

Minutes for November 10, 1965.

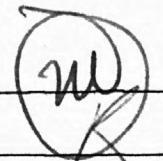
To: Members of the Board
From: Office of the Secretary

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.

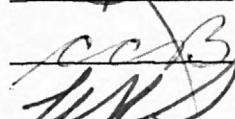
Chm. Martin



Gov. Robertson



Gov. Balderston



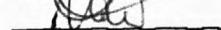
Gov. Shepardson



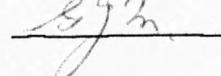
Gov. Mitchell



Gov. Daane



Gov. Maisel



Minutes of a meeting of the available members of the Board of Governors of the Federal Reserve System on Wednesday, November 10, 1965. The meeting was held in the Board Room at 11:30 a.m.

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

Mr. Sherman, Secretary
Mr. Kenyon, Assistant Secretary
Mr. Holland, Adviser to the Board
Mr. Fauver, Assistant to the Board
Mr. Hackley, General Counsel
Mr. Brill, Director, Division of Research and Statistics
Mr. Farrell, Director, Division of Bank Operations
Mr. Solomon, Director, Division of Examinations
Mr. Hooff, Assistant General Counsel
Mr. Daniels, Assistant Director, Division of Bank Operations
Mr. Leavitt, Assistant Director, Division of Examinations
Miss Eaton, General Assistant, Office of the Secretary
Mr. Collier, Assistant to the Director, Division of Bank Operations
Mr. Ring, Technical Assistant, Division of Bank Operations
Mr. Egertson, Supervisory Review Examiner, Division of Examinations

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

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 State Bank of Albany, Albany, New York,
approving the establishment of a branch at 96 South Swan Street.

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Item No.

Letter to Fidelity Union Trust Company, Newark, New Jersey, approving (1) the establishment of a branch at 305-311 Wilson Avenue and (2) an investment in bank premises.	2
Letter to Wilmington Trust Company, Wilmington, Delaware, approving (1) the establishment of a branch at 5107 Concord Pike, Brandywine Hundred, New Castle County, and (2) an investment in bank premises.	3
Letter to The Elyria Savings & Trust Company, Elyria, Ohio, approving the establishment of a branch at Station Road and Ohio Route 82 in Columbia Township.	4
Letter to Wachovia Bank and Trust Company, Winston-Salem, North Carolina, approving the establishment of a branch on Highway N.C. 54, in the service area of the Research Triangle Park, Durham County.	5
Letter to Columbus Bank and Trust Company, Columbus, Georgia, approving an extension of time to establish a branch at 1000 Fourth Avenue, branch operations at 1000 Broadway to be discontinued simultaneously with the opening of the new branch.	6
Letter to Bank of the Commonwealth, Detroit, Michigan, approving the establishment of branches (1) at 32919 Cherry Hill Road and (2) in the vicinity of Ford and Newburgh Roads, both in Nankin Township.	7
Letter to The Detroit Bank and Trust Company, Detroit, Michigan, approving the establishment of a branch at 6846 Wayne Road, Nankin Township, branch operations at 6365 Wayne Road to be discontinued simultaneously with the establishment of the new branch.	8
Letter to Bank of Lansing, Lansing, Michigan, approving the establishment of a branch at 2800 East Grand River Avenue, Lansing Township.	9
Letter to Security Bank and Trust Company, Lincoln Park, Michigan, approving the establishment of a branch in the Village of Bingham Farms, Southfield Township.	10

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Item No.

- Letter to The Mount Clemens Savings Bank, Mount Clemens, Michigan, approving the establishment of a branch at 50280 Gratiot Avenue, Chesterfield Township. 11
- Letter to Wells Fargo Bank, San Francisco, California, approving the establishment of a branch in Menlo Park. 12
- Letter to Boston Overseas Financial Corporation, Boston, Massachusetts, granting an extension of time to acquire additional shares of International Factors A.G., Chur, Switzerland. 13
- Letter to Fidelity-Philadelphia Trust Company, Philadelphia, Pennsylvania, approving an investment in bank premises. 14
- Letter to Wilmington Trust Company, Wilmington, Delaware, approving an investment in bank premises. 15
- Letter to Bucks County Bank and Trust Company, Perkasie, Pennsylvania, waiving the requirement of six months' notice of withdrawal from membership in the Federal Reserve System. 16

Effect of power failure on computation of reserve positions

(Item No. 17). Late yesterday afternoon a substantial portion of the Northeastern part of the United States experienced a failure of electric power. The areas affected included the cities of New York and Boston. In New York City the power failure occurred just before 5:30 p.m., and power was not fully restored until this morning.

Today was the last day of reserve computation periods for both reserve city and country banks. Since the power failure disrupted transportation and communications as well as check clearing and other operations of the New York and Boston Reserve Banks and those of

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commercial banks, many member banks of the First and Second Districts, including those in New York City, were unable to compute their reserve positions with accuracy.

Earlier this morning officers of the New York Reserve Bank had talked with the Board's Secretary by telephone, stating that in the circumstances the New York Reserve Bank proposed to advise reserve city banks that they would be allowed to combine, for reserve purposes, the weeks ending today and Wednesday, November 17. In addition, the President of the Boston Reserve Bank had inquired what procedure was going to be followed by the New York Reserve Bank in order that the Boston Reserve Bank might adopt a similar procedure. It was understood from the representatives of the New York Reserve Bank that a formal announcement of the plan proposed to be adopted would not be made until the matter had been cleared with the Board of Governors.

In discussion of the subject at this meeting the procedure proposed by the New York Bank was contrasted with the alternative of waiving penalties for reserve deficiencies that might be incurred as a result of the power failure. During this discussion Mr. Holland noted that the problem was accentuated by the fact that tomorrow (Veterans' Day) would be a holiday. All things considered, he said, the staff of the New York Reserve Bank and the Manager of the System Open Market Account had concluded that the New York Bank's suggested procedure would provide a simpler and more equitable solution than the

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alternative of waiving penalties for deficient reserves. On the other hand, Mr. Hackley noted that the Board's Regulation D, Reserves of Member Banks, required computation of reserve requirements by reserve city banks on the basis of weekly periods, so the New York plan would involve a departure from the provisions of the Regulation. He reviewed the outstanding general authorizations to the Reserve Banks for waiver of penalties for reserve deficiencies, including their limitations, and also pointed out that the Board had the power to authorize, as it had done on the occasion of the Alaskan earthquake, for example, the waiver of penalties for reserve deficiencies resulting from an emergency situation.

The alternatives were then considered further, both from the standpoint of the language of Regulation D and from the standpoint of their practical effect in the present circumstances.

During the discussion Mr. Sherman left the room and got in touch by telephone with certain officers of the New York Reserve Bank. Upon returning he reported that although the New York Bank would of course follow whatever procedure the Board prescribed, the officers with whom he had spoken felt quite strongly that it would be preferable if reserve city member banks were permitted to combine the two reserve weeks for reserve computation purposes. The alternative of waiving deficiencies, it was pointed out, would not take care of the situation of reserve city member banks that wound up the current reserve week

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with excess reserve funds that they otherwise might have sold in the market had they been able to compute their reserve positions accurately.

This aspect of the matter was reviewed, particularly in light of comments by Mr. Holland on the state of the money market prior to the power failure which indicated that as of such time the reserve positions of the New York City banks had been relatively easy and that in the absence of the power failure and its complications the New York City banks presumably would have been in a position to sell a substantial amount of excess funds.

Governor Robertson pointed out, however, that a quorum of the Board was not present and that in such circumstances it would seem inadvisable to depart from precedent. Consequently, it was his opinion that the only clear-cut way to proceed would be to authorize the New York and Boston Reserve Banks to waive penalties for any reserve deficiencies of member banks that were occasioned by the emergency situation attributable to the power failure.

Mr. Brill, whose opinion was requested at this point, said he recognized the question of precedent and the inhibitions against taking a step out of line with precedent in the absence of a quorum of the Board. Nevertheless, as a practical matter he felt it would be somewhat preferable to combine the two statement weeks, as the New York Bank had suggested, thus relieving the reserve city member banks of uncertainty as to what steps each bank could take in the circumstances. An action

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simply to authorize the waiver of penalties would deprive the banks of the opportunity to make appropriate adjustments in their reserve positions, some of which adjustments they might already have planned to make as a result of developments in the money market prior to the power failure.

Mr. Hackley then presented the possibility that as a compromise the Board might authorize the New York and Boston Reserve Banks to waive penalties for reserve deficiencies that were incurred by member banks in their Districts in the statement period ending today due to the effects of the power failure and to permit such banks to carry over any excess of reserves into the next statement period.

Governor Balderston left the room at this point to talk with President Hayes and upon returning reported that President Hayes and other officers of the New York Bank, upon being advised of the alternative mentioned by Mr. Hackley, expressed the view that it would serve to meet the situation satisfactorily.

After further discussion it was understood that the New York and Boston Reserve Banks would be advised by telephone that they had been given authority by the Board along the lines suggested, including authority to make adjustments in penalties that might be incurred by individual country banks whose reserve positions were affected as a result of the power failure. A copy of the telegram sent later to the Boston and New York Reserve Banks confirming this authority is attached as Item No. 17.

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Governor Robertson noted that he was not convinced from a reading of Regulation D that authority to permit a carrying over of excess reserves was compatible with the current provisions of the Regulation. Therefore, he would have preferred the alternative route of simply authorizing the waiver of penalties for reserve deficiencies incurred as a result of the power failure by member banks in the First and Second Districts.

Request for reduced reserves (Items 18 and 19). Cheltenham National Bank, Cheltenham, Pennsylvania, technically became a reserve city bank when it opened a branch inside the Philadelphia city limits on October 1, 1965. The bank apparently was not aware that the Board would have to take action to permit it to continue to carry reserves applicable to nonreserve city banks, and the Federal Reserve Bank of Philadelphia had not been informed of the opening of the branch prior to its establishment. Subsequently, the bank requested permission to maintain reduced reserves, and this request was forwarded to the Board by letter from the Philadelphia Reserve Bank dated October 25, 1965.

The Reserve Bank recommended that the request be granted and that any penalties for the member bank's failure to maintain reserves at the reserve city rate since October 1, 1965, be waived. This course was considered preferable to making the permission to carry reduced reserves retroactive because a call for condition reports as of October 13

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had been made and Cheltenham National necessarily was classified as a reserve city bank, there having been no application filed for reduced reserves at that time. In a memorandum dated October 28, 1965, which had been circulated, the Division of Bank Operations concurred in the Reserve Bank's recommendations.

The request for permission to maintain reduced reserves was approved unanimously, effective with the first biweekly reserve computation period beginning after this date, and the Philadelphia Reserve Bank was authorized to waive assessment of any penalties incurred by Cheltenham National Bank for reserve deficiencies that would not have occurred if permission to carry reduced reserves had become effective October 1, 1965. Letters to the member bank and to the Reserve Bank reflecting the foregoing action are attached as Items 18 and 19.

There had also been circulated a second memorandum from the Division of Bank Operations dated October 28, 1965, reporting that the difficulty involving Cheltenham National Bank arose because of a breakdown in communications between the Regional Office of the Comptroller of the Currency and the Federal Reserve Bank of Philadelphia. Neither the Board nor the Reserve Bank knew of the opening of the national bank's Philadelphia branch until two weeks after the event.

Submitted with the memorandum was a draft of letter that might be sent to the Comptroller of the Currency if the Board so desired. The letter would bring out, among other things, that the Regional

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Comptroller in Philadelphia had informed the Philadelphia Reserve Bank that within the past couple of months all Regional Comptrollers had been told to cease informing the Federal Reserve Banks when national banks opened branches. The letter would request that such information again be furnished the Reserve Banks.

In discussion of the matter an understanding was reported that the Comptroller of the Currency had instructed the Regional Comptrollers to cease supplying information on national bank branches to the Reserve Banks because such information was made available by his Office to the Board of Governors and it was up to the Board to relay the information to the Reserve Banks. Other comments on this point indicated that information on the establishment of branches by national banks was in fact being received at the Board's offices in routine fashion. However, the information on the branch of Cheltenham National Bank was received only after some delay.

Governor Balderston observed that an alternative to the sending of a letter to the Comptroller would be to place in the hands of Chairman Martin a draft of letter or a memorandum that he could use in bringing up the subject of communications between the Regional Comptrollers and the Reserve Banks at the next meeting of the high-level interagency group established several months ago to consider problems in the area of bank supervision.

It was understood that the course suggested by Governor Balderston would be followed. Governor Robertson indicated, however,

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that his preference would have been to send a letter to the Comptroller using the incident in question as an illustration of the need for closer communication between the Regional Comptrollers and the Federal Reserve Banks.

The meeting then adjourned.

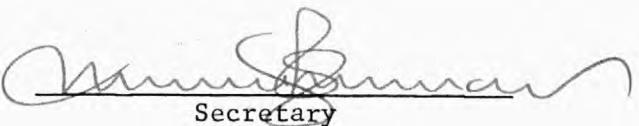
Secretary's Note: Acting in the absence of Governor Shepardson, Governor Robertson today approved on behalf of the Board memoranda recommending the following actions relating to the Board's staff:

Appointment

William L. McCoy as Guard, Division of Administrative Services, with basic annual salary at the rate of \$4,149, effective the date of entrance upon duty.

Transfer

Bonnie J. Stampley, from the position of Stenographer in the Division of Research and Statistics to the position of Secretary in that Division, with an increase in basic annual salary from \$4,797 to \$5,181, effective upon assuming her new duties.


Anna E. Bannister
Secretary

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

Item No. 1
11/10/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 10, 1965.

Board of Directors,
State Bank of Albany,
Albany, New York.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment by State Bank of Albany, Albany, New York, of a branch at 96 South Swan Street, Albany, 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.)

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

Item No. 2
11/10/65



ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 10, 1965

Board of Directors,
Fidelity Union Trust Company,
Newark, New Jersey.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment by Fidelity Union Trust Company, Newark, New Jersey, of a branch at 305-311 Wilson Avenue, Newark, New Jersey, provided the branch is established within one year from the date of this letter.

The Board of Governors also approves, under the provisions of Section 24A of the Federal Reserve Act, an additional investment of \$235,000 in bank premises incident to the establishment of the branch approved in 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.)



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

Item No. 3
11/10/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 10, 1965

Board of Directors,
Wilmington Trust Company,
Wilmington, Delaware.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment by Wilmington Trust Company, Wilmington, Delaware, of a branch office at 5107 Concord Pike, Brandywine Hundred, New Castle County, provided the branch is established within one year from the date of this letter.

The Board of Governors also approves, under the provisions of Section 24A of the Federal Reserve Act, an additional investment in bank premises of \$200,000 for the purchase of land and construction of a building thereon in which the proposed branch will be located.

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, D. C. 20551

Item No. 4
11/10/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 10, 1965

Board of Directors,
The Elyria Savings & Trust Company,
Elyria, Ohio.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment by The Elyria Savings & Trust Company, Elyria, Ohio, of a branch on the southeast corner of the intersection of Station Road and Ohio Route 82 in Columbia Township, Lorain County, Ohio, 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.)



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

Item No. 5
11/10/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 10, 1965

Board of Directors,
Wachovia Bank and Trust Company,
Winston-Salem, North Carolina.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment by Wachovia Bank and Trust Company, Winston-Salem, North Carolina, of a branch on the north side of Highway N. C. 54 in the area designated as service area of the Research Triangle Park, Durham County, North Carolina, 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.)

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BOARD OF GOVERNORS

OF THE

FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

Item No. 6

11/10/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 10, 1965

Board of Directors,
Columbus Bank and Trust Company,
Columbus, Georgia.

Gentlemen:

The Board of Governors of the Federal Reserve System has approved an extension until July 1, 1966, of the time within which Columbus Bank and Trust Company, Columbus, Georgia, may establish a branch at 1000 Fourth Avenue, Columbus, Georgia. As stated in the Board's letter of October 27, 1964, approving the establishment of the branch, operations at the bank's existing office located at 1000 Broadway are to be discontinued simultaneously with the opening of the office at 1000 Fourth Avenue.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.



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

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Item No. 7
11/10/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 10, 1965

Board of Directors,
Bank of the Commonwealth,
Detroit, Michigan.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment by Bank of the Commonwealth, Detroit, Michigan, of two branches in Nankin Township, Wayne County, Michigan, one to be located at 32919 Cherry Hill Road and the other to be located in the vicinity of the intersection of Ford Road and Newburgh Road, provided that each of the branches is established within six months from the date of this letter.

It is the Board's understanding that negotiations are now in process for the sale of capital debentures in 1966. The Board urges that such plans be formulated and the sale of debentures consummated at the earliest possible date in order that improvement in your bank's less than satisfactory capital position may be effected.

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 branches; 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. 8

11/10/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 10, 1965

Board of Directors,
The Detroit Bank and Trust Company,
Detroit, Michigan.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment of a branch by The Detroit Bank and Trust Company, Detroit, Michigan, at 6846 Wayne Road, Nankin Township, Wayne County, Michigan, provided operations of the bank's branch at 6365 Wayne Road, Nankin Township, Wayne County, Michigan, are terminated simultaneously with the establishment of the new branch. The Board has approved this branch provided it 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.)

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Item No. 9

11/10/65



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 10, 1965

Board of Directors,
Bank of Lansing,
Lansing, Michigan.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment by Bank of Lansing, Lansing, Michigan, of a branch at 2800 East Grand River Avenue, Lansing Township, Ingham County, Michigan, 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.)

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

Item No. 10
11/10/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 10, 1965

Board of Directors,
Security Bank and Trust Company,
Lincoln Park, Michigan.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment by Security Bank and Trust Company, Lincoln Park, Michigan, of a branch at the southeast corner of the intersection of Telegraph Road and Thirteen Mile Road, Village of Bingham Farms, Southfield Township, Oakland County, Michigan, 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.)

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

Item No. 11
11/10/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 10, 1965

Board of Directors,
The Mount Clemens Savings Bank,
Mount Clemens, Michigan.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment by The Mount Clemens Savings Bank, Mount Clemens, Michigan, of a branch at 50280 Gratiot Avenue, Chesterfield Township, Macomb County, Michigan, 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.)

BOARD OF GOVERNORS
OF THE

FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

Item No. 12
11/10/65ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 10, 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 Sand Hill Road and Sharon Park Drive, Menlo Park, California, 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.)



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

Item No. 13
11/10/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 10, 1965.

Boston Overseas Financial Corporation,
67 Milk Street,
Boston, Massachusetts. 02106

Gentlemen:

Reference is made to your letter of October 29, 1965, advising that you had not yet purchased 300 of the 640 additional shares of International Factors A.G., Chur, Switzerland, as authorized by the Board's consent of December 7, 1964, at a cost of approximately US\$165,000, provided such stock was acquired within one year. As requested, the Board extends to June 7, 1966, the period of time within which such purchase may be made.

In this connection, aside from the 300 shares above mentioned, it is noted that on June 30, 1965, you held a total of 1,700 shares of International Factors A.G. carried at \$393,019; subsequently on October 18, 1965, the Board granted consent to purchase 1,700 more shares at a cost of approximately US\$395,000.

The foregoing extension is 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, 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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BOARD OF GOVERNORS
OF THE

FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

Item No. 14
11/10/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 10, 1965

Board of Directors,
Fidelity-Philadelphia Trust Company,
Philadelphia, Pennsylvania.

Gentlemen:

Pursuant to the provisions of Section 24A of the Federal Reserve Act, the Board of Governors of the Federal Reserve System, approves an investment in bank premises of not to exceed \$65,000 by Fidelity-Philadelphia Trust Company, Philadelphia, Pennsylvania, in connection with the relocation of the bank's Andorra Shopping Center branch.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.



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

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Item No. 15
11/10/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 10, 1965

Board of Directors,
Wilmington Trust Company,
Wilmington, Delaware.

Gentlemen:

Pursuant to the provisions of Section 24A of the Federal Reserve Act, the Board of Governors of the Federal Reserve System approves an investment in bank premises of \$200,000 by Wilmington Trust Company, Wilmington, Delaware, for the purpose of installing a freight elevator in the bank's office building located at 100 West Tenth Street, Wilmington, Delaware.

Very truly yours,
(Signed) Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.

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BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

Item No. 16
11/10/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 10, 1965

Board of Directors,
Bucks County Bank and Trust Company,
Perkasie, Pennsylvania.

Gentlemen:

The Federal Reserve Bank of Philadelphia has forwarded to the Board of Governors President High's letter dated October 27, 1965, together with the accompanying resolution dated October 21, 1965, signifying your intention to withdraw from membership in the Federal Reserve System and requesting waiver of the six months' notice of such withdrawal.

The Board of Governors waives the requirement of six months' notice of withdrawal. Under the provisions of Section 208.10(c) of the Board's Regulation H, your institution may accomplish termination of its membership at any time within eight months from the date that notice of intention to withdraw from membership was given. Upon surrender to the Federal Reserve Bank of Philadelphia of the Federal Reserve stock issued to your institution, such stock will be cancelled and appropriate refund will be made thereon.

It is requested that the certificate of membership be returned to the Federal Reserve Bank of Philadelphia.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.

3650

Item No. 17
11/10/65

TELEGRAM
LEASED WIRE SERVICE

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON

November 10, 1965.

ELLIS - BOSTON

HAYES - NEW YORK

IN CONNECTION WITH EFFECTS OF POWER FAILURE IN PARTS OF NORTHEASTERN UNITED STATES, BOARD AUTHORIZES YOUR BANK TO WAIVE PENALTIES ON RESERVE DEFICIENCIES THAT MAY BE INCURRED BY MEMBER BANKS IN YOUR DISTRICT IN THE STATEMENT PERIOD ENDING TODAY, AND TO PERMIT BANKS TO CARRY OVER ANY EXCESS OF RESERVES INTO THE NEXT STATEMENT PERIOD. YOU ARE ALSO AUTHORIZED TO MAKE ADJUSTMENTS IN PENALTIES THAT MIGHT BE INCURRED IN THE CASE OF INDIVIDUAL COUNTRY BANKS WHOSE RESERVE POSITIONS WERE AFFECTED AS A RESULT OF THE POWER FAILURE.

(Signed) Merritt Sherman

SHERMAN



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

Item No. 18
11/10/65

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 10, 1965

Board of Directors,
Cheltenham National Bank,
Cheltenham, Pennsylvania.

Gentlemen:

With reference to your request submitted through the Federal Reserve Bank of Philadelphia, the Board of Governors, acting under the provisions of Section 19 of the Federal Reserve Act, grants permission to the Cheltenham National Bank to maintain the same reserves against deposits as are required to be maintained by nonreserve city banks, effective with the first biweekly reserve computation period beginning after the date of this letter.

Your attention is called to the fact that such permission is subject to revocation by the Board of Governors.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

3652

Item No. 19
11/10/65



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 10, 1965

Mr. Joseph R. Campbell, Vice President,
Federal Reserve Bank of Philadelphia,
Philadelphia, Pennsylvania. 19101

Dear Mr. Campbell:

Reference is made to your letter of October 25, 1965, noting that on October 1, 1965 the Cheltenham National Bank, Cheltenham, Pennsylvania, established a branch within the city limits of Philadelphia, and recommending that the bank be given permission to maintain the same reserves against deposits as are required to be maintained by banks located outside of reserve cities.

After consideration of the information submitted, the Board of Governors concurs in the recommendation of your Bank and, pursuant to the provisions of Section 19 of the Federal Reserve Act, grants permission to Cheltenham National Bank, Cheltenham, Pennsylvania, to maintain the same reserves against deposits as are required to be maintained by nonreserve city banks, effective with the first biweekly reserve computation period beginning after the date of this letter.

In the circumstances set forth in your letter and in accordance with your Bank's recommendation, the Board authorizes your Bank to waive assessment of any penalties incurred by the subject bank for reserve deficiencies that would not have occurred if permission to carry reduced reserves had been effective October 1, 1965. It is understood from your letter that such penalties totaled \$2,470.27 through October 20.

Please forward the enclosed letter addressed to the subject bank; a copy is enclosed for your files.

Very truly yours,
(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

Enclosure