

Minutes for October 18, 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	<u>W</u>
Gov. Robertson	<u>R</u>
Gov. Balderston	<u>CCB</u>
Gov. Shepardson	<u>SS</u>
Gov. Mitchell	<u>MM</u>
Gov. Daane	<u>DD</u>
Gov. Maisel	<u>BGM</u>

Minutes of a meeting of the available members of the Board of Governors of the Federal Reserve System on Monday, October 18, 1965.

The meeting was held in the Board Room at 10:00 a.m.

PRESENT: Mr. Robertson, Acting Chairman  
Mr. Shepardson  
Mr. Maisel

Mr. Sherman, Secretary  
Mr. Molony, Assistant to the Board  
Mr. Fauver, Assistant to the Board  
Mr. Leavitt, Assistant Director, Division of Examinations  
Mr. Spencer, Staff Assistant, Office of the Secretary  
Mr. Egertson, Supervisory Review Examiner, Division of Examinations  
Mr. Poundstone, Review Examiner, Division of Examinations  
Mr. Dahl, Chief, Special Studies and Operations Section, Division of International Finance

The following actions were taken subject to ratification at the next meeting of the Board at which a quorum was present:

Discount rates. The establishment without change by the Federal Reserve Banks of Cleveland, Richmond, St. Louis, Kansas City, and Dallas on October 14, 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.

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

Item No.

Letter to Boston Overseas Financial Corporation, Boston, Massachusetts, granting permission to purchase (1) additional shares of International Factors A. G., Chur, Switzerland, and (2) shares of International Factors (Australia) Proprietary Ltd., Melbourne, Australia.

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Item No.

Letter to Wells Fargo Bank, San Francisco, California, 2  
 approving an extension of time to establish a branch  
 in the Almaden Village Shopping Center, San Jose.

Report on competitive factors (Brooklyn, New York). Unanimous  
approval was given to the transmittal to the Federal Deposit Insurance  
 Corporation of a report on the competitive factors involved in the pro-  
 posed merger of Lafayette National Bank of Brooklyn in New York, Brooklyn,  
 New York, into Kings County Trust Company, Brooklyn, New York. The con-  
 clusion read as follows:

Consummation of the proposed merger of Kings County  
 Trust Company, Brooklyn, and Lafayette National Bank of  
 Brooklyn in New York, Brooklyn, would eliminate existing  
 and, to a greater degree, potential competition between  
 the two banks.

The meeting then adjourned.

Secretary's Notes: On October 15, 1965,  
 Governor Shepardson approved on behalf  
 of the Board the following items:

Memorandum from the Division of Administrative Services dated  
 October 13, 1965, recommending the conversion of a part-time position  
 in the Cafeteria, presently vacant, to a full-time position.

Memorandum from the Division of Research and Statistics recom-  
 mending acceptance of the resignation of Jo Ann Cannada, Secretary in  
 that Division, effective at the close of business October 29, 1965.

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

Letter to the Federal Reserve Bank of San Francisco (attached  
Item No. 3) approving the appointment of Wayne L. Rickards as assistant  
 examiner.

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

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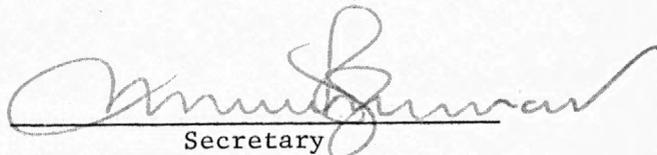
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Appointment

John Anthony Devera as Operator, Tabulating Equipment, Division of Data Processing, with basic annual salary at the rate of \$4,480, effective the date of entrance upon duty.

Acceptance of resignation

Marilynn S. Cunningham, Key Punch Operator, Division of Data Processing, effective at the close of business October 29, 1965.



Secretary

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

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Item No. 1  
10/18/65

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

October 18, 1965.



Boston Overseas  
Financial Corporation,  
67 Milk Street,  
Boston 6, Massachusetts.

Gentlemen:

In accordance with the request contained in your letter of September 7, 1965, transmitted through the Federal Reserve Bank of Boston, and on the basis of the information furnished, the Board of Governors grants consent for your Corporation to purchase and hold up to an additional 1,700 shares, par value Sw. Fr. 1,000 each, of International Factors A.G. ("IFAG"), Chur, Switzerland, at a cost of approximately US\$395,000, provided such stock is acquired within one year from the date of this letter.

The Board also approves the purchase and holding of shares of IFAG within the terms of the above consent in excess of 10 per cent of your Corporation's capital and surplus.

In accordance with the request contained in your letter of September 16, 1965, transmitted through the Federal Reserve Bank of Boston, the Board of Governors also grants consent for your Corporation to purchase and hold 65,000 shares, par value A£1 each, of International Factors (Australia) Proprietary Ltd. ("IFA"), Melbourne, Australia, at a cost of approximately US\$260,000, provided such stock is acquired within one year from the date of this letter.

The Board also approves the purchase and holding of shares of IFA within the terms of the above consent in excess of 10 per cent of your Corporation's capital and surplus.

Boston Overseas  
Financial Corporation

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The foregoing consents are given with the understanding that the foreign loans and investments of your Corporation, combined with those of The First National Bank of Boston, and Bank of Boston International, including the investments 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.

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Item No. 2  
10/18/65

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

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

October 18, 1965



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

Gentlemen:

The Board of Governors of the Federal Reserve System extends to October 15, 1966, the time within which Wells Fargo Bank may establish a branch in the Almaden Village Shopping Center at the intersection of Almaden Expressway and Crown Boulevard, San Jose, California.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,  
Assistant Secretary.

Item No. 3  
10/18/65

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



ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

October 18, 1965

Mr. E. H. Galvin, Vice President,  
Federal Reserve Bank of San Francisco,  
San Francisco, California. 94120

Dear Mr. Galvin:

In accordance with the request contained in Mr. Davenport's letter of October 13, 1965, the Board approves the appointment of Wayne L. Rickards as an assistant examiner for the Federal Reserve Bank of San Francisco, effective today.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,  
Assistant Secretary.