

Minutes for July 26, 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

RM

Gov. Robertson

R

Gov. Balderston

CCB

Gov. Shepardson

SS

Gov. Mitchell

MM

Gov. Daane

DD

Gov. Maisel

GM

Minutes of the Board of Governors of the Federal Reserve System
on Monday, July 26, 1965. The Board met in the Board Room at 10:00 a.m.

PRESENT: Mr. Martin, Chairman
Mr. Balderston, Vice Chairman
Mr. Robertson
Mr. Mitchell
Mr. Daane
Mr. Maisel

Mr. Sherman, Secretary
Mr. Molony, Assistant to the Board
Mr. Farrell, Director, Division of Bank
Operations
Mr. Solomon, Director, Division of
Examinations
Mr. Daniels, Assistant Director, Division of
Bank Operations
Mr. Goodman, Assistant Director, Division of
Examinations
Mr. Smith, Assistant Director, Division of
Examinations
Mr. Sprecher, Assistant Director, Division
of Personnel Administration
Mr. Spencer, General Assistant, Office of the
Secretary
Mr. Forrestal, Attorney, Legal Division
Mr. Egertson, Supervisory Review Examiner,
Division of Examinations

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 Chemical Bank New York Trust Company, New York, New York, approving the establishment of a branch in the Dalewood Shopping Center, Hartsdale, Town of Greenburgh. | 1 |
| Letter to Princeton Bank and Trust Company, Princeton, New Jersey, approving the establish- ment of a branch in the Princeton Shopping Center, Princeton Township, the former location of its main office. | 2 |

7/26/65

-2-

Item No.

- | | |
|--|---|
| Letter to Trenton State Bank, Trenton, Michigan, approving the establishment of a branch at King Road and Fort Street, provided the branch at Grange and King Roads, previously approved by the Board, is not established. | 3 |
| Letter to Chase International Investment Corporation, New York, New York, granting permission to purchase additional shares of National Investment Bank for Industrial Development S. A., Athens, Greece. | 4 |
| Letter to the Federal Reserve Bank of Chicago approving proceeding with installation of vault doors and other construction work necessary to complete the unfinished vault in the third basement of the head office building addition. | 5 |

Messrs. Daniels, Goodman, Forrestal, and Egertson then withdrew from the meeting.

Officers' salaries at Richmond Bank (Item No. 6). There had been distributed a memorandum dated July 23, 1965, from the Division of Personnel Administration recommending approval of salary increases for two officers of the Federal Reserve Bank of Richmond, effective September 1, 1965, as requested in the Reserve Bank's letter of July 14, 1965.

Mr. Stuart P. Fishburne would be promoted from Assistant Vice President at the head office to Vice President and Cashier at the Charlotte Branch at an annual salary of \$17,500. Mr. William C. Glover would be given officer status with the title of Assistant Vice President, to succeed Mr. Fishburne, at an annual salary of \$13,000. A draft of

7/26/65

-3-

letter reflecting approval of the payment of salaries to Messrs. Fishburne and Glover at the rates fixed by the Board of Directors was attached to the memorandum.

Mr. Sprecher explained that the title of the position to be filled by Mr. Fishburne was being changed from Cashier to Vice President and Cashier even though Mr. E. F. MacDonald would continue as Vice President in charge of the Charlotte Branch. The Richmond Bank had indicated that the proposed change in title was evidence of its determination to improve and upgrade personnel at the branch offices.

The letter to the Federal Reserve Bank of Richmond was then approved unanimously. A copy is attached as Item No. 6.

Examination of San Francisco Bank. Mr. Smith summarized information disclosed through the examination of the Federal Reserve Bank of San Francisco made by the Board's field examining staff as of May 11, 1965, his comments being based on the report of examination and related memoranda that had been circulated to the Board.

After discussion, it was agreed that there were no matters disclosed by the examination that appeared to warrant action on the part of the Board.

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

Examination of foreign branches. Governor Robertson proposed that the Board send members of the staff to make examinations of the

7/26/65

-4-

London, Paris, and Frankfurt branches of a number of State member banks. He had in mind that Mr. Goodman, Assistant Director, Division of Examinations, would be in charge, and that he would be accompanied by appropriate members of the Board's staff and three or four examiners from the New York Reserve Bank. Governor Robertson also proposed that Mr. Grimwood of the Board's staff be authorized to proceed to London, Paris, and Frankfurt at about the same time as the examiners in order to call upon central banks in those cities and branch managers of American banks, particularly national banks, for the purpose of discussing various aspects of the voluntary foreign credit restraint program.

The Board approved proceeding with this arrangement, with the understanding that detailed travel arrangements would be authorized by Governor Shepardson on either an actual or per diem expense basis.

Report by Governor Daane. Governor Daane reported on his visit to England on Friday of last week and British plans directed at supporting the present value of the pound sterling.

The meeting then adjourned.

Secretary's Notes: Acting in the absence of Governor Shepardson, Governor Robertson today approved on behalf of the Board the following items:

Letter to the Federal Reserve Bank of Boston (attached Item No. 7) approving the appointment of William G. Hargens as assistant examiner.

Letter to the Federal Reserve Bank of New York (attached Item No. 8) approving the appointment of Robert P. Hauff as examiner and the appointment of Francis P. Jenkins, Jr., and Marian E. Sykurski as assistant examiners.

7/26/65

-5-

Acting in the absence of Governor Shepardson, Governor Balderston today approved on behalf of the Board memoranda recommending the following actions relating to the Board's staff:

Appointments

Edward M. Gramlich as Economist, Division of Research and Statistics, with basic annual salary at the rate of \$10,605, effective the date of entrance upon duty.

Wendy M. Orr as Research Assistant, Division of Research and Statistics, with basic annual salary at the rate of \$5,505, effective the date of entrance upon duty.

Bernard Michael Wennemer as Clearing Assistant, Division of Data Processing, with basic annual salary at the rate of \$5,330, effective the date of entrance upon duty.

Salary increase

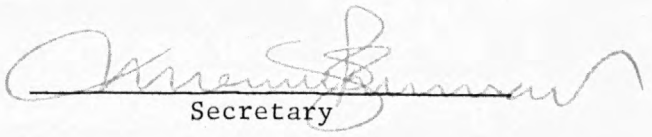
Cornelia J. Motheral, Economist (5-hour day), Division of Research and Statistics, from \$5,591 to \$6,406 per annum, effective August 1, 1965.

Acceptance of resignation

Mona E. Dingle, Senior Economist, Division of Research and Statistics, effective at the close of business July 30, 1965.

Permission to engage in outside activity

Frederic Solomon, Director, Division of Examinations, to deliver a lecture on bank capital at the School of Banking, University of Wisconsin, Madison, Wisconsin, in August 1965 while on annual leave.


Secretary

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

2458

Item No. 1
7/26/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 26, 1965

Board of Directors,
Chemical Bank New York Trust Company,
New York, New York.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment by Chemical Bank New York Trust Company, New York, New York, of a branch in the Dalewood Shopping Center on the west side of Central Park Avenue opposite Battle Avenue, Hartsdale, Town of Greenburgh (unincorporated area), Westchester County, New York, provided the branch is established within one year from the date of this letter.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
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.)

2459

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

Item No. 2
7/26/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 26, 1965.



Board of Directors,
Princeton Bank and Trust Company,
Princeton, New Jersey.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment by Princeton Bank and Trust Company, Princeton, New Jersey, of a branch at Premises #5, Building C, Princeton Shopping Center, North Harrison Street, Princeton Township, Mercer County, New Jersey.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

Item No. 3
7/26/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 26, 1965.

Board of Directors,
Trenton State Bank,
Trenton, Michigan.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment by Trenton State Bank, Trenton, Michigan, of a branch at the intersection of King Road and Fort Street, Trenton, Michigan, provided the branch is established within six months from the date of this letter, and provided further that the branch at the intersection of Grange and King Roads, Trenton, Michigan, previously approved by the Board on November 3, 1964, is not established.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
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.)

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

Item No. 4
7/26/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 26, 1965.

Chase International Investment Corporation,
1 Chase Manhattan Plaza,
New York, New York 10005.

Gentlemen:

In accordance with the request contained in your letter of July 2, 1965, transmitted through the Federal Reserve Bank of New York, and on the basis of information furnished, the Board of Governors grants consent for your Corporation to purchase and hold approximately 2,030 additional shares, par value Drachmas 3,000 each, in National Investment Bank for Industrial Development S.A., Athens, Greece, at a cost of approximately US\$203,000, provided such stock is acquired within two years from the date of this letter.

The foregoing consent is given with the understanding that the foreign loans and investments of your Corporation, separate and apart from the foreign loans and investments of your parent bank, and including the investment now being approved, will not exceed the guidelines established under the voluntary foreign credit restraint effort now in effect.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.



2462

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

Item No. 5
7/26/65



ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 26, 1965.

Mr. C. J. Scanlon, President,
Federal Reserve Bank of Chicago,
P. O. Box 834,
Chicago, Illinois. 60690.

Dear Mr. Scanlon:

This refers to your letter of July 1, 1965, concerning installation of vault doors and other construction work necessary to complete the unfinished vault in the third basement of the head office building addition.

The Board approves your Bank's proceeding with this project as described in your letter, and authorizes the expenditure of about \$265,000 for this purpose.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

Item No. 6
7/26/65



ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 26, 1965

CONFIDENTIAL (FR)

Mr. Edward A. Wayne, President,
Federal Reserve Bank of Richmond,
Richmond, Virginia. 23213

Dear Mr. Wayne:

The Board of Governors approves the payment of salaries to the following officers at the Federal Reserve Bank of Richmond for the period September 1 through December 31, 1965, at the rates indicated, which are those approved by your Board of Directors as reported in your letter of July 14, 1965.

| <u>Name</u> | <u>Title</u> | <u>Annual Salary</u> |
|---------------------|---|----------------------|
| Stuart P. Fishburne | Vice President and Cashier (Charlotte Branch) | \$17,500 |
| William C. Glover | Assistant Vice President | 13,000 |

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

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

2464

Item No. 7
7/26/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 27, 1965

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

Dear Mr. Hoyle:

In accordance with the request contained in
Mr. Aubrey's letter of July 20, 1965, the Board approves
the appointment of William G. Hargens as an assistant
examiner for the Federal Reserve Bank of Boston. Please
advise the effective date of the appointment.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

2465

Item No. 8

7/26/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 26, 1965

Mr. Fred W. Piderit, Jr., Vice President,
Federal Reserve Bank of New York,
New York, New York. 10045

Dear Mr. Piderit:

In accordance with the request contained in your letter of July 20, 1965, the Board approves the appointment of Robert P. Hauff, at present an assistant examiner, as an examiner and the appointments of Francis P. Jenkins, Jr. and Marian E. Sykurski as assistant examiners for the Federal Reserve Bank of New York. Please advise the effective dates of the appointments and the salary rate for Mr. Hauff.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.

