

Minutes for July 6, 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

W

Gov. Robertson

R

Gov. Balderston

CB

Gov. Shepardson

SS

Gov. Mitchell

MM

Gov. Daane

DD

Gov. Maisel

BM

Minutes of the Board of Governors of the Federal Reserve System  
on Tuesday, July 6, 1965. The Board met in the Board Room at 10:00 a.m.

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

Mr. Sherman, Secretary  
Mr. Kenyon, Assistant Secretary  
Mr. Hackley, General Counsel  
Mr. Solomon, Director, Division of Examinations  
Mr. O'Connell, Assistant General Counsel  
Mrs. Semia, Technical Assistant, Office of the  
Secretary  
Mr. Egertson, Supervisory Review Examiner,  
Division of Examinations

Call for condition reports. The close of business June 30, 1965, having been selected according to the procedure prescribed by law as the date for the second call for reports of condition by insured banks within the calendar year 1965, a telegram was sent to the Presidents of all Federal Reserve Banks on July 1, 1965, requesting that a call be made on State member banks on July 6, 1965, for reports of condition as of the close of business June 30, 1965, on forms transmitted with the Board's letter of June 15, 1965.

The sending of the telegram was ratified by unanimous vote.

Discount rates. The establishment without change by the Federal Reserve Banks of New York, Philadelphia, Chicago, and San Francisco on July 1, 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.

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Circulated or distributed items. The following items, copies of which are attached to these minutes under the respective item numbers indicated, were approved unanimously:

	<u>Item No.</u>
Letter to Bank of Waynesboro, Waynesboro, Georgia, approving the establishment of a branch at Council and Commerce Streets.	1
Letter to Wells Fargo Bank, San Francisco, California, approving the establishment of a branch in Vacaville.	2
Order extending the period of time within which The First Virginia Corporation, Arlington, Virginia, may acquire voting shares of Bank of Chesapeake, Chesapeake, Virginia.	3

The meeting then adjourned.

Secretary's Notes: On July 2, 1965, letters were sent to Bank of America National Trust and Savings Association, San Francisco, California, acknowledging receipt of notice of its intent to establish two additional branches in India, to be located in Madras and New Delhi, respectively. Each of the letters contained the following paragraph: "With respect to the establishment of foreign branches, funds provided by home office (whether in the form of allocated capital, advances, or otherwise) should be regarded as foreign assets for purposes of the voluntary foreign credit restraint effort. However, it is understood from your letter of June 16, 1965, to the Federal Reserve Bank of San Francisco that establishment of the branch will not require the remittance of further funds to India for capitalization purposes and that you expect to defray all local expenses from available Indian Rupee sources."

Acting in the absence of Governor Shepardson, Governor Robertson approved on behalf of the Board on July 2, 1965, memoranda recommending the following actions relating to the Board's staff:

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Appointments

Ruth A. Fabricant as Economist, Division of Research and Statistics, with basic annual salary at the rate of \$9,535, effective the date of entrance upon duty.

A. Helen Peery as Key Punch Operator (Trainee), Division of Data Processing, with basic annual salary at the rate of \$3,680, effective the date of entrance upon duty.

Salary increase

Lois Orr, Secretary, Division of International Finance, from \$5,165 to \$5,505 per annum, effective July 4, 1965.

Permission to engage in outside activity

Charles W. Wood, Personnel Assistant, Division of Personnel Administration, to work for a real estate firm on a part-time basis.

Governor Shepardson today approved on behalf of the Board the following items:

Memorandum from the Division of Research and Statistics dated June 29, 1965, recommending that an additional economist position be established in the Consumer Credit and Finances Section of that Division.

Memorandum from the Division of Research and Statistics dated July 2, 1965, recommending that a programmer position be established in the Consumer Credit and Finances Section of that Division. It was understood that an existing statistical-clerical position (now vacant) in the Section would be eliminated.

Memoranda recommending the following actions relating to the Board's staff:

Appointments

Darwin L. Beck as Economist, Division of Research and Statistics, with basic annual salary at the rate of \$7,955, effective the date of entrance upon duty.

M. Carla Schiller as Statistical Clerk, Division of Data Processing, with basic annual salary at the rate of \$4,140, effective the date of entrance upon duty.

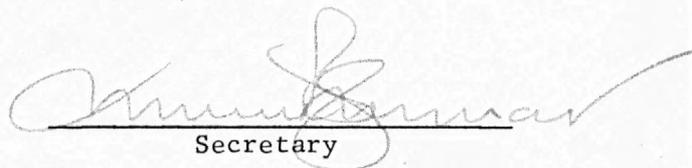
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Permission to engage in outside activity

Walter W. Graves, Cafeteria Laborer, Division of Administrative Services, to clean new cars for Ourisman Chevrolet Co., Inc.

Governor Shepardson today noted on behalf of the Board a memorandum from the Division of Administrative Services advising of the death on June 27, 1965, of Blanche B. Evans, Cafeteria Helper in that Division.



Secretary

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

Item No. 1  
7/6/65



**ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD**

July 6, 1965

Board of Directors,  
Bank of Waynesboro,  
Waynesboro, Georgia.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment by Bank of Waynesboro, Waynesboro, Georgia, of a branch at the intersection of Council and Commerce Streets, Waynesboro, Georgia, provided the branch is established within one year from the date of this letter.

Very truly yours,

(Signed) Kenneth A. Kenyon

**Kenneth A. Kenyon,  
Assistant Secretary.**

(The letter to the Reserve Bank stated that the Board also had approved a six-month extension of the period allowed to establish the branch; and that if an extension should be requested, the procedure prescribed in the Board's letter of November 9, 1962 (S-1846), should be followed.)

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

Item No. 2  
7/6/65



ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

July 6, 1965

Board of Directors,  
Wells Fargo Bank,  
San Francisco, California.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment by Wells Fargo Bank, San Francisco, California, of a branch in the vicinity of the intersection of East Monte Vista Avenue and Dobbins Street in Vacaville, Solano County, California, provided the branch is established within six months from the date of this letter. It is understood that the branch will be opened in temporary quarters in the downtown area of Vacaville.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,  
Assistant Secretary.

(The letter to the Reserve Bank stated that the Board also had approved a six-month extension of the period allowed to establish the branch; and that if an extension should be requested, the procedure prescribed in the Board's letter of November 9, 1962 (S-1846), should be followed.)

UNITED STATES OF AMERICA

BEFORE THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

WASHINGTON, D. C.

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In the Matter of the Application of	:
	:
THE FIRST VIRGINIA CORPORATION,	:
Arlington, Virginia,	:
	:
for prior approval of the acquisition of	:
voting shares of Bank of Chesapeake,	:
Chesapeake, Virginia.	:
	:

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ORDER EXTENDING PERIOD OF TIME PRESCRIBED  
BY PROVISIO IN ORDER OF APPROVAL

WHEREAS, by Order dated April 12, 1965, the Board of  
 Governors, pursuant to section 3(a)(2) of the Bank Holding Company  
 Act of 1956 (12 U.S.C. 1842(a)(2)) and section 222.4(a)(2) of  
 Federal Reserve Regulation Y (12 CFR 222.4(a)(2)), approved an appli-  
 cation on behalf of The First Virginia Corporation for the Board's  
 prior approval of the acquisition of 80 per cent or more of the voting  
 shares of Bank of Chesapeake, Chesapeake, Virginia; and said Order was  
 made subject to the proviso "that the acquisition so approved shall not  
 be consummated . . . (b) later than three months after said date [of  
 Order]", and

WHEREAS, The First Virginia Corporation has applied to the  
 Board for an extension of time within which the approved acquisition  
 may be consummated; and it appearing to the Board that good cause has

been shown for the extension of time requested and that such extension would not be inconsistent with the public interest;

IT IS HEREBY ORDERED, that the Board's Order of April 12, 1965, be, and it hereby is, amended so that the proviso relating to the date by which the acquisition approved shall be consummated shall read: "(b) later than October 12, 1965."

Dated at Washington, D. C., this 6th day of July, 1965.

By Order of the Board of Governors.

(Signed) Merritt Sherman

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Merritt Sherman,  
Secretary.

(SEAL)