

Minutes for October 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

MM

Gov. Robertson

R

Gov. Balderston

CCB

Gov. Shepardson

SS

Gov. Mitchell

MM

Gov. Daane

DD

Gov. Maisel

SM

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

PRESENT: Mr. Martin, Chairman  
Mr. Shepardson  
Mr. Mitchell  
Mr. Daane  
Mr. Maisel

Mr. Sherman, Secretary  
Mr. Kenyon, Assistant Secretary  
Mr. Molony, Assistant to the Board  
Mr. Hackley, General Counsel  
Mr. Sammons, Adviser, Division of International Finance  
Mr. Leavitt, Assistant Director, Division of Examinations  
Mrs. Semia, Technical Assistant, Office of the Secretary  
Mr. Egertson, Supervisory Review Examiner, Division of Examinations

Circulated 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 Security Trust Company, Rochester, New York, approving the establishment of a branch in the Town of Penfield.	1
Letter to The Marine Trust Company of Western New York, Buffalo, New York, approving the establishment of a branch in the Village of Depew, Town of Cheektowaga.	2
Letter to Bankers Trust Company, Des Moines, Iowa, approving the establishment of a branch at 3907-23 Merle Hay Road.	3
Letter to Manufacturers Hanover Trust Company, New York, New York, approving an extension of time to establish a branch at 290 Broadway, Borough of Manhattan.	4

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Gold loan arrangement with Bank for International Settlements  
(Item No. 5). There had been distributed a memorandum dated October 5, 1965, from Mr. Young, Adviser to the Board and Director, Division of International Finance, regarding a request by the Bank for International Settlements, Basle, Switzerland, for a further one-year extension of the \$25 million standby gold loan arrangement, renewal of which was most recently approved by the Board on October 12, 1964. In a telegram of September 30, 1965, the Federal Reserve Bank of New York stated that its Board of Directors had authorized, subject to approval by the Board of Governors, an agreement to make loans to the Bank for International Settlements during a period of one year beginning November 1, 1965, up to a total amount outstanding at any one time of \$25 million, each borrowing to mature in not more than seven days and total borrowings (the maximum loan facility) during any calendar month not to exceed the equivalent of \$25 million for a total of seven days. The Reserve Bank proposed to continue to make a commitment charge at the rate of 1/4 of one per cent per annum on that part of the maximum loan facility not used in any calendar month. The arrangement would otherwise conform to the Reserve Bank's usual terms and conditions, namely, each such loan or loans would be made up to 98 per cent of the value of gold bars to be set aside at the time of each drawing under pledge to the Reserve Bank, and each such loan would bear interest, from the date it was made until paid, at the discount rate of the New York Reserve Bank in effect

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on the date such loan was made. The usual participation in any such loan or loans would be offered to the other Reserve Banks. Attached to the memorandum was a draft of telegram that would grant the approval requested by the New York Reserve Bank.

After discussion, the telegram was approved unanimously. A copy is attached as Item No. 5.

The meeting then adjourned.

Secretary's Notes: On October 5, 1965, Governor Shepardson approved on behalf of the Board memoranda recommending the following actions relating to the Board's staff:

#### Salary increase

Davita C. Hays, Secretary, Division of International Finance, from \$6,245 to \$6,650 per annum, effective October 10, 1965.

#### Acceptance of resignation

Karen Damon, Cafeteria Helper (part-time), Division of Administrative Services, effective at the close of business September 28, 1965.

Governor Shepardson today approved on behalf of the Board memoranda recommending the following actions relating to the Board's staff:

#### Appointments

Barbara Jane Greenspan as Clerk, Division of Administrative Services, with basic annual salary at the rate of \$4,005, effective the date of entrance upon duty.

Rosalie Ruegg as Economist, Division of Research and Statistics, with basic annual salary at the rate of \$7,220, effective the date of entrance upon duty.

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Reinstatement following military service

Charles E. Evans as Operator, Duplicating Devices (Trainee), Division of Administrative Services, with basic annual salary at the rate of \$4,764, effective the date of entrance upon duty.

Salary increases

James E. Miller, Operator, Tabulating Equipment, Division of Data Processing, from \$4,630 to \$5,000 per annum, with a change in title to Digital Computer Programmer (Trainee), effective October 10, 1965.

Lee R. Thompson, Operator, Tabulating Equipment (Trainee), Division of Data Processing, from \$4,005 to \$4,480 per annum, with a change in title to Operator, Tabulating Equipment, effective October 10, 1965.

Transfer

Barbara Anne Wilson, from the position of Stenographer in the Division of Personnel Administration to the position of Stenographer in the Division of Bank Operations, with no change in basic annual salary at the rate of \$4,630, effective October 10, 1965.

Acceptance of resignations

Marguerite T. Hudgins, Research Assistant, Division of Research and Statistics, effective at the close of business October 8, 1965.

Jewell I. Seay, Indexing and Reference Assistant, Office of the Secretary, effective at the close of business October 8, 1965.

Governor Shepardson today noted on behalf of the Board a memorandum from the Division of Administrative Services advising of the death of Harry F. Allen, Telegraph Operator in that Division, on October 1, 1965.

  
Secretary

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

Item No. 1  
10/6/65

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

October 6, 1965



Board of Directors,  
Security Trust Company,  
Rochester, New York.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment by Security Trust Company, Rochester, New York, of a branch on the south side of Browncroft Boulevard, east of the intersection of Browncroft Boulevard, Blossom Road and Creek Street, Town of Penfield (unincorporated area), Monroe County, New York, provided the branch is established within one year from the date of this letter.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,  
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, D. C. 20551

Item No. 2  
10/6/65



ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

October 6, 1965

Board of Directors,  
The Marine Trust Company,  
of Western New York,  
Buffalo, New York.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment by The Marine Trust Company of Western New York, of a branch approximately 425 feet southeast of the southeast corner of Walden Avenue and Dick Road, Village of Depew, Town of Cheektowaga, Erie County, New York, provided the branch is established within one year from the date of this letter.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,  
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, D. C. 20551

Item No. 3  
10/6/65

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

October 6, 1965

Board of Directors,  
Bankers Trust Company,  
Des Moines, Iowa.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment of a branch by Bankers Trust Company, Des Moines, Iowa, at 3907-23 Merle Hay Road, Des Moines, Iowa, provided the branch is established within one year from the date of this letter.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,  
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. 4  
10/6/65



ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

October 6, 1965

Board of Directors,  
Manufacturers Hanover Trust Company,  
New York, New York.

Gentlemen:

The Board of Governors of the Federal Reserve System extends to April 15, 1966, the time within which Manufacturers Hanover Trust Company may establish a branch at 290 Broadway, Borough of Manhattan, New York, New York.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,  
Assistant Secretary.

**TELEGRAM**  
LEASED WIRE SERVICE

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTON

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Item No. 5  
10/6/65

October 6, 1965

SANFORD - NEW YORK

BOARD APPROVES GRANTING LOAN OR LOANS ON GOLD UP TO  
A TOTAL OF \$25 MILLION BY THE FEDERAL RESERVE BANK OF NEW  
YORK TO THE BANK FOR INTERNATIONAL SETTLEMENTS ON THE TERMS  
DESCRIBED IN YOUR WIRE OF SEPTEMBER 30.

(Signed) Merritt Sherman

SHERMAN