Minutes for April 23, 1965

To: Members of the Board

From: Office of the Secretary

Attached is a copy of the minutes of the Board of Governors of the Federal Reserve System on the above date.

It is not proposed to include a statement with respect to any of the entries in this set of minutes in the record of policy actions required to be maintained pursuant to section 10 of the Federal Reserve Act.

Should you have any question with regard to the minutes, it will be appreciated if you will advise the Secretary's Office. Otherwise, please initial below. If you were present at the meeting, your initials will indicate approval of the minutes. If you were not present, your initials will indicate only that you have seen the minutes.

Chm. Martin
Gov. Robertson
Gov. Balderston
Gov. Shepardson
Gov. Mitchell
Gov. Daane
Minutes of the Board of Governors of the Federal Reserve System

on Friday, April 23, 1965. The Board met in the Board Room at 10:00 a.m.

PRESENT: Mr. Balderston, Vice Chairman
Mr. Robertson
Mr. Shepardson
Mr. Mitchell

Mr. Sherman, Secretary
Mr. Kenyon, Assistant Secretary
Mr. Young, Adviser to the Board and Director, Division of International Finance
Mr. Noyes, Adviser to the Board
Mr. Molony, Assistant to the Board
Messrs. Hersey, Sammons, and Dahl of the Division of International Finance
Mr. Furth, Consultant
Mr. Morgan, Staff Assistant, Board Members' Offices

Mr. Melnicoff, Vice President, Federal Reserve Bank of Philadelphia

Money market review. Mr. Axilrod reviewed developments in the Government securities market, Mr. Eckert reported on bank credit developments, and Mr. Dahl summarized foreign exchange market trends and related matters. Distributed material included tables affording perspective on the money market and on bank reserve utilization, along with a chart reflecting trends in outstanding negotiable time certificates of deposit.

All who had been present except the Board members and Messrs. Sherman, Kenyon, Young, Molony, and Sammons then withdrew and the following entered the room:

Mr. Hackley, General Counsel
Mr. Goodman, Assistant Director, Division of Examinations
Mr. Leavitt, Assistant Director, Division of Examinations
Mr. Forrestal, Attorney, Legal Division
Mr. Poundstone, Review Examiner, Division of Examinations
Discount rates. The establishment without change by the Federal Reserve Banks of New York, Philadelphia, Cleveland, Richmond, Chicago, St. Louis, and Dallas on April 22, 1965, of the rates on discounts and advances in their existing schedules was approved unanimously, with the understanding that appropriate advice would be sent to those Banks.

Foreign investments. After discussion the following letters, files pertaining to which had been distributed, were approved unanimously. Copies of the approved letters are attached to these minutes under the respective item numbers indicated.

Item No.


The meeting then adjourned.

Secretary's Notes: On April 5, 1965, the Board approved a letter to the Executive Director of the Cabinet Committee on Federal Staff Retirement Systems responding to his request for certain information on the Board Plan of the Retirement System of the Federal Reserve Banks. Pursuant to the understanding stated in that letter, an additional letter was sent to the Executive Director of the Committee on April 23, 1965, providing certain statistical and other data on retirement coverage of Board employees.
Governor Shepardson today approved on behalf of the Board memoranda recommending the following actions relating to the Board's staff:

**Appointments**

Karen R. Damon as Cafeteria Helper, Division of Administrative Services, on a part-time basis, with annual salary at the rate of $1,808 (4-hour day), effective the date of entrance upon duty.

John H. Johnson as Messenger, Division of Administrative Services, with basic annual salary at the rate of $3,385, effective the date of entrance upon duty.

**Salary increases, effective April 25, 1965**

<table>
<thead>
<tr>
<th>Name and title</th>
<th>Division</th>
<th>Basic annual salary</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Legal</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Samuel E. Entriken, Attorney</td>
<td></td>
<td>$9,535</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$9,830</td>
</tr>
<tr>
<td><strong>Research and Statistics</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Helen Cooke, Statistical Clerk</td>
<td></td>
<td>4,780</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4,930</td>
</tr>
<tr>
<td><strong>Bank Operations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>P. D. Ring, Technical Assistant</td>
<td></td>
<td>12,075</td>
</tr>
<tr>
<td></td>
<td></td>
<td>12,495</td>
</tr>
<tr>
<td><strong>Examinations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>James H. Joyce, Assistant Federal Reserve Examiner</td>
<td></td>
<td>7,465</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7,710</td>
</tr>
<tr>
<td>James R. Smith, Accountant-Analyst (change in title from Review Examiner)</td>
<td></td>
<td>10,250</td>
</tr>
<tr>
<td></td>
<td></td>
<td>10,960</td>
</tr>
<tr>
<td><strong>Administrative Services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Edward Cross, Photographer (Offset)</td>
<td></td>
<td>7,467</td>
</tr>
<tr>
<td>Gordon M. Davis, Sr., Carpenter-Operating Engineer</td>
<td></td>
<td>6,531</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6,864</td>
</tr>
<tr>
<td>Bishop Hart, Bindery Worker</td>
<td></td>
<td>6,926</td>
</tr>
<tr>
<td>Margie W. Lakatos, Mailing List Clerk</td>
<td></td>
<td>4,480</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4,630</td>
</tr>
<tr>
<td>Donald W. Moon, Supervisor, Procurement Section</td>
<td></td>
<td>8,690</td>
</tr>
<tr>
<td></td>
<td></td>
<td>8,935</td>
</tr>
</tbody>
</table>
Salary increases, effective April 25, 1965 (continued)

<table>
<thead>
<tr>
<th>Name and title</th>
<th>Division</th>
<th>Basic annual salary</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>From</td>
</tr>
</tbody>
</table>

**Administrative Services**

- Albert A. Portnoy, Supervisor-Inspector
  - From: $5,875
  - To: $6,060
- Hiram J. Roush, Senior Guard (change in title from Guard)
  - From: 5,220
  - To: 5,530
- Clayton B. Stinson, Lead Messenger (change in title from Messenger)
  - From: 3,500
  - To: 3,805

**Data Processing**

- Dorothy L. Folsom, Draftsman
  - From: 4,480
  - To: 4,630
- Frank J. Miller, Senior Operator, Tabulating Equipment (change in title from Operator, Tabulating Equipment)
  - From: 4,780
  - To: 5,165

Signed: Secretary

Gentlemen:

In accordance with the request contained in your letter of February 26, 1965, transmitted through the Federal Reserve Bank of New York, and on the basis of the information furnished, the Board of Governors grants consent for Morgan Guaranty International Finance Corporation ("MGIFC") to purchase and hold 13,000 additional shares, par value Italian Lire 5,000 each, of Euramerica-Finanziaria Internazionale S.p.A., Rome, Italy, at a cost of approximately US$105,000, provided such stock is acquired within one year from the date of this letter.

The Board's consent is granted subject to the same conditions prescribed in the Board's letter of January 31, 1963, as amended May 1, 1964, granting consent to the purchase of shares of Euramerica-Finanziaria Internazionale S.p.A.

The foregoing consent is given with the understanding that the foreign loans and investments of MGIFC, combined with those of Morgan Guaranty Trust Company of New York and Morgan Guaranty International Banking Corporation, including the investment now being approved, will not exceed the guidelines established under the voluntary foreign credit restraint effort now in effect and that due consideration is being given to the priorities contained therein.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke, Assistant Secretary.
International Banking Corporation,
399 Park Avenue,

Gentlemen:

Reference is made to your letter of January 29, 1965, transmitted through the Federal Reserve Bank of New York, requesting permission to continue to hold the shares of International Trust Company, Montreal, Canada, subsequent to that Company's purchase of shares of H. C. Andreae & Company Limited, Toronto, Canada, and Andreae Equity Investment Fund Limited, Toronto, Canada.

The Board of Governors grants consent for International Trust Company to purchase shares of H. C. Andreae & Company Limited, Toronto, Canada, and Andreae Equity Investment Fund Limited, Toronto, Canada, in amounts of approximately Can.$336,500 and Can.$131,500, respectively. The Board's consent is given pursuant to the requirement therefor in the outstanding agreement between IBC and the Board of Governors under the provisions of Section 25 of the Federal Reserve Act.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.