samuel I., Associate Adviser, Division of International Finance, authorized to attend, reimbursement for travel will be on basis of per diem allowed

Understood Mr. Katz would not attend meeting of Working Party 3, in order to attend meeting of experts on Euro-currency market at Bank for International Settlements in Basle, Switzerland on July 6-7, 1964
Meetings of Working Party 3: (continued)

Young, Ralph A., Adviser to the Board and Director, Division of International Finance:

- Report by, re meetings which he had recently attended
- Authorized to attend with reimbursement for official travel on basis of expenses incurred, including allowance for official entertainment
- Report on meeting he had recently attended in Paris, France

National Accounts and Statistics Branch of:

- Plan for use in connection with future assignments from the Board’s staff, to fill the position of Director of, approved

Yager, Charles A., Chief of Government Finance Section in Division of Research and Statistics:

- Appointment for position of Director of, to extend from February 1964-February 1966, approved, salary to be paid by Board and reimbursed by OECD
- Confirmation re, received, arrangements as outlined by Governor Shepardson, approved

Outside business activities of FRBanks:

SEE: Indebtedness and outside business activities: FRBanks

Outside business and teaching activities:

Annual survey of staff of Board of Governors, memorandum from Division of Personnel Administration, dated September 18, 1964, presenting information re, recommendation that Board grant permission to members of staff to continue or enter into activities reported, with understanding that any individual reporting a writing activity would be informed of Board’s policy re honoraria and royalties, approved

9/30 3331
Outside business and teaching activities: (continued)

Back, Julia G., Library Assistant, Division of Research and Statistics, granted permission to work on part-time basis for I. F. Stone's Weekly

Bosworth, Barbara A., Statistical Clerk, Division of Research and Statistics, granted permission to work part-time as a clerk and instructor in bowling in a recreation center

Carson, Phyllis Ann, Stenographer, granted permission to work as part-time secretary for Prince Georges' Community College, Suitland, Maryland

Crews, Esther, Supervisor, International Information Center, Division of International Finance, granted permission to work for a local department store on a part-time basis

Cunningham, Marilynn, Operator, Key Punch (Trainee), Division of Data Processing, granted permission to work part-time for a local department store

Dahl, Frederick R., Chief, Special Studies and Operations Section, Division of International Finance, granted permission to review a book on West African currency problems being considered for publication by University of Kentucky Press

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

Garabedian, Levon H., General Assistant, Division of Research and Statistics:

Granted permission to grade papers at American University during spring semester
Outside business and teaching activities: (continued)

Garabedian, Levon H., General Assistant, Division of Research and Statistics: (continued)

Granted permission to grade papers at American University 10/12 3482

Gekker, Paul, Economist, Division of International Finance, granted permission to review manuscript on the Soviet oil industry for Princeton University Press 2/14 482

Gramley, Lyle E., Senior Economist, Division of Research and Statistics:
Granted permission to prepare and deliver testimony for the Chesapeake and Potomac Telephone Company of Maryland, before the State Public Service Commission 7/23 2547
Granted permission to teach a graduate course in monetary theory and policy at University of Maryland 8/5 2721

Graves, Walter W., Cafeteria Helper, Division of Administrative Services, granted permission to work for a home and auto supply company on a part-time basis 12/11 4299

Herbough, Sandra Lee, Statistical Clerk, Division of Bank Operations, granted permission to work as keypunch operator for Expert Key-Punching Services, Alexandria, Virginia, on a part-time basis 8/14 2839

Jordon, Walter, Jr., Messenger, Board Members' Offices, granted permission to do part-time custodial work 3/2 694

Lindholm, Richard W., Economist, Division of Research and Statistics, granted permission to serve as a member of the Economic Policy Committee of the Chamber of Commerce of the United States 8/24 2921
Outside business and teaching activities: (continued)


Maroni, Yves, Senior Economist, Division of International Finance, granted permission to serve on the doctoral dissertation committee of a graduate student at The American University

Mehall, Mary Elizabeth, Statistical Clerk, Division of Research and Statistics:
- Granted permission to work part-time at a local drug store
- Granted permission to work part-time for a Washington Calculating and Inventory Service

Poole, Donald R., Operator (Offset Press), Division of Administrative Services, granted permission to teach advance photo mechanics to high school members of the United States Naval Reserve

Quick, Diane, Secretary, Office of the Secretary, granted permission to work part-time for a local printing firm

Reil, Katharyne P., Economist, Division of Research and Statistics, granted permission to make a certain survey for the National Conference of Commissioners on Uniform State Laws

Schwartz, Maurice H., Director, Division of Data Processing, granted permission to teach (1) a course in data processing at United States Department of Agriculture Graduate School, and (2) a course at George Washington University, for the remainder of the current semester
Outside business and teaching activities: (continued)

Schweitzer, Paul R., Economist, Division of Research and Statistics, granted permission to teach a course in Statistics at Howard University, Washington, D. C.

Solomon, Frederic, Director, Division of Examinations, granted permission to lecture on bank capital at School of Banking, University of Wisconsin, Madison, Wisconsin, for one day in August 1964, while on annual leave

Steinberg, Robert M., Economist, Division of Data Processing, granted permission to serve as consultant on statistical and computer applications for Brookings Institution, Washington, D. C.

Stinson, Clayton B., Messenger, Division of Administrative Services, granted permission to work part-time for a local cab company

Stryker, William B., Jr., Photographer (Offset), Division of Administrative Services, granted permission to work part-time for a printing firm in Arlington, Virginia

Swerling, Boris C., Senior Economist, Division of International Finance, granted permission to engage in specified literary activities of a professional or semi-professional character, with certain stipulations

Viksnins, George J., Economist, Division of Research and Statistics, granted permission to work part-time for Voice of America, U. S. Information Agency, and to do summer tutorial work for Georgetown University
Outside business and teaching activities: (continued)

Wernick, Murray S., Senior Economist, Division of Research and Statistics, granted permission to serve on the Research Advisory Committee of the W. E. Upjohn Institute for Employment Research, Washington, D. C.

Wood, John H., Economist, Division of Research and Statistics, granted permission to teach a graduate course in economics at the University of Maryland

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Pakistan:

Pakistan Industrial Credit and Investment Corporation Limited, Karachi, Pakistan, permission granted to Continental International Finance Corporation, Chicago, Illinois, to purchase and hold shares in

Park City Corporation, Denver, Colorado, controlled by officers of Central Bank and Trust Company, Denver, Colorado:

Building site for Denver Branch:

Offer to sell property made by, decision deferred until Chairman Martin and Governor Shepardson could report, following their visit to Denver

Report by Governor Shepardson on behalf of Chairman Martin and himself, favoring acquisition of, discussion re possible conflict of interest involving officers of Denver member bank, Denver branch director, and, understood field staff examiner or Mr. Smith of Division of Examinations, would go to Denver and report
Park City Corporation, Denver, Colorado, controlled by officers of Central Bank and Trust Company, Denver, Colorado: (continued)

Building site for Denver Branch: (continued)
Report by Mr. Smith, acquisition of property approved, Governor Mills abstaining, and Governor Robertson withdrawing before voting, vote subject to ratification at next meeting

In connection with discussion and approval of acquisition of property of building site at Denver Federal Reserve Branch Bank, question of conflict of interest in matter of, which was offering property to Reserve Bank, being controlled by officers of a member bank in Denver

Parking facilities:
Board of Governors:
SEE: Board of Governors:
Building:
Parking facilities

Patman, Wright, Congressman:
Annual Report of Board of Governors, request by, for supplementary material re, including (a) breakdown of reimbursements received by the FRBanks during 1963 for fiscal agency function and other expenses, and (b) a copy of 1963 audit of accounts and holdings of System Open Market Portfolio by the Board's examiners, approved

Audit of Board's accounts for 1963, by Haskins & Sells, copy sent to, as Chairman of House Banking and Currency Committee
Patman, Wright, Congressman: (continued)

Bank Holding Company Act of 1956:
Recommendation of Legal Division against reversal of Board's action in withdrawing recommendation to amend covering mergers involving bank holding company banks, was accepted by a majority of Board, agreed to send letter to, and to Chairman of Senate Banking and Currency Committee re H.R. 10872, a bill to amend the, lists and tables showing additional bank holding companies which would be subject to regulation under, should bill be enacted, transmitted to

Bank merger applications, request for information submitted to the Board and Board's actions re, since enactment of Bank Merger Act, reply approved, and transmitted with enclosures containing statistical data re Banking data from condition reports requested by, for use in study "The Impact of Financial Institutions on Competitive Banking" being made by Professors Polakoff and Sawhill, for, letter to Comptroller of the Currency and FDIC, approved, to determine if they are agreeable to Board's furnishing requested data

Advice from other Federal bank supervisory agencies indicated that they had no objection, letter to Chairman Patman of House Banking and Currency Committee, approved
Patman, Wright, Congressman: (continued)

Board documents, access to:

Messrs. Schremp and Geist pursuing a request by, re mechanism through which Federal Reserve bought and sold Government securities in 1900's and 1920's, suggested that Mr. Sherman be authorized to use his discretion in making such documents available.

Advised by Robert A. Schremp, a member of staff of, Chairman of House Banking and Currency Committee, that Committee had prepared a document re Open Market Operations of FRBanks during period of 1920's and earlier, which Mr. Schremp wanted to check out with the Board's staff, Board's staff to be careful not to give any indication suggesting approval of paper by Board.

Conflicting interpretations by bank supervisory agencies, letter to, of House Banking and Currency Committee, furnishing list of points of disagreement between Board and other bank supervisory agencies, with elaboration on conflict with Comptroller of the Currency.

Defense mobilization activities, reply to letter from, Chairman of Joint Committee on Defense Production, requesting a summary of, for past year, approved.

Expenditures of FRBanks:
Reply to, re questions concerning responses from FRBanks re, reports for all FRBanks will be in Washington by first half of February and will be delivered as promptly as assembling of information is completed.
Expenditures of FRBanks: (continued)

Discretionary expenditures, comments relating to, released by, question of review of guidelines laid down by Board for FRBanks, memorandum in preparation to require more regular reporting on, to be considered further

Discussion re draft of letter to, in answer to questions re, for dinners and theater parties during 1962 and 1963, and reasons why such parties were not queried by Board's examiners, agreement with suggestion of Chairman Martin that staff examine last paragraph of draft letter, to make sure wording would leave Board on sound ground

Reply approved, Governor Mills dissenting

FRSystem hearings:

Report by Mr. Cardon re date when members of Board and Presidents of FRBanks, would be invited to appear before Subcommittee on Domestic Finance of House Banking and Currency Committee, in connection with forthcoming hearings re FRSystem, as requested by

Request by, that reports of examination of FRBanks for 1962 and 1963 be furnished, no objection to complying with this request, in addition it was also agreed that introduction of Board's S-letters into record of hearing, in order to defend propriety of particular expenses not listed in examination reports, would not be inappropriate
Patman, Wright, Congressman: (continued)

H.R. 10668, a bill to amend the Bank Holding Company Act of 1956 and Bank Merger Act, approval given to a letter to, Chairman of House Banking and Currency Committee re

Loans and bank ownership secured by bank stock: Request from, Chairman of House Banking and Currency Committee, for further processing of data reported in 1962 questionnaire, Schedule of Stockholders, Directors, Officers, and Loans Secured by Stock of Other Banks, used in Committee's study of, Board understands that Professor Pontecorvo of Columbia University, has been retained by Committee to carry on analyses, if work started in near future Board to hire outside firm to work on request, advice to

Letter to, approved, Board agreed to pay $7,000 for work and action included authorization for resultant overexpenditure in 1964 Budget of Division of Data Processing

Report by Mr. Langham, re details of arrangements, only further out-of-pocket expenses appear to be cost of mailing materials to New York

Retirement, request from, Chairman of House Banking and Currency Committee, for information on cases under Federal Reserve Retirement System, where benefits were being paid at rates of $10,000 per annum or more, agreed that information should be furnished

Letter approved for transmittal to
Patman, Wright, Congressman: (continued)

Salaries, list requested by, Chairman of House Banking and Currency Committee, for 50 highest paid members of Board's organization and 25 highest paid at each FRBank, understood that material would be sent.

Material transmitted to, with letter from Chairman Martin dated January 21, 1964.

Press release by Chairman Patman re, noted, no objection to releasing Board's accompanying letter of transmittal re, to the press upon request.

Surveys, management succession and correspondent banking surveys being conducted by House Banking and Currency Committee, request from, that Board undertake the financial responsibility for key punching and programming of data for the surveys, agreed that out-of-pocket expenses incident to the surveys, should be borne by Board in compliance with request by.

Tax-exempt foundations and charitable trusts, study published by Subcommittee of the House Committee on Small Business, includes cases of complex financial dealings between Baird Foundations, New York, and Serge Semenenko, officer and director, First National Bank of Boston, request by, that the Board review the case in light of possible violation of Federal Reserve regulations.

Letters to Chairman Patman and Securities and Exchange Commission, approved for transmittal.
Patman, Wright, Congressman: (continued)
Treasury tax and loan accounts, legislation introduced by, Chairman of Banking and Currency Committee, whose Subcommittee on Domestic Finance, is holding hearings on FRSystem, members of Board and FRBank Presidents, would be invited to testify at hearings re

Pattberg, Emil J., Jr., of First Boston Corporation, letter from the law firm of Sullivan & Cromwell, New York, New York, re request from, that Regulation R, Relationships with Dealers in Securities under Section 32 of Banking Act of 1933, be amended to permit interlocking service in specified situations between member banks and securities companies, letter to, approved

Payroll:
Board of Governors:
Conversion to computer operations, letter to Secretary of Agriculture, requesting the loan of a systems analyst on a reimbursable basis for a period of six to eight months, to provide assistance in, approved

Instructions regarding authorized signers of checks drawn on Board's General and Payroll Funds, have been revised to permit either manual or machine signing of checks drawn on either fund, and enclosing a specimen impression of autograph plate signature of the Controller, Mr. Kakalec, advice to FRBank of Richmond
Peat, Marwick, Mitchell & Co.:  
Examination of FRBank of Atlanta, report reviewed, discussion re resistance of FRBank of Atlanta, to certain recommendations made by, re use of sampling techniques in internal audit, understood arrangements would be made convening General Auditors to discuss problem of encouraging use of sampling in internal audit of FRBanks 3/25 977

Peru:

Peruano-Suiza de Fomento e Inversiones Sociedad Anonima (Peruinvest), Lima, Peru:  
Permission granted to Morgan Guaranty International Finance Corporation, New York, New York, to purchase additional shares of 11/25 4006, 4026

Letter to Morgan Guaranty International Finance Corporation, New York, New York, amending previous consent to purchase and hold shares of, approved, to permit the purchase of additional shares 12/31 4586, 4595

Peruvian Institute of Public Administration, Lima, Peru, extension of a leave of absence without pay to Mr. Richard E. Speagle, Chief, Public Information Division, FRBank of New York, to allow him to complete teaching a course at, Board interposes no objection 7/13 2437, 2457

Philippines:

Bancom Development Corporation, Makati, Rizal, Philippines:  
Permission granted to Bankers International Financing Company, Inc., New York, New York, to purchase shares of, in excess of ten per cent of corporation's capital and surplus 8/28 2978, 2983
Philippines: (continued)
Bancom Development Corporation, Makati, Rizal, Philippines: (continued)
Permission granted to Bankers International Financing Company, Inc., New York, New York, to purchase additional shares of

Credit Corporation of the Philippines, Manila, Philippines, permission granted to First National City Overseas Investment Corporation, New York, New York, to purchase shares of, in excess of 10 percent of corporation's paid-in capital

HI-Koppers Cement Corporation, Makati, Rizal, Philippines, application of Mellon Bank International, Pittsburgh, Pennsylvania, for permission to purchase shares of, to be a joint undertaking between Koppers International C. A. and House of Investments, Inc., appropriateness of transaction questioned, agreed to defer action for additional information

Application approved, Governor Robertson dissenting

House of Investments, Inc., a Philippine corporation:
SEE: Philippines: HI-Koppers Cement Corporation
Koppers International C. A.:
SEE: Philippines: HI-Koppers Cement Corporation

Physical examinations and other medical services:
Chauffeurs and messenger-drivers, recommendation that all employees who operate Board's motor vehicles as part of official duties, be required to have annual physical examinations conducted by Board's examining physician, approved
Physical examinations and other medical services: (continued)

Glaucoma survey, memorandum from Division of Personnel Administration, recommending that the Division be authorized to conduct a second glaucoma survey of all employees over 40 years of age, to be conducted on a voluntary basis with assistance provided by Prevention of Blindness Society, approved, budget overexpenditure as might result in the Medical Services Account, authorized

Polakoff, Professor:
Study entitled "Impact of Financial Institutions on Competitive Banking" being made by Professor Sawhill and, for Chairman Patman of the House Banking and Currency Committee, letters to Comptroller of the Currency and FDIC, to determine if they are agreeable to Board's furnishing data for proposed study under conditions outlined, approved

Advice from other Federal bank supervisory agencies, indicated that they had no objection, letter to Chairman Patman, approved

Policy, FRSystem:
Review of, for the fifteen years, 1949-1963:

Policy record:
Board of Governors:
Annual report, 1963, record of policy actions, approved for inclusion in
Alternative presentation of background for actions approving increases in discount rates and amendments to Regulation Q, approved for use in
Policy record: (continued)

Board of Governors: (continued)

Rates, discount, increase to 4 per cent at FRBanks of Boston, New York, Philadelphia, Chicago, and St. Louis, approved, with agreement to approve 4 per cent rate for any other FRBank advising of the establishment thereof, with Governor Robertson dissenting

FRBank of Atlanta, approved
FRBanks of Cleveland, Richmond, Dallas, and San Francisco, approved
FRBanks of Minneapolis and Kansas City, approved

Record of actions of Board for 1963, in form for submission to Joint Economic Committee by January 31, 1964, no reason for delay apparent in sending both Board and FOMC record of actions to Joint Economic Committee

Record of policy actions of both the Board of Governors and FOMC, approved for inclusion in Fiftieth Annual Report and furnished as requested in advance of Report's publication to Joint Economic Committee and to both Senate and House Banking and Currency Committees

Regulation D, amendment to section 204.2(b), to conform with interpretation of section 19, paragraph 11 of the FRAct, permitting a member bank, in estimating its required reserve balances, to deduct the amounts of balances due from private banks, approved

Regulation G, amendment adopted
Regulation J, amendment adopted
Policy record: (continued)
Board of Governors: (continued)
Regulation Q, amendment to supplement, increasing maximum permissible rates to 4-1/2 per cent on time deposits of 90 days or more, 4 per cent on time deposits for less than 90 days, and 4 per cent on savings deposits, approved

Federal Open Market Committee:
Annual report, Board's 1963:
Entries covering meetings from April 16 through November 26, 1963, approved for inclusion in, form to reflect minor changes agreed upon at meeting

Entries for December 3 and 17, 1963, approved for inclusion in

Entries covering 19 meetings held during 1963, revised draft of policy actions, authorized for inclusion in

Annual report, Board's 1964:
Entries for January 7 and 28, February 11, March 3 and 24, April 14, May 5 and 26, June 17, and July 7 and 28, 1964, approved for inclusion in

Economic and financial reviews, consideration to be given to Governor Mills' suggestion for changing too detailed economic and financial reviews and for more space to be given to monetary policy in 1964, in preparing policy record entries

Entries must be fully supported by the minutes of the respective meetings, comments by Governor Robertson re October 22 policy record entry, also urged that care continue to be exercised to insure that
Policy record: (continued)
Federal Open Market Committee: (continued)
Record of actions of FOMC for 1963, in form for submission to Joint Economic Committee by January 31, 1964, no reason for delay apparent in sending both Board and FOMC record of actions to Joint Economic Committee

Record of policy actions of both Board of Governors and FOMC, approved for inclusion in Fiftieth Annual Report and furnished in advance of Report's publication to Joint Economic Committee and to both Senate and House Banking and Currency Committees

Voting record of, Governor Daane suggested that reasons for dissenting votes be spelled out, general agreement with suggestion

Political affiliations:
Directors of FRBanks, question whether acceptance by a Class A Director of the FRBank of New York of an appointment to a committee, to advise Presidential candidates on sound fiscal policy, would run counter to spirit of the Board's 1915 resolution against holding of political office by FRBank directors, agreed to obtain opinion of Chairman Martin, who was absent

Chairman Martin agreed that such an appointment would be inconsistent with spirit of the 1915 resolution but that there was no legal prohibition against service by an FRBank director as a member of such a committee
Political affiliations: (continued)

(Individual names)

Briggs, Robert P., Chairman of FRBank of Chicago, indicated that he would tender his resignation in connection with his acceptance of nomination to political office, Chairman Martin to inform Mr. Briggs that he should resign.

McCormack, James, Class C Director, FRBank of Boston, to succeed John T. Fey, question whether Mr. McCormack as Chairman of Board of Directors of Massachusetts Bay Transportation Authority, could accept appointment as a Class C Director, agreed in favor of appointment.

President of the United States:

Administrative Conference of the United States, request from Bureau of the Budget, for up-to-date comments on recommendations by, Board commented in 1963 on all except "code of behavior", present comment to effect that Board could adopt "code of behavior" rule sometime later as a token of cooperation, letter to Budget Bureau, approved.

Coordination of action and procedure among Federal bank supervisory agencies:

Joint letter from Treasury Secretary Dillon to Comptroller, FDIC and the Board, enclosing a letter from, expressing concern over the lack of, procedure outlined by the Secretary to coordinate actions prior to public announcement, Mr. Howard H. Hackley, General Counsel, designated as Board's contact with other supervisory agencies.
President of the United States: (continued)

Coordination of action and procedure among Federal bank supervisory agencies: (continued)

Telephone call advising that Secretary of Treasury was considering extension of procedure to comprehend reports to Congressional Committees or Budget Bureau on proposed legislation, where it appeared views were in conflict with established positions of other bank supervisory agencies, Mr. Hackley authorized to inform Treasury Department that the Board would not object to proposed extension of current procedure 4/13 1282

Equal Employment Opportunity, Committee on, letter to Interdepartmental Committee on Status of Women, giving Board's report on Program for Equal Employment and Advancement Opportunities for Women at Federal Reserve Board 2/28 682, 689

Reorganization Act, letter to Budget Bureau, re a letter from, inviting Board to recommend any Presidential reorganization plan that Board considered desirable, understood letter would be sent in form drafted with concluding sentence omitted, Governor Mills' reservations having been noted 10/1 3350, 3356

State of the Union Message, request for suggestions of legislative and other proposals for inclusion in, discussed, understood that no written reply would be made, but staff would inform the White House by telephone that the Board had no suggestions 11/24 3990
Press conferences:
Martin, William McC., Chairman, Federal Reserve Board, held by, in connection with Board's action in raising the discount rates and amending Regulation Q, to increase maximum permissible rates on time and savings deposits, copy of text placed in Board's files

Press statements:
Academic economists, discussion re article in Washington Post, concerning Board's recent meeting with, no objection to furnishing basic information on such meetings as they occurred, including names of participating economists

Alaskan banking situation, issuance of press statement on Board's action to waive penalties for reserve deficiencies of Alaskan member banks, attributable to credit extended for disaster relief, authorized

Bordentown Banking Company, Bordentown, New Jersey, press statement transmitted to, re approved application to merge with First National Bank and Trust Company of Roebling, New Jersey

Conflicting interpretations of banking laws and regulations of Board and Comptroller of the Currency, subject to inquiry from Chairman Fascell of House Legal and Monetary Affairs Subcommittee, understood reply letter to Chairman Fascell would not be released to press until it was determined what disposition was made of letter, if Board found need for general release, different statement might be considered
Press statements: (continued)

Debentures, issuance of capital notes, and, by national banks, further discussion re Comptroller of the Currency's interpretation published in Federal Register, issuance of press statement, authorized, outlining legal aspects of Comptroller's interpretation

Discount rates:
Press release issued re increase to 4 per cent:
   FRBanks of Boston, New York, Philadelphia, Chicago, and St. Louis, approved, with press statement issued
   FRBank of Atlanta
   FRBanks of Cleveland, Richmond, Dallas, and San Francisco
   FRBanks of Minneapolis and Kansas City

Earnings, FRBanks, 1964, draft of press statement to be released on or about January 5, 1965, re, statement to include information re payments to be made to Treasury, reflecting action by Board on December 16, 1964, calling for maintenance of surplus accounts of FRBanks, at an amount equal to their paid-in capital, understood press statement to be brought to Board's attention when year-end figures become available

Press statement telegraphed to FRBank Presidents, with comment that no distribution should be given and no announcement re subject prior to official release on or about January 5, 1965

1/9 64, 70
11/23 3979, 3987
11/24 4000
11/25 4025
11/27 4064
12/22 4502
| Press statements: (continued) | First National Bank of Tampa, Florida, and Union Security National Bank of Tampa, Florida, copy of press release transmitted to, re approved applications to become bank holding companies through acquisition of shares of the Second National Bank of Tampa, Florida, a proposed new bank | 5/18 1816 |
| International Monetary Fund, press summary of Nineteenth Annual Report of, to be distributed | 8/5 2719 |
| Investments by member banks in stock of foreign banks, issuance of press statement, authorized, in which Board expressed opinion that such direct, are not permissible under present law | 7/15 2494, 2508 |
| Regulation D: Amendment to section 204.2(b), to conform with interpretation of section 19, paragraph 11 of the FRAct, no press release issued | 1/29 298 |
| Regulation F: Bank stocks traded over-the-counter, partially completed draft of new Regulation F and draft of registration statement, (Form F-1), implementing Board's responsibilities under S. 1642, press statement re, approved for release | 8/20 2900, 2907 |
| Final sections of proposed, as modified, approved for publication in Federal Register for comment, with understanding that a press release would be issued | 9/9 3093, 3101 |
| Adoption of, approved, effective January 1, 1965, with press statement released on December 29, 1964 | 12/16 4379, 4426 |
| Question re publishing for a second round of comments, and an accompanying press release | 12/17 4451 |
Press statements: (continued)

Regulation F: (continued)

Further discussion re draft of press release, understood that staff would prepare a draft to be considered 12/23 4521

Federal Deposit Insurance Corporation, further consideration of Board's press release to accompany release of Regulation F, in its final form, with receipt of counterpart press statement to be issued by, in connection with their similar regulation, Governor Robertson to consult with Board's staff and FDIC 12/28 4541

Copies of Regulation F and the press statement in the form issued on December 29, 1964, attached to the minutes of December 16, 1964 12/28 4543

Regulation Q:

Amendment to supplement of, approved, issuance of press release, authorized 11/23 3979, 3987

Draft of statement of interpretation answering certain questions re changes in maximum permissible rate of interest under revision of, approved, issuance as a press release, authorized 11/27 4057, 4076

Salary information for employees of Board and FRBanks furnished to Congressman Patman, no objection to release upon request by press 11/27 4057, 4076

Surplus accounts of FRBanks:

Draft of press statement to be released on or about January 5, 1965, re FRBank earnings during 1964, statement to include information re payments to be made to Treasury reflecting action by Board on December 16, 1964, calling for maintenance of, at an amount equal to their paid-in capital 12/22 4502
Press statements: (continued)
Surplus accounts of FRBanks: (continued)
Draft of press statement: (continued)
Press statement telegraphed to FRBank Presidents, no distribution or announcement prior to official release
Further discussion re, with press statement to be issued, with understanding that statement would not indicate manner of payment in detail, except to make it clear that it related to calendar year 1964 at FRBanks

Union Security & Investment Co., Tampa, Florida:
SEE: Press statements:
First National Bank of Tampa, Florida
Valley Bancorporation, Appleton, Wisconsin,
press statement re, approved, application to acquire shares of Sherwood State Bank, Sherwood, Wisconsin, and Reedsville State Bank, Reedsville, Wisconsin, transmitted to

Prices:
Prospects for consumer goods, machinery, industrial equipment, and primary materials, topic for discussion with FAC
Rises in prices of primary materials seem likely, possible increases in prices of machinery, industrial equipment, and consumer goods, views expressed at joint meeting with FAC
Raw materials, do recent increases in prices of sensitive raw materials signal the beginnings of a broader and more cumulative price advance, topic for discussion with FAC
Increases in prices of, does not signify the beginning of a broader price advance, views of FAC expressed at joint meeting

12/22 4502
12/23 4522
12/21 4492
10/29 3686, 3690
11/17 3889
8/25 2940, 2956
9/22 3224
Prices: (continued)

Stability, how does Council view prospects for continuing price stability, topic for discussion with FAC

Some upward pressure on prices developing, seems doubtful that price stability of past few years will continue, views expressed at joint meeting with FAC

Printing:

Flow of Funds Accounts, issuance of supplement to Board's, approved, with approval for resultant overexpenditure in Printing and Binding Account of the 1964 budget of the Division of Administrative Services

Research monograph "Bank Mergers and the Regulatory Agencies: A Comparative Analysis of Administrative Policy under the Bank Merger Act of 1960," memorandum from Division of Research and Statistics, re proposed printing and distribution of, approved, action includes authorization of resulting overexpenditure in the budget

Textual changes in the FRAct and Related Laws, request for printing 300 copies of loose-leaf compilation of, at cost in excess of original estimate, resultant overexpenditure in printing and binding account of budget of Division of Administrative Services, approved

Private banks:

Brown Brothers Harriman & Company, New York, New York, request by FRBank of New York, for various interpretations under the FRAct, concerning the meaning of the word "bank" as related to private banks such as
Private banks: (continued)

Executive officers of member banks, indebtedness to branches in the United States of foreign banks and, interpretation under section 22(g) of the FRAct, indicating that such indebtedness must be reported, to be published in the FRBulletin and Federal Register, transmitted to Presidents of all FRBanks, letter to FRBank of New York

Nonmember clearing accounts, interpretation under section 13 of the FRAct, indicating that domestic branches of foreign banks and, may be extended nonmember clearing privileges as described in the statute, to be published in the FRBulletin and the Federal Register, transmitted to Presidents of all FRBanks, letter to FRBank of New York

Reserve requirements of member banks, interpretation under section 19, FRAct, indicating that the term "other banks" would include, therefore balances due therefrom may be deducted in accordance with the provisions of the statute, to be published in the FRBulletin and the Federal Register, transmitted to Presidents of all FRBanks, letter to FRBank of New York

Amendment to section 204.2(b) of Regulation D, to conform with, approved, to be published in the Federal Register and the FRBulletin, but no press release is being issued, transmitted to Presidents of all FRBanks
Profits:
Undivided, to be treated as part of capital stock and surplus funds, as ruled by Comptroller of the Currency:
Agreed that ruling should be given fuller consideration and that it was made without Board being informed, understood that after check by staff, if circumstances warranted requesting copy of ruling as issued, a letter would be drafted for Board's consideration
Board to send letter re, to Federal supervisory agencies for comment
Memorandum distributed attaching a proposed interpretation that would state that "it is the Board's opinion that undivided profits do not constitute 'capital,' 'capital stock', or 'surplus' under provisions of FRAct . . .", consensus that interpretation should be published, after following the "Dillon procedure"

Private money orders:
SEE: Money orders:
Private

Production:
Capacity:
Question re, in most major industries, topic for discussion with FAC
Most members believe there is capacity available in most major industries, gap between output and capacity is narrowing, views expressed at joint meeting with FAC
Question re significant changes re plant utilization and production bottlenecks since September meeting of FAC, or are there indications of developing problems in these areas, topic for discussion with FAC
Some problems have developed, but there are no significant changes, views expressed at joint meeting with FAC

1964
932 Pages

Private money orders:
SEE: Money orders:
Private

Production:
Capacity:
Question re, in most major industries, topic for discussion with FAC
Most members believe there is capacity available in most major industries, gap between output and capacity is narrowing, views expressed at joint meeting with FAC
Question re significant changes re plant utilization and production bottlenecks since September meeting of FAC, or are there indications of developing problems in these areas, topic for discussion with FAC
Some problems have developed, but there are no significant changes, views expressed at joint meeting with FAC
Profits: (continued)
Undivided, to be treated as part of capital stock and surplus funds, as ruled by Comptroller of the Currency: (continued)
Interpretation concluding that undivided profits are not a part of a bank's "capital stock", approved for transmittal to the FRBanks and for publication in Federal Register and in next issue of FRBulletin

Proxmire, William, Senator:
Location of banks, draft of letter to, responding to his inquiry concerning intention of Park State Bank, Milwaukee, Wisconsin, to move its main office to another location, and a related proposal by one of the Senator's constituents, that changes in the location of main offices and branch offices of commercial banks should not be allowed without public notice and public hearing, approved

Prudential Insurance Company of America:
Major medical insurance program, amendment to increase benefits under FRBanks contract with, with no increase in premium approved, as requested by the Chairman of the Conference of Presidents, letter to Chairman Hayes, approved

Public service:
Pierce, John F., Chief Examiner, Bank Examinations Department, FRBank of New York, service as Governor of the Central Bank of Trinidad, deemed to be in public interest, same retirement allowance to be continued, approved
Publications:
American Banker, window dressing of condition reports by commercial banks, semi-annual listings published in, showing banks in United States according to deposit size at mid-year and year-end dates, Board decided not to send draft letter to, suggesting possibility of discontinuing publication of such listings

Bank merger policy:
Research monograph, an analysis of past merger decisions by bank supervisory agencies, prepared for Board by Professors Hall and Phillips, Board to resolve distribution and publication of monograph

Entitled "A Comparative Analysis of Administrative Policy under the Bank Merger Act of 1960," recommendation that Board undertake to publish monograph and make it available to those who request it, approved, overexpenditure in pertinent account of the Board's 1964 budget authorized, copies of monograph to be furnished to Mr. Belin, General Counsel of the Treasury, for distribution to interagency committees

Memorandum from Division of Research and Statistics, re proposed printing and distribution of, approved, action includes authorization of the resulting budget overexpenditure

Commission on Money and Credit, reprint of Board's answers to, purchase approved, including Treasury Department's responses if cost not excessive, participation of Reserve Banks in purchase to be solicited
Publications: (continued)

Farm Debt--Data from the 1960 Sample Survey of Agriculture, memorandum from Divisions of Research and Statistics and Administrative Services, recommending publication and distribution of, approved, provision made in 1964 budget 12/7 4157

FRBanks, problem of System publications discussed, and possible duplication of 50th anniversary publications, Dr. Erwin Canham, Chairman of FRBank of Boston, to head up a committee to review the problem of System publications 1/9 58

FRSystem, Purposes and Functions:
Recommendation that policy for distributing fifth edition of, be the same as in connection with distribution of preceding edition, approved, letter to Presidents of all FRBanks re, major changes in this revision are inclusion of chapters on organization of FRSystem for policy making on open market process, and on balance of payments 1/31 316, 326

Simplified explanation of:
Recommendation by Mr. Noyes, Adviser to Board, that Professor William Davenport of Harvey Mudd College, Claremont, California, rewrite initial draft of pamphlet, presenting a simplified explanation of FRSystem, at rate of $50 a day for about 10 days work, either on contractual or consultant basis, approved 4/6 1152

Discussion of work done on consulting basis by Miss Susan S. Burr and Professor William Davenport, in developing a, agreement with suggestion that Mr. Noyes attempt a further draft of more limited dimensions to be edited by Professor Davenport, Governors Robertson and Daane to read drafts and pass along their suggestions 7/6 2368
Publications: (continued)

Flow of Funds Accounts, issuance of supplement to Board's, approved, with approval for resultant overexpenditure in Printing and Binding Account of the 1964 budget of the Division of Administrative Services

H.2 release:

Question re publishing in weekly, actions taken on applications for determination of holding company affiliate status, and actions taken on applications for voting permits, request from Professor Vernon A. Mund, University of Washington, for information re status of Marine Bancorporation, Seattle, Washington, reply would disclose previously unpublished information, understood actions would be announced in

Consensus that no mention of Board's action re Franklin National Bank, Franklin Square, New York, be made in

Mid-Continent Banker, St. Louis, Missouri, publishing of year-end statements of condition in, a program of FRSystem and FDIC, to persuade banks to end practice of window dressing, reply to, with copies to be sent to Presidents of all FRBanks

System Open Market Account:

Report by Manager of, consensus to publish a chronological review of open market operations not identified as, in Board's annual report for 1963, understood procedure would not preclude consideration re possibility of publishing report in FRBulletin and New York Reserve Bank's Monthly Review
Publications: (continued)
System Open Market Account: (continued)
Report by Manager of: (continued)
Possible publication in FRBulletin and Monthly Review of FRBank of New York of, covering operations in 1963, Governor Daane outlined reservations re publication, subject of publication to be considered at meeting of FOMC, May 5, 1964 5/4 1594
Wall Street Journal, question if any information released by Board might have formed basis for article in, re acquisition of banks by businesses, discussed 9/16 3162
Puerto Rico:
Transamerican Trailer Ferry, Inc., San Juan, Puerto Rico:
Consent granted to Chase International Investment Corporation, New York, New York, to purchase and hold directly or through its subsidiary Arcturus Investment & Development Ltd., Montreal, Canada, stock of 7/13 2437, 2455
Letter to Chase International Investment Corporation, New York, New York, amending Board's consent for Chase International to acquire either directly or indirectly shares of 11/6 3768, 3782
Proposal to have a stateside corporation, a subsidiary of Chase International, own and operate the vessels of Transamerican Ferry, clearly within the provisions of section 25(a) of the FHA 11/6 3770
"Q"

Questionnaires:
Changes in bank lending practices, quarterly System survey and draft of questionnaire, authorized 8/19 2873
Letter to Presidents of all FRBanks 9/24 3288, 3292
Questionnaires: (continued)

Commission on Money and Credit, purchase of re-print of Board's answers to, approved with understanding the Treasury Department's responses would also be included, if the cost was not excessive and that participation of Reserve Banks in the purchase would be solicited.

Crimes against banking institutions:

Questionnaire developed by FRSystem and FDIC, in light of recommendation by House Legal and Monetary Affairs Subcommittee, for use in the examination of banks, providing certain information on crimes against banking institutions, letter to Comptroller of the Currency, requesting participation.

To be submitted to FRBank examiners in present form, unless modifications are suggested by the Comptroller within a reasonable time.

Report to Chairman Dawson of House Committee on Government Operations, on actions taken to implement the recommendations made in the Committee's report on, approved, letter to FRBank Presidents, enclosing revised page 16 of the report of examination, Form F.R. 410 and questionnaire entitled "Security and Control against External Crimes," approved.

Finance charges, S. 750, a bill requiring disclosure of, request for report on 83 questions re, from Chairman Robertson of Senate Banking and Currency Committee, staff to draft answers.

Replies to questions, approved for transmittal to Senator Robertson.

6/24 2268
5/28 1902, 1908
5/28 1903
6/23 2232, 2245
2/13 471
2/17 528, 539
Radio transmitting frequency (Federal):
FRBank of Chicago, letter to, approved, informing the, of the assignment of a, for selective tone signalling and one-way voice communications to emergency, maintenance and security personnel at
Rains, Albert, Congressman:
Banking structure of United States, request by Chairman of Subcommittee on Housing of House Banking and Currency Committee, for Board's views re, in light of questions raised by Mr. Lester H. Smith, Executive Vice President of First National Bank of Decatur, Alabama, understood draft of letter and memorandum would be brought back to Board for consideration
Reply to Congressman Rains and a paper re Mr. Smith's letter, approved
Rates:
Bank of England, review by Chairman Martin of communications between British and American officials, re increase from 5 to 7 per cent in the discount rate of the, with discussion of appropriate action to be taken by Board in raising domestic discount rates
FRBank of Atlanta:
Advances under section 10(b), established at 4-1/2 per cent
Advances to individuals, partnerships, and corporations, other than member banks, under last paragraph of section 13, established at 6 per cent
**Rates: (continued)**

**FRBank of Atlanta: (continued)**

Discounts and advances to member banks under sections 13 and 13a, established at 4 per cent

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**FRBank of Boston:***

Advances to individuals, partnerships, and corporations, other than member banks, under last paragraph of section 13, established at 5-1/2 per cent

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Advances under section 10(b), established at 4-1/2 per cent

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Discounts and advances to member banks under sections 13 and 13a, established at 4 per cent

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FRBank of Chicago:
Advances to individuals, partnerships, and corporations, other than member banks, under last paragraph of section 13, established at 5 per cent

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Advances under section 10(b), established at 4-1/2 per cent

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Discounts and advances to member banks under sections 13 and 13a, established at 4 per cent

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FRBank of Cleveland:
Advances to individuals, partnerships, and corporations, other than member banks, under last paragraph of section 13, established at 5-1/2 per cent

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Discounts and advances to member banks under sections 13 and 13a, established at 4 per cent

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FRBank of Dallas:
Advances under section 10(b), established at 4-1/2 per cent

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Advances to individuals, partnerships, and corporations, other than member banks, under last paragraph of section 13, established at 5 per cent

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Discounts and advances to member banks under sections 13 and 13a, established at 4 per cent

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**FRBank of Dallas:** (continued)

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**FRBank of Kansas City:**

- Advances under section 10(b), established at 4-1/2 per cent
  - 11/27 4064

- Advances to individuals, partnerships, and corporations, other than member banks, under last paragraph of section 13, established at 4-1/2 per cent
  - 11/27 4064

- Discounts and advances to member banks under sections 13 and 13a, established at 4 per cent
  - 11/27 4064

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FRBank of Kansas City: (continued)
Schedules approved: (continued)

FRBank of Minneapolis:
Advances under section 10(b), established at 4-1/2 per cent
Advances to individuals, partnerships, and corporations, other than member banks, under last paragraph of section 13, established at 5 per cent
Discounts and advances to member banks under sections 13 and 13a, established at 4 per cent

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FRBank of Minneapolis: (continued)
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FRBank of New York:
Advances to individuals, partnerships, and corporations, other than member banks, under last paragraph of section 13, established at 5 per cent

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Advances under section 10(b), established at 4-1/2 per cent

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Discounts and advances to member banks under sections 13 and 13a, established at 4 per cent

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Schedules approved: (continued)

FRBank of Philadelphia:
Advances to individuals, partnerships, and corporations, other than member banks, under last paragraph of section 13, established at 5 per cent
Advances under section 10(b), established at 4-1/2 per cent
Discounts and advances to member banks under sections 13 and 13a, established at 4 per cent
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FRBank of Philadelphia: (continued)

Schedules approved: (continued)

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FRBank of Richmond:

Advances under section 10(b), established at 4-1/2 per cent

Advances to individuals, partnerships, and corporations, other than member banks, under last paragraph of section 13, established at 5 per cent

Discounts and advances to member banks under sections 13 and 13a, established at 4 per cent

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FR Bank of Richmond: (continued)

Schedules approved: (continued)

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FR Bank of St. Louis:

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Advances to individuals, partnerships, and corporations, other than member banks, under last paragraph of section 13, established at 5 per cent

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Discounts and advances to member banks under sections 13 and 13a, established at 4 per cent

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FRBank of San Francisco:

Advances under section 10(b), established at 4-1/2 per cent

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Advances to individuals, partnerships, and corporations, other than member banks, under last paragraph of section 13, established at 5 per cent

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Discounts and advances to member banks under sections 13 and 13a, established at 4 per cent

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Schedules approved:

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Rates: (continued)
FRBank of San Francisco: (continued)
Schedules approved: (continued)

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FRBanks:
Discount:
Chairman Martin noted that there was a good deal of discussion currently as to whether a discount rate move had exerted anything more than a psychological effect, views of FAC expressed at joint meeting

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Increase in, question whether Federal Advisory Council would recommend an increase in, to offset tendency toward inflation, views of FAC expressed at joint meeting

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Increase to 4 per cent, approved, British action in raising Bank of England's discount rate from 5 to 7 per cent reviewed, approval given to FRBanks of Boston, New York, Philadelphia, Chicago, and St. Louis, with agreement to approve the 4 per cent rate for any other Federal Reserve Bank, advice to FRBanks and branches, notice to be published in Federal Register, press statement issued, with Chairman Martin holding press conference to discuss actions

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Rates: (continued)
FRBanks: (continued)
Discount: (continued)
Increase to 4 per cent at FRBanks of Boston, New York, Philadelphia, Chicago, and St. Louis, approved, with Governor Robertson dissenting, with agreement to approve the 4 per cent rate for any other FRBank, advising of the establishment thereof
FRBank of Atlanta, approved
FRBanks of Cleveland, Richmond, Dallas, and San Francisco, approved
FRBank of Minneapolis, approved

Real estate credit:
National banks, S. 3049, a bill to amend section 24 of the FRAct, to liberalize the powers of, with respect to conventional home mortgage loans, letter to Budget Bureau, approved, re-expressing reservations but indicating that since the bill had been enacted by Congress, Board saw no reason for President to withhold approval
Proposal re study by Frederick M. Babcock of Washington, D. C., a real estate appraiser and consultant, re methods of judging and improving portfolios pertaining to, approved, with authorization granted for resultant overexpenditure in Board's 1964 budget, advice to Mr. Babcock

Reception:
American Institute of Banking Annual Convention in Washington, telegram to Presidents of FRBanks and Vice Presidents in charge of branches extending an invitation to an informal reception in Board's dining room for FRBank representatives attending, Board members in agreement
Records:

Board of Governors:

Access to:

Request by Messrs. Schremp and Geist, members of Congressman Patman's staff, request for, re mechanism through which Federal Reserve bought and sold Government securities in 1900's and 1920's, diaries of former Board member Charles S. Hamlin, documents at Columbia University Library, certain meetings of Governors Conference in 1923 on rediscounting and open market operations, minutes and other records as appeared relevant to study, Mr. Sherman authorized to use discretion in making available

Document re Open Market Operations of FRBanks during period of 1920's and earlier, prepared by House Banking and Currency Committee, which Mr. Schremp wanted to check out with Board's staff, staff advised to be careful not to give any indication suggesting approval of paper

Request that Stephen V. O. Clarke of Federal Reserve Bank of New York be allowed, files for the period 1924-1926, concerning relations between Federal Reserve and the central banks of England, France, and Germany, agreed to furnish, with the understanding that the Board would review manner any material was to be used prior to its issuance as a publication

Agreement with suggestion that Secretary of Board authorize, for study of FRSystem, agreed Professor Wicker retain references derived from minutes and records of Board

3/18 911

7/14 2473

4/21 1368

7/14 2467
Records: (continued)

Board of Governors: (continued)

Access to: (continued)

Memorandum from Messrs. Young and Sherman of Board's staff re for historical research, consensus that conference of 15 university scholars with Board paying expenses could meet at Board re, understood that Messrs. Young and Sherman would explore matter and report to Board re implementation of such a meeting

Understood necessary arrangements and appropriate provision would be made in 1965 budget to cover expenses re conference of scholars to discuss use of historical records of FRSystem, letter to Social Science Research Council, advising that Board had authorized conference

Analyzation of, Messrs. Schremp and Geist pursuing a request from Chairman Patman of House Banking and Currency Committee, re mechanism through which Federal Reserve bought and sold Government securities in 1900's and 1920's, suggested that consideration be given to what might be done to analyze records given to Messrs. Schremp and Geist

Regulations, Board of Governors:

A:

Discounts and advances by FRBanks to member banks:

Possibility of an amendment suggested by Gov. Mitchell, to allow FRBanks to make loans to member banks for extended periods to accommodate seasonal needs for funds, agreed Mr. Holland, Associate Director, Div. of Research and Statistics, would submit memorandum
Discounts and advances by FRBanks to member banks: (continued)

Violation of, too frequent use of discount window by three member banks in the Sixth District revealed in examination report of FRBank of Atlanta, agreed that Mr. Holland would include question re, in memorandum to Board 3/25 979

Revision of, tentatively entitled "Advances by FRBanks":

Memorandum by Mr. Hackley re, that might be adopted in event of enactment of pending legislation, to liberalize provisions of present law, understood that a revised draft incorporating changes would be sent to Federal Reserve Banks for comment 6/11 2029, 2072

Collateral of FRBank advances, provisions to liberalize discussed in

Advances by FRBanks to member banks, question re single or differential rates and longer maturities for, discussed in 6/11 2030

Borrowings from FRBanks, question whether present Foreword to Regulation A, setting forth general principal governing, should be made an integral part of, discussed in 6/11 2030

Question re limiting advances to periods of 15 days discussed in

Negotiability requirement, question whether the present, should be eliminated from the Regulation, discussed in 6/11 2031

Need for early efforts by Board to reach agreement re, agreed that staff would put proposal for legislation in form for submission to Congress early in 1965 11/18 3898
Regulations, Board of Governors: (continued)

A: (continued)

Revision of, tentatively entitled "Advances by FRBanks": (continued)

Discussion re, in connection with suggestions for legislative proposals for inclusion in President's State of the Union Message

Section 201.5(a), borrowings on collateral of customer's notes, letter to FRBank of St. Louis, re applicability of

Bank stocks traded over-the-counter or on national securities exchanges, understood Board's staff would expedite preparation of a draft regulation and forms for use in connection with enacted legislation, S. 1642, which amends the Securities Exchange Act of 1934, to require disclosure of bank stock with administration of bill vested in the Federal bank supervisory agencies

For later entries SEE: Regulations:

Board of Governors:

F:

Trading in bank securities

D:

Amendment to section 204.2(b), to conform with interpretation of section 19, paragraph 11 of the FRAct, permitting a member bank, in estimating its required reserve balances, to deduct the amounts of balances due from private banks, approved, to be published in the Federal Register and the Federal Reserve Bulletin, transmitted to Presidents of all FRBanks
Regulations, Board of Governors: (continued)

D: (continued)
Amendment to section 204.2(b): (continued)
Decision not to follow suggestion of Mr. Hayes, FRBank of New York, to further amend, deleting the exception covering domestic branches of foreign banks

Unsecured notes, announced intentions of First National Bank of Boston, Massachusetts, to issue, question re applicability to reserve requirements of, agreed that Messrs. Noyes, Molony, Hackley, and Solomon undertake to draft a statement for further consideration

Understood that a revised draft of alternate draft statement prepared by Governor Mitchell would be prepared and distributed to Board and FRBank Presidents to be discussed with Presidents following FOMC meeting

Issuance of a statement re, approved, understood that statement would be published in Federal Register and FRBulletin

F:
Trading in bank securities:
Drafts of new, and registration statement, (Form F-1), implementing the Board's responsibilities under S. 1642, which amends Securities Exchange Act, to require disclosure of bank stocks traded over-the-counter, and administration of regulation vested in Federal bank supervisory agencies, drafts approved for publication in the Federal Register for comment with press statement issued
Regulations, Board of Governors: (continued)

F: (continued)

Trading in bank securities: (continued)

Drafts of two further sections of proposed new regulation re reports of directors, officers, and principal stockholders of banks, and form and content of financial statements, approval given to publication in Federal Register for comment

Governor Balderston to contact Chairman Barr to obtain clarification of procedure under consideration by FDIC, which are departures from those contemplated by Board for State member banks

Request by Chairman Barr that Board delay for one week publication re, for comment in Federal Register to enable staffs of Board and FDIC to discuss points of concern, agreed to request in order that proposed interagency staff discussion might take place

Condition reports and income and dividends reports, section 206.7(d)(20) of, covering the applicability of instructions for preparation of, since this was the only point of difference between Board and FDIC in the new Regulation, it was decided to delete this portion before publication, final sections approved for publication in Federal Register for comment, with understanding press release would be issued

Extension of deadline for comments on new Regulation and proposed form, Gov. Robertson reported Board could expect to receive a request for an extension to October 21, 1964
Regulations, Board of Governors: (continued)
F: (continued)
Trading in bank securities: (continued)
Extension until November 23, 1964, approved, notice filed with Federal Register
Governor Robertson reported on certain arrangements made by staff to meet with representatives of Financial Analysts Federation, New York Clearing House Association, American Institute of Certified Public Accountants, and American Bankers Association, to discuss the Board's proposed Regulation F, FDIC representatives invited to attend meetings
Governor Robertson reported that certain staff members would meet today with representatives of the New York Clearing House Association, to discuss proposal made by that organization re, suggestion that Board members might want to sit in on discussion and attend luncheon that had been scheduled
Certified financial statements, proposals of Conference of Presidents in joint meeting with Board, to find an alternative to certification of financial statements by certified public accountants, and to postpone issuance of proposed, until comments had received consideration, Board felt that the Regulation should be issued in final form in near future, and that it would not require, Board would be prepared to consider valid suggestions for change after regulation became effective
Regulations: (continued)

Trading in bank securities: (continued)

Adoption of, "Securities of Member State Banks," and definition of terms and accompanying forms for, approved, understood that regulation would be subject to revision, and comments and suggestions would be encouraged 12/16 4353, 4399

To become effective January 1, 1965, press statement issued 12/16 4379, 4426

Review of content of financial statements and points of difference between Board's regulation and FDIC's draft of similar regulation, understood that with certain adjustments and changes, the FDIC Regulation F, would be issued to become effective January 1, 1965 12/17 4437

Points of difference between Board and FDIC:

Capital notes and debentures, discussion re how to reflect, in reporting 12/17 4444

Edge Act Corporations, discussion re how to show income from, on bank's operating statement 12/17 4443

Filing of reports, in addition to New York and Washington locations, Governor Robertson proposed that Board extend facilities of FRBanks for reports of non-member banks in connection with new, and similar regulation being issued by FDIC 12/17 4449

Hearings, suggestion that Board assent to removing from its new, the provision for hearings bringing new regulation into accord with FDIC regulation 12/17 4449

Income statements, views re Board's position in connection with requirements for submitting, under 12/17 4450
Regulations, Board of Governors: (continued)

F: (continued)

Trading in bank securities: (continued)

Market value of securities, discussion re disclosure of, and to what extent disclosure should be required in connection with issuance of new

Reconstructing fixed assets for ten years, views re resolving points of difference with FDIC's proposed regulation

Report forms of operations of a bank's trading department, discussion re method of handling

Governor Robertson reported on meetings held with Chairman Barr and Director Randall of FDIC, agreement reached on all points of difference discussed on December 17, now expected that the two agencies to issue virtually identical regulations to become effective January 1, 1965

Consideration of request by American Bankers Association to postpone issuance of, in its final form pending publication in Federal Register again for comment, discussion of press statement with certain changes agreed upon, understood staff would prepare a draft to be considered at another meeting, letter to American Bankers Association, approved

Further consideration of Board's press release to accompany release of, in its final form, with receipt of counterpart release to be issued by FDIC in connection with their similar regulation, Governor Robertson to consult with Board's staff and FDIC

Press statement and, attached to Dec. 16, 1964 minutes
Regulations, Board of Governors: (continued)

G:

Collection of noncash items:
Recommendations re changes in noncash collection circulars of FRBanks and certain amendments to Board's Regulation G as made by Subcommittee on Collections and Subcommittee of Counsel on Collections, which had been approved by the Conference of Presidents of FRBanks, approved by Board, letter to FRBanks and notices to Federal Register for publication re Amendment to, approved, effective September 1, 1964

H:

Revenue bonds, request for ruling re the eligibility of ten designated Georgia State Authorities for underwriting by State member banks as "general obligations" within the meaning of section 5136 of Revised Statutes, agreed to publish in Federal Register and FRBulletin interpretation re, under Regulation H, Subchapter A, Part 208

Undivided profits, since no reason had been presented by FDIC and the Treasury Department for changing or modifying conclusions approved by Board, an interpretation under, concluding that undivided profits are not a part of a bank's capital stock for purposes of the provisions of the FRAct, was approved for transmission to FRBanks and for publication in the Federal Register and the FRBulletin
Regulations, Board of Governors: (continued)

J:
Clearing accounts:
Recommendations re proposed amendment to section 210.5 of, re terms under which checks and other cash items are collected by FRBanks, certain changes re, approved by Conference of Presidents, and approved by Board, with letter to FRBanks and notices to Federal Register for publication
Amendment to, approved, effective September 1, 1964
7/14  2463, 2477-83

K:
Acceptance financing, memorandum re acceptance liability of First Chicago International Banking Corporation, New York, New York, in excess of limitations because of erroneous interpretation in section 211.9(a) of, letter proposing procedure to correct, approved, Governor Mills' reservations being noted
Deposit-type banking business, revision of, to relax the restrictions placed on Edge Act corporations to invest in foreign companies engaged in, Board to review authorizations granted prior to revision and advise recipients that the condition requiring them to divest their interest in, is no longer applicable or, if in doubt, to present the matter to the Board for determination
Federal funds transactions, question whether corporations operating under provisions of, may properly engage in, letter to corporations, approved, understood ruling would be published in Federal Register and FRBulletin
5/14  1754, 1762
4/9   1229
10/26  3637, 3654-55
Regulations, Board of Governors: (continued)

K: (continued)

Lending powers of foreign subsidiaries of foreign banking corporations:

Request from James S. Rockefeller, Chairman of First National City Bank, New York, for removal or revision of restrictions on loan operations of subsidiaries of International Banking Corporation, New York, New York, which would not be applicable to operations of direct foreign branches of First National City Bank, understood a revised reply and staff memorandum would be prepared

Understood reply re, would be discussed further at another meeting

Request by International Banking Corporation, a wholly owned subsidiary of First National City Bank, New York, New York, for reconsideration of conditions imposed in granting consent to acquire shares of Banque de l'Afrique Occidentale and exclusion from restrictions on loans made by National City Trust Company (Bahamas) Limited in the Bahamas, to be considered further at tomorrow's meeting

Agreed to modify the Board's consent of July 23, 1964, re Banque de l'Afrique Occidentale, prescribing conditions similar to those involving acquisition of shares of M. Samuel & Co., Governor Robertson dissenting, disposition re request concerning loans made by the National City Trust Company (Bahamas) Limited, to be considered further at another meeting, Gov. Mitchell to work with staff re problems relating to
Regulations, Board of Governors: (continued)

K: (continued)

Taxation, request by Treasury Department for Board's views under, reacquisition by Edge or agreement corporations of more than 50 per cent of the voting stock of a foreign subsidiary, in light of proposed regulation by Internal Revenue Service, relating to taxes on certain types of income of controlled foreign corporations, agreed that staff would study subject further

Further discussion, understood that revised draft of reply to Treasury would be prepared for consideration

Letter to Treasury Department, approved, with Governor Robertson's reservations noted, copy of letter sent to FRBanks with request that copies be transmitted to Edge and agreement corporations

M:

Loans to executive officers stationed at foreign branches of national banks, section 213.4(f) of, revised to permit national banks to make mortgage loans up to $20,000 for executive officers at foreign branches, request by Morgan Guaranty Trust Company, New York, New York, a State member bank, for ruling by Board which would allow same borrowing privileges for State member bank executive officers of foreign branches, revised draft of reply to be presented for consideration
Regulations, Board of Governors: (continued)

M: (continued)

Loans to executive officers stationed at foreign branches of national banks: (continued)

Board's interpretation approved, with understanding it would be published in Federal Register and FRBulletin, letter to FRBank of New York, approved 2/3 337, 359-61

O:

Charge accounts, request for ruling under, in connection with possible indebtedness to National Bank of Detroit by its executive officers due to the bank's purchase of a department store's customer, advice to FRBranch of Detroit re

Understood that Legal Division would undertake a general review of, to examine the possibility of an amendment to exclude from the definitions of "extension of credit" and "indebtedness," the acquisition by member banks of charge or time credit accounts of its executive officers 1/8 35, 48

Loans to executive officers of member banks:

Comptroller of the Currency's ruling on loans by national banks to their executive officers in violation of, understood no action would be taken by the Board at this time on matter of Comptroller's interpretation 1/9 51

Question re violation of, in connection with legality of dealings between Mr. Semenenko, officer and director of First National Bank of Boston, Massachusetts, and The Baird Foundations of New York, under review by Board at request of Congressman Patman, agreed there was no violation 1/15 128

Letters to Chm. Patman and SEC, approved for transmittal 1/16 147, 162-66
Regulations, Board of Governors: (continued)

Loans to executive officers of member banks: (continued)

Request for a ruling as to whether officers of Morgan Guaranty Trust Company, New York, New York, stationed at foreign branches, might within the meaning of, be granted mortgage loans up to $20,000 by the parent bank as was possible for officers of national banks under the revised Regulation M, Legal Division to review, revised draft of reply and interpretation to be prepared for Board's consideration

Revised draft discussed, interpretation approved, with understanding that it would be published in Federal Register and FRBulletin, letter to FRBank of New York, transmitting interpretation and requesting that it be forwarded to the five State member banks in the Second District having foreign branches

Q:

Amendment to supplement to, approved, effective November 24, 1964, to provide maximum permissible rates of: 4-1/2 per cent on time deposits of 90 days or more, unanimous approval; 4 per cent on time deposits for less than 90 days, Governor Robertson dissenting; 4 per cent on savings, Governors Robertson and Shepardson dissenting, notice to all FRBanks and branches, to be published in Federal Register, press release issued

1/29 281

2/3 337, 359-61

11/23 3956, 3979-87
Regulations, Board of Governors: (continued)

Q: (continued)

"Borrowed money" account, practice by member banks of transferring portion of customer's demand deposit account to, inquiry from Wachovia Bank and Trust Company, Winston-Salem, North Carolina, as to permissibility under

Further discussion re, review of comments of FRBanks re, copies of proposed letter to bank sent to Comptroller of the Currency and FDIC for comments, copies of letters sent to General Counsel of Treasury for information

Reply to bank, approved, Board concludes that transactions of the kind described in letter would not involve violations of, copy of Board's interpretation sent to Federal Register and Federal Reserve Bulletin

Deposit contract providing for three months' maturity with option to withdraw on 90 days' notice, proposed form submitted by Mr. Charles A. Baker, Vice President and Counsel for Union Commerce Bank, Cleveland, Ohio, with question re compliance with, understood that interpretation would be published in Federal Register and FRBulletin, reply approved

Funds loanable outside the purview of transactions subject to, ad hoc subcommittee of Committee on Bank Supervision of the Presidents' Conference, to study implications of new methods to tap sources of, Mr. Solomon, Director, Division of Examinations, to serve as Board's liaison with committee
Indirect payment of interest:
Advertisement by a national bank in Cape May, New Jersey, that a bonus of 2 cents would be paid for each 98 cents deposited in coin, Board agreed that this would not constitute a payment of interest under, advice to FRBank of Philadelphia.

Reply to Cross Armored Carrier Corporation, Bayside, New York, approved, re question whether free armored car service provided by member banks to their depositors, would constitute a payment of interest on demand deposits in violation of, Board concluded that it would not.

Interest payment on deposits, review of petitions filed by FDIC, asking for determinations as to whether certain purported "deposits" by savings and loan associations in two closed banks, First National Bank of Marlin, Texas, and State Savings Bank of Minden City, Michigan, were insured deposits or borrowed money, question re court's position in light of possible violation of.

Revision of:
Legal Division memorandum submitting nineteen specific recommendations re proposed, Board's consensus on individual recommendations given, Legal Division to prepare a tentative draft to be sent to FRBanks for comments prior to submission to FDIC and Comptroller of Currency, consultation with banking community not to be made at this time.
Regulations, Board of Governors: (continued)

Q: (continued)

Revision of: (continued)

Letter of May 25, 1964, transmitting tentative revision to Presidents of all FRBanks

Request by Chase Manhattan Bank, New York, New York, that a maximum rate of 4 per cent be paid by member banks on all savings deposits, agreement with suggestion that Board deal with this proposal as a part of pending, and expedite consideration of the whole package, noted that comments from Federal Reserve Banks had been received

Letters to Chairman of FDIC, Comptroller of the Currency, and to Presidents of all FRBanks, seeking their views re proposed, excluding question whether absorption of exchange charges constitutes a payment of interest on deposits, but including question re short-term notes, and question whether it would be desirable to establish a single 4 per cent maximum rate of interest for savings deposits, Governor Mills recording dissent re program for

Savings deposits:

Memorandum from Legal Division with respect to letter from FRBank of New York, commenting on recommendation by New Jersey Bankers Association, that regulations of Board and FDIC be amended to permit any person or organization to maintain savings deposits with insured banks up to $50,000, letter to FRBank of New York, approved
Regulations, Board of Governors: (continued)

Q: (continued)

Savings deposits: (continued)

Deposit of trust funds in a savings account in Palmer First National Bank and Trust Company of Sarasota, Florida, in conformity with the ruling under advice to bank, approved Chase Manhattan Bank, New York, New York, request by, that a maximum rate of 4 per cent be paid by member banks on all, agreement with suggestion that Board deal with this proposal as a part of pending revision of Regulation Q

Letters to Chairman of FDIC, Comptroller of the Currency and to Presidents of all FRBanks, seeking their views re desirability to establish a single 4 per cent maximum rate of interest for, in considering program for revision of

Telegram to FRBanks, approved, commenting on a question re maximum rate of interest payable on a savings deposit that had remained in a bank less than 12 months prior to November 24, 1964, effective date of revised supplement to Regulation Q

Short-term notes, in proposed revision of, Board sent letters to Chairman of FDIC, Comptroller of the Currency, and Presidents of all FRBanks, seeking their views as to whether consideration should be given to amendment of Regulation Q and corresponding regulations, that would define deposits to include funds obtained through use of, and if so, the form that any such amendment should take
Regulations, Board of Governors: (continued)

Q: (continued)

Tennessee Bank and Trust Company, Houston, Texas, in connection with application for membership in FRSystem, attention called to violation of, which will be corrected prior to membership, letter to, and FRBank of Dallas, approved

Time certificates of deposit:
Increase in maximum interest rate for, under, recommended by FRBank of New York, agreed that no increase should be made at this time, and that steps should be taken to expand scope of information available to Board re the expanding use of negotiable time certificates

Item on agenda to be considered further when Chairman Martin is present
Further discussion unnecessary at this juncture, Governor Mills suggested staff endeavor to provide breakdown of banks issuing negotiable certificates not only by location but by size, and Governor Mitchell noted that Board had not yet pursued study of various provisions of Regulation Q that it had begun in the fall

San Francisco National Bank, San Francisco, California, questioned by Board because of its record of payment of, before maturity in violation of, letter to Comptroller of the Currency requesting comments re Board's proposed action
FRBank of San Francisco to inform, that such deposits would be reclassified as demand deposits and reserve requirements would be raised if violation was continued
Regulations, Board of Governors: (continued)

Q: (continued)

Time certificates of deposit: (continued)

Misuse of, by savings and loan associations, request by Federal Home Bank Board for information confirming such reports and advice re corrective measures the Board might be prepared to take, question re proving violation of, letter to Federal Home Loan Bank Board, approved, with reservations by Governor Mitchell noted, letter to FRBanks inviting suggestions, approved

5/6 1618, 1638-40

Question re interest after maturity of, reply to Edward W. Schietinger, indicating that the certificate automatically becomes a demand deposit after maturity payable to depositor or his successor at any time and without any form of notice

5/12 1694, 1719

Discussion re impact of Federal Home Loan Bank Board's amended regulation with respect to renewal by savings and loan associations, of maturing, with possible effect on member banks' borrowings, request for additional reports from FRBanks including reports of substantial sales of certificates of deposit by means that would circumvent present ceiling rates specified by

8/13 2811, 2830

Revision of request made on August 13, 1964, to specify quarterly rather than monthly reports of information re over-extending bank's capacity to redeem, and resorting to borrowings or to sale of certificates of deposit by means effectively circumventing ceiling rates specified under Reg. Q, telegram to Presidents of all FRBanks

12/23 4518, 4532
1964
974
Pages

Regulations, Board of Governors: (continued)

Q: (continued)

Time certificates of deposit: (continued)

Withdrawal of, letter to Citizens National
Bank, Tell City, Indiana, re
payment of certificate of de-
posit before maturity in an
emergency arising from a strike,
under exception provided for in
section 217.4(d) of, letter
approved 12/2  4098, 4118

Time deposits:
Increase in maximum interest rate under,
recommended by FRBank of New
York, agreed that no increase
should be made at this time 3/11  798

Item on agenda, further consideration
when Chairman Martin could
be present at meeting 3/20  933

Open account, letter to Union Commerce
Bank, Cleveland, Ohio, re pro-
posed deposit of funds of a
political subdivision as a,
with stated maturity of three
months and provisions for au-
tomatic renewal under provi-
sions outlined, appears to
comply with requirements of
Regulation Q, letter approved 5/13  1732, 1741

Time and savings deposits:

Request from Chairman Robertson of Senate
Banking and Currency Committee
for views on merits of Regula-
tion Q, and on general policy
of regulating maximum inter-
est rates payable on savings
deposits at commercial banks,
and interest rates payable on
time deposits, after discus-
sion and views re rate regulat-
ing authority on standby basis,
Board agreed that staff would
continue work on issues in-
volved in Chairman Robertson's
inquiry 4/13  1277
Regulations, Board of Governors: (continued)

Q: (continued)

Time and savings deposits: (continued)

Request from Chairman Robertson of Senate Banking and Currency Committee for views on merits of Regulation Q: (continued)

Further discussion, with majority of Board seeing merit in standby authority but not at present, staff to redraft reply to Chairman Robertson

Reply approved

Amendment to supplement to, approved, effective November 24, 1964, to provide maximum permissible rates of: 4-1/2 per cent on time deposits of 90 days or more, unanimous approval; 4 per cent on time deposits for less than 90 days, Governor Robertson dissenting; 4 per cent on savings, Governors Robertson and Shepardson dissenting, notice to all FRBanks and branches, to be published in Federal Register, released to press

Draft of statement of interpretation answering certain questions re changes in maximum permissible rates of interest under revision of supplement to, approved, understood statement would be published in FRBulletin and Federal Register, and issued to the press

Unsecured notes:

First National Bank of Boston, Massachusetts to issue:

Question re applicability to interest rate limitations under, agreed that Messrs. Noyes, Molony, Hackley, and Solomon, undertake to draft a statement for further consideration and possible discussion with Reserve Bank Presidents, no position to be taken until further Board discussion
Regulations, Board of Governors: (continued)

Q: (continued)

Unsecured notes: (continued)

First National Bank of Boston, Massachusetts to issue: (continued)

Preference expressed for alternate draft of statement prepared by Governor Mitchell, understood that a revised draft would be prepared and distributed to Board and FRBank Presidents and that the subject would be discussed with Presidents

Issuance of statement re, approved, understood that statement would be published in Federal Register and FRBulletin

R:

Proposal to amend, to allow interlocking services:

Grace and Devine interests, requested in plan of, agreed that the plan was a violation of section 20 of the Banking Act of 1933, and that the Board was not prepared to amend

Requested by Messrs. Emil J. Pattberg, Jr. of First Boston Corporation (who in turn had received a letter from the law firm of Sullivan & Cromwell, New York, New York), and Morton N. Stein of Stein & Hoffman, Bayonne, New Jersey, dealers in stocks, bonds, and mutual funds, replies denying requests, approved

Short-term negotiable notes, possible dealing in, without contravening prohibition of, and section 32 of the Banking Act of 1933, requested by Discount Corporation of New York, New York, and Aubrey G. Lanston & Co., Inc., New York, N.Y., dealers in Government securities having interlocking directorates with member banks, ruling approved, to be published in Federal Register and FRBulletin
Regulations, Board of Governors: (continued)

R: (continued)

Tennessee Bank and Trust Company, Houston, Texas, in connection with approval of application for membership in FRSystem, attention called to violation of, letter to FRBank of Dallas and, approved

6/26 2266, 2276-79

S:

Bank service arrangements, question by Central Bank of Montana, Great Falls, Montana, whether assurances satisfactory to the Board be furnished, as specified in section 5 of the Bank Service Corporation Act and section 219.2 of, in the performing of bank services for a State member bank by another State member bank, Board's interpretation will be published in FRBulletin and Federal Register, advice to FRBank of Minneapolis

4/8 1204, 1223-25

T:

Loomis-Sayles and Company, Inc., Boston, Massachusetts, for determination as to whether it is a "creditor" within the meaning of section 220.2(b) of, and if so, whether it can be granted a blanket exemption from requirements of section 220.4(c)(2), with respect to subscriptions, letter to Federal Reserve Bank of Boston, copy to Securities and Exchange Commission, and substance of letter transmitted to all FRBanks, with request that appropriate exchange committees be informed of position taken

8/27 2963, 2971
Regulations, Board of Governors: (continued)

Travel:

Automobile:

Revision of section D 1 e of, re comparison of mileage allowance for privately-owned automobiles, to air travel first, and to rail travel second, approved, effective January 1, 1965

Recommendation that in accordance with section D 1.g.(5) of the Board's Travel Regulations, that members of the field staff of Division of Examinations, be allowed mileage rate of 7.5 cents per mile for privately-owned automobiles in official travel, effective January 1, 1965, approved

U:

Purpose and nonpurpose statements, request by First National Bank of Boston, Massachusetts, for an interpretation re a plan for loans made against collateral consisting of shares of First Participating Fund, Inc., a mutual fund in process of organization, reply to FRBank of Boston, indicating that the plan would result in loans being made in violation of

No change in Board's position re, after reconsideration, advice to FRBank of Boston

Unregulated lenders:

Request from Congressman Patman for Board's review in the case of Baird Foundations and Serge Semenenko, officer and director of First National Bank of Boston, Board proposes that SEC be advised re possible violation of

Letters to Chm. Patman and SEC, approved for transmittal
Regulations, Board of Governors: (continued)

U: (continued)

Unregulated lenders: (continued)

Request from Securities and Exchange Commission, that Board notify the Baird Foundations, New York, New York, of the failure to report loans made during 1959 for the purpose of carrying registered securities as required by section 221.3(j) of, letter to FRBank of New York, requesting that the Baird Foundations be advised and that the Board be notified re response 6/18 2139, 2168

V:

Defense Production Act of 1950, S. 2506, a bill to extend, Board has no objection to part of bill relating to Government guaranteed loans for defense production, report to Chairman Robertson of Senate Banking and Currency Committee 4/6 1142, 1154

Regulations, Comptroller of the Currency:

International operations of national banks, proposed regulation requiring Comptroller's approval re, including establishment of foreign branches, investment in Edge Corporations, and acquisitions of controlling interests in foreign banks or corporations, consensus that adoption would be unwise, understood that a revised draft reply would be prepared for consideration 1/27 270

Revised letter approved, copies to House Legal and Monetary Affairs Subcommittee, Senate and House Banking and Currency Committees, Treasury, and national banks engaged in such activities, Messrs. Molony and Fauver to answer press queries 1/29 280, 296
Regulations, Comptroller of the Currency: (continued)

Investment securities regulation:
Revision of, to authorize national banks to underwrite revenue obligations issued by public authorities and corporations, reply to Chairman Fascell of House Legal and Monetary Affairs Subcommittee, indicating that such obligations have not been exempted by Congress from Federal statutory prohibition against underwriting securities and that Congress has not authorized the Comptroller of the Currency to grant any such exemptions.

State of Israel Bonds as an investment for Steel City National Bank of Chicago, Illinois, ruling by Comptroller of the Currency under revised, Board holds it is in no position either to authorize or object.

Loans made by National Banks secured by Direct Obligations of the United States, memorandum re notice published in Federal Register re revision of, letter to Comptroller of the Currency, approved.

Regulations, Federal Deposit Insurance Corporation:
Amendment to regulation specifying maximum rate of interest on time deposits and on that portion of any savings deposit that has remained on deposit for less than twelve months, action taken by FDIC, effective November 24, 1964.

Trading in bank securities:
Agreement reached on all points of difference re proposed Board Regulation F and, expected two agencies to issue virtually identical regulations to become effective January 1, 1965.
Regulations, Federal Deposit Insurance Corporation: (continued)
   Trading in bank securities: (continued)
      Press statement to be issued by FDIC with their regulation re, Governor Robertson to consult with FDIC 12/28 4541

Regulations, Interagency:
   Bank, conflicting interpretations by Federal bank supervisory agencies re, letter from Secretary of the Treasury Dillon to Comptroller of the Currency, FDIC, and Board, enclosing letter from the President directing that Mr. Dillon establish procedure to insure that every effort be made to work in concert and compose differences, Howard H. Hackley designated as Board's contact 3/5 738, 741

Regulations, Internal Revenue Service:
   Taxation of certain types of income of controlled foreign corporations, proposed regulation relating to, request by Treasury Department prior to their action on, for Board's position under Regulation K, agreed that staff would study subject further 6/19 2175
   Further revised draft of letter to Treasury to be prepared for consideration 7/10 2415
   Letter to Treasury Department, approved with Governor Robertson's reservations noted, copy of letter sent to FRBanks, with request that copies be transmitted to Edge and agreement corporations 7/24 2569, 2585-87

Regulations, Retirement System:
   Rules for Administration of Board of Governors Plan, proposed modification to incorporate an exception for new employees from Government without a break in service, who have funds with Civil Service Retirement and prior service with FRBanks, to automatically enroll under Board plan, approved, letters to Civil Service Commission and Retirement System of FRBanks 11/2 3701, 3711-13