INDEX TO MINUTES
 OF
 BOARD OF GOVERNORS
 OF THE
 FEDERAL RESERVE SYSTEM
 1965
 (PART 2)
Dawson, William L., Representative: (continued)

H.R. 4653, a bill to authorize checks to be drawn in favor of banking organizations for the credit of a person's account under certain conditions, report approved for transmittal to

H.R. 5012 through 5021, and H.R. 5237, each identical with the others and all of which would amend section 161 of Revised Statutes with respect to authority of Federal officers and agencies to withhold information and limit availability of records, approval given to transmittal of letter to

Deaths:

Allen, Harry F., Telegraph Operator, Division of Administrative Services, noted on behalf of the Board

Evans, Blanche B., Cafeteria Helper, Division of Administrative Services, on June 27, 1965, noted on behalf of the Board

Turney, Peggy L., Statistical Clerk, Division of Research and Statistics, on August 3, 1965, noted on behalf of the Board

Debentures:

Foreign banking corporations, request on behalf of the Company for Investing Abroad, (an Edge Act subsidiary of Fidelity-Philadelphia Trust Company), for an advisory opinion re an investment in debentures of Tubos de Acero de Mexico, S.A., letter to FRBank of Philadelphia, approved

Legislation proposed re, question whether to seek legislation authorizing Board regulation applicable to all member banks or to State member banks only, in view of time limitation the subject of capital notes and, would not be dealt with in the Board's Annual Report for 1964
Debentures: (continued)

Use of capital notes and, in lieu of capital stock:
Request by Farmers and Merchants Bank of Central California, Lodi, California, for permission to retire its outstanding preferred stock to provide for future growth, approved, suggestion that a draft letter to all FRBanks dealing with the problem re, be prepared

Approval of request would involve, constituting a policy action reversing the Board's 1952 position, staff to prepare a study to be used in discussing a policy position

Question re prospects for, by banks during this year and next year, topic for discussion with FAC

Rapid expansion in bank assets, has tightened reserve position, capital ratio and risk asset ratio have become less favorable, these developments are likely to result in, views expressed at joint meeting with FAC

Debt ceiling:

Government securities:
H.R. 7601, a bill introduced by Chairman Patman of the House Banking and Currency Committee requiring twelve FRBanks to transfer to the Secretary of the Treasury interest-bearing obligations (including discounted obligations) of the United States in the aggregate principal amount of $30 billion, representing an increase in the debt ceiling in the amount of $30 billion, Chairman Martin's statement before the Committee to be redrafted and presented in final form satisfactory to Chairman Martin
Definitions:

Regulation F:
"Held of record":

Decided to hold over a question relating to interpretation of the term, as used in section 206.2(j) of, Governor Mitchell expressed reservations about adopting the position that the Legal Division had recommended

Discussion re interpretation of, reply to FRBank of New York answering question from Bank of Commerce, Newark, New Jersey, as to whether shares of stock are "held of record" by one person, or by more than one in certain circumstances

"Officer," definition under, letter to Counsel for Deposit Guaranty Bank & Trust Company, Jackson, Miss., approved re question whether the bank's cashier and controller were officers for purposes of section 206.2(o) of, even though they did not participate in major policy making functions, approved, interpretation re, transmitted to Federal Register and sent to FRBanks for distribution to State member banks

Deltec Panamerica, S.A., letter to Western Bancorporation, Los Angeles, California, approved, re question whether a proposed investment in, may be made either by Western Bancorporation International Bank, an Edge corporation, or, alternatively, by Western Bancorporation, a registered bank holding company

Deming, Frederick L., Under Secretary of Treasury for Monetary Affairs, letter to, re possibility of a conference on coin to be attended by representatives of Treasury Department, Bureau of Mint, Board and FRBanks to discuss developments of better measures of future coin needs, approved
Deposits:
Demand, letter to FRBank of Boston re payment by Commonwealth National Bank, Boston, Massachusetts, and contemplation of payment by another national bank, of interest on, in violation of Regulation Q, through payment of rebate on an automobile loan providing a certain balance is maintained in a, letters to other FRBanks

Excessive interest paid on:
Board's views requested by Bureau of the Budget on proposal by FDIC recommending that deposits having, be considered as borrowings and be deprived of insurance coverage, need expressed for additional study with action deferred

Letter approved for transmittal to Bureau of the Budget

Request for views re a revised draft with respect to, report to Bureau of the Budget reiterating previous reservations and stating that the Board would not favor sending the proposal to the Congress

Legislative proposed by FDIC to deal with:
Letter to FDIC recommending submission of, to Bureau of the Budget for consideration, understood staff would begin drafting pertinent changes in, and that draft of amendment to Section 19 of the FRAct would be prepared

To amend the Federal Deposit Insurance Act and the FRAct to provide a penalty for payment of, in violation of Federal regulations, draft of letter to Bureau of the Budget, approved

Discussion between Legal Division and FDIC had resulted in revised draft bill, eliminating substantial administrative problems
Deposits: (continued)

Excessive interest paid on: (continued)

Legislative interest proposed by FDIC to deal with: (continued)

Chm. Randall and Messrs. John Lee and Wm. Monroney of FDIC, met with Board and staff members, understood revised draft bill reflecting results of meeting would be sent 7/1 2223

Revised draft bill transmitted to Chairman Randall of FDIC 7/1 2223

Recent developments relating to, reported on, reply to Senator McClellan on changes in bank supervision policies and procedures 7/30 2495

S. 2354, introduced at request of FDIC, a bill to amend the FDIAct and the FRAct to limit payment of compensation for obtaining deposits, letter to Chm. Robertson of Senate Banking and Currency Committee, approved 9/13 2956, 2961

FRBank of Dallas, request from Congressman Wright that a disinterested third party be permitted to examine records of, to determine truth of charge that the deceased father of Albert Sidney Lackey had funds deposited in, reply approved 6/10 1939, 1951

Board agreed that a review of Bank's account books would be made at time of next examination to put on record the fact that such examination had been made in connection with claim 6/10 1940

First Pennsylvania Banking and Trust Company, Philadelphia, Pa., questions under Regulation Q, (1) whether a bank could allow a depositor a 10-day "grace-period" following each redemption date within which he might withdraw his funds, (2) whether a bank could combine interest payments in a single check for certificates issued on various days in the same month, affirmative reply to FRBank of Philadelphia, substance of letter sent to all FRBanks 11/15 3660, 3675
Deposits: (continued)

Foreign time deposits:

Treasury draft bill to continue the authority of domestic banks to pay interest on time deposits for foreign governments at rates differing from those applicable to domestic depositors, letter to Bureau of the Budget, approved 1/11 103, 108

S. 1227, a bill to continue the authority of domestic banks to pay interest on, of foreign governments at rates differing from those applicable to domestic depositors, letter to Senator Robertson, Chairman of Senate Banking and Currency Committee, approved 3/9 817, 828

H.R. 5306, an enrolled bill to continue the authority of domestic banks to pay interest on, of foreign governments at rates differing from those applicable to domestic depositors, report to Bureau of the Budget, approved 7/9 2264, 2270

Regulation Q, memorandum recommending that section 217.3(a) of, be amended to reflect the approval of July 21, 1965, of an act amending section 19 of FRAct so as to continue from October 15, 1965, until October 15, 1968, the exemption of deposits of foreign governments and certain foreign institutions from regulation by the Board as to rates of interest member banks may pay on time deposits, amendment approved effective August 5, 1965 8/5 2609, 2619

Insurance on:

H.R. 108, an omnibus bill that would increase deposit and share account insurance coverage, Board's views on legislation re deposit interest rates to be conveyed to Treasury Department with a memorandum suggesting certain changes in the language of 3/9 819
Deposits: (continued)

Insurance on: (continued)

Treasury Department's draft bill to increase deposit insurance, place regulation of interest rates on a standby basis, and amend other provisions of the law, letter to Budget Bureau, approved

Maximum rates of interest on:

Amendment to supplement of Regulation Q, approved, increasing, that member banks are permitted to pay their depositors to 5-1/2 percent on all time deposits, and certificates of deposit having a maturity of 30 days or more, effective December 6, 1965

Promissory notes:

Memorandum from Governor Robertson attaching a draft of amendment to Regulation Q (a corresponding amendment to Regulation D being assumed) that would define the term "deposit" as any indebtedness of a member bank that arises out of a transaction in the ordinary course of its business, understood that proposal would be considered further when all members of the Board could be present

Further consideration of subject deferred until all members of the Board could participate

Governor Mitchell's memorandum captioned "The Federal Reserve Image" indicated that he shared Governor Robertson's concern re widespread use of unsecured, by commercial banks

Governor Robertson's opinion that the Board should adopt an amendment to Regulation Q that would bring unsecured, within the definition of deposits, indicated the Legal Division would prepare for Board's consideration an amendment re, presumed it would be published in Federal Register
Chairman Martin observed that it would seem appropriate for him to meet with the Comptroller of the Currency before proposed amendments on Regulation Q were published for comment, question was raised whether the Chairman would want to be authorized to say to the Comptroller that the Board was prepared to take such action, Chairman Martin indicated that he did not believe matters had yet developed to the point that this would be necessary.

Letter to Chairman Patman of the House Banking and Currency Committee with respect to issuance by national banks of short-term, approved

Belief by Chairman Martin that if Board were to take action to sharpen the distinction between savings and other time deposits, he would also favor action on proposal to define, issued by banks, as deposits, consensus that staff should prepare information-gathering proposals for Board's consideration

Interagency Coordinating Committee on matters in bank supervisory area to be advised of proposed amendment to Regulation Q to define, as deposits, before being published in the Federal Register

All members of the Board present except Governor Maisel said that they would favor sending proposed amendment to Federal Register to bring, within definition of deposits in Regulation Q and D, Governor Balderston to report on, to interagency committee.
Deposits: (continued)

Promissory notes: (continued)

As result of yesterday's meeting of Interagency Coordinating Committee on Bank Regulation it was understood that publication of proposed amendment re, would be withheld for 10 business days.

FRBanks advised re proposal on confidential basis.

Savings:

Corporations, letter approved to all Federal Reserve Banks re whether a member bank may accept as a savings account a deposit made by an industrial corporation consisting of funds pledged by an individual.

Topic for discussion with FAC, re Council's appraisal of factors underlying rapid increase in both time certificates of deposit and

Increase in savings deposits varies from district to district, reflecting in part interest paid on balances, rapid increases in time C.D.'s, are result of aggressive bidding by major commercial banks who have been offering higher rates to obtain funds to meet borrowing demand, view expressed at joint meeting with FAC.

Savings bonds:

New category of, Governor Mitchell issued a memorandum captioned "The Federal Reserve Image," proposing consideration of a suggestion re, a savings bond or non-negotiable certificate of deposit with a maturity of 5 years or more, with a ceiling rate of 5 per cent and a requirement of notice of withdrawal of at least 30 days.
Deposits: (continued)

Savings and loan association acquired by a national bank, question re continuation of interest payments as previously paid by, need for a change in policy necessary to comply with Regulation Q, advice to FRBank of Boston with a copy to the Comptroller of the Currency

Statistics, deposits-by-counties, in connection with antitrust suit, United States v. Crocker-Anglo National Bank et al, request by Robert J. Archer, counsel for defendant, for data from 1964 survey of deposits of banks in California, and request by Justice Department for same data if supplied to Mr. Archer, letters approved to Justice Department and Mr. Archer complying with requests

Another letter sent to Justice Department removing restrictions placed on use of 1954 and 1956 data on deposits by counties previously sent to the Justice Department

Time:

Amendment to supplement of Regulation Q, increasing the maximum rates that member banks are permitted to pay their depositors to 5-1/2 per cent on all time deposits and certificates of deposit having a maturity of 30 days or more, approved, Governor Robertson dissenting, effective December 6, 1965, press release issued and notice to be published in the Federal Register

Governor Robertson issued dissenting statement on amendment to supplement to Regulation Q
Deposits: (continued)
Time: (continued)
Amendment to supplement of Regulation Q: (continued)
Telephone call from Mr. Deming, Under Secretary of the Treasury for Monetary Affairs, suggesting a meeting re the concern being felt about possible effect on smaller banks and savings institutions with respect to, staff requested to prepare material for use if suggested meeting should take place 12/8 4082
Approval given to letter to Norman Strunk, Executive Vice President of United States Savings and Loan League, re recent change in maximum rates payable on time and savings deposits at commercial banks, Governor Robertson dissenting 12/21 4325
Interest rates paid on:
Letter to FRBank of St. Louis, approved, re question raised by Kentucky Bankers Association with respect to rate of interest on loans by a member bank secured by time deposits in such bank, understanding that substance of letter would be published in the Federal Register and FRBulletin 4/2 1070, 1074
Letter approved to Senator Long of Missouri, re a request that the Board consider an amendment to Regulation Q, to provide that in those States where the rate of interest payable by banking institutions on time deposits of State moneys is set by statute at the maximum rate prescribed by Regulation Q 12/15 4161, 4194
Further discussion re proposals on, to be considered when all members of Board were present and when sufficient data had been received in response to Board's request for rate information in connection with 12/22 4338
Deposits: (continued)
Time: (continued)

Payment before maturity in emergencies:
Possible amendment to Regulation Q, that would eliminate provision for, or in the alternative an amendment along the lines of permitting payment before maturity only if the depositor forfeited all accrued interest on the amount withdrawn, understood Mr. Hackley would draft such amendments

Board took no action re
Reference to proposal and to time when Interagency Coordinating Committee should be informed, to be considered with other proposals when all Board members are present

Withdrawal of open, question raised by national bank in Springfield, Virginia, whether interest could be paid at the rate of 4-1/2 per cent when a deposit contract provided that the depositor was required to give written notice of 90 days or more prior to, understood memorandum would be sent to FDIC for discussion and to Comptroller of the Currency and Chairman of Home Loan Bank Board for comments

Time certificates:
Department of Agriculture, letter to, re proposed amendment to a regulation of the Agriculture Marketing Service authorizing market agencies selling or buying livestock on a commission basis to convert a reasonable portion of custodial funds, now carried as demand deposits, to certificates of deposit payable to the agency in its fiduciary capacity as trustee of custodial funds
Deposits: (continued)
Time certificates: (continued)

Grace period of 10-days following redemption date within which funds may be withdrawn, questioned by First Pennsylvania Banking and Trust Company, Philadelphia, Pennsylvania, affirmative reply to FRBank of Philadelphia with substance of letter sent to all FRBanks

Interest payment in one check for certificates issued on various days in the same month, questioned by First Pennsylvania Banking and Trust Company, Philadelphia, Pennsylvania, affirmative reply to FRBank of Philadelphia, substance of letter sent to all FRBanks

Interest rate on:
Governor Mitchell issued a memorandum captioned "The Federal Reserve Image," proposing consideration of a package of policy actions, second proposal called for increasing the ceiling interest rate on negotiable certificates of deposit to 6 per cent, with a reduction in the minimum term of such paper to 15 days

"Investment savings certificates," letter approved to Federal Home Loan Bank Board with regard to a newspaper advertisement by Texas Bank and Trust Company, Dallas, Texas, purporting to guarantee an average yearly earning of 5.02 per cent on, if such certificates were not paid before five years, possible that Texas Bank and Trust Company might be in violation of Board's Regulation Q
Deposits: (continued)

Time certificates: (continued)

Negotiable:

San Francisco National Bank of San Francisco, California, and Brighton National Bank of Brighton, Colorado, declared insolvent by Comptroller of the Currency, possibility of, contributing to insolvency, discussed, Mr. Solomon, Director, Division of Examinations, to submit to Board a statement for consideration for possible use if hearings should be called

Questions by members of Congress re use of, possibility of Congressional hearings, understood that draft statement re use of, would be revised in light of Governor Daane's comments

Question re present situation in the market for, short-term unsecured notes, topic for discussion with FAC

Good market for, with volume growing, some feeling that tendency may be to shift funds to larger centers, likelihood that volume of deposits and notes may increase further if flow of corporate funds is curtailed

Approval given to letter to Chairman Fascell of House Legal and Monetary Affairs Subcommittee, re certain questions he raised about increased use of, by banks

In sending out condition reports to all FRBanks for use by State member banks and their affiliates it was noted that discussions were in progress with other Federal Bank Supervisory Agencies that may lead to collection of information on, issued by State member banks
Deposits: (continued)

Time certificates: (continued)

Negotiable: (continued)

To what extent is the lack of change in the dollar value volume of, at banks outside the New York City banking area from inability to sell certificates under Regulation Q ceilings and from unwillingness to issue them, topic for discussion with FAC

The dollar volume outside New York City reflects largely unwillingness of many banks to issue at present rate, increased hesitancy on part of many corporate treasurers to place deposits at smaller banks, 4 per cent interest ceiling and restricted amounts of savings and loans at a single bank, view expressed at joint meeting with FAC

What is Council's appraisal of factors underlying rapid increase in both savings and, occurring since midyear, topic for discussion with FAC

Rapid increases in, largely the results of more aggressive bidding by major commercial banks who have been offering higher rates to obtain funds to meet borrowing demand, view expressed at joint meeting with FAC

How have recent developments affected the ability of banks to attract funds for, topic for discussion with FAC

Banks obliged to pay higher rates and generally to shorten maturities on, in an attempt to attract funds necessary to meet their borrowing customers' requirements, banks are now finding it difficult to replace maturing CD's or to attract new funds at ceiling rates established by Regulation Q, views expressed at joint meeting with FAC
Deposits: (continued)

Time certificates: (continued)

Nonnegotiable, Governor Mitchell issued a memorandum captioned "The Federal Reserve Image," proposing consideration of a suggestion for a new category of savings instruments, that is, a savings bond or, with a maturity of 5 years or more, a ceiling rate of 5 per cent, and a requirement of notice of withdrawal of at least 30 days.

Schedule FA-Supplementary Information on, for use along with spring condition reports, approved, letter to FRBanks

Chairman Martin suggested that staff proceed with consideration of form most useful to Board, and work out problems on inter-agency basis.

Study, Governor Mitchell issued a memorandum captioned "The Federal Reserve Image," suggesting that he would launch studies on what device or devices could be used to make the negotiable certificates of deposit of all member banks of equal marketability, and without a price disadvantage to non-prime banks.

Time and savings:

Growth of total, question whether 1963 and 1964 rates of, are likely to continue in 1965, topic for discussion with FAC.

Preliminary figures suggest that the rates of growth will continue in 1965, with rate of growth depending on banks seeking funds which will be determined largely by the loan demand.
Deposits: (continued)

Time and savings: (continued)

Interest rates paid on:

Request by Treasury Department for a general indication of the Board's present position re standby authority over, understood Board's views would be conveyed to Treasury Department in connection with the report re H.R. 108, a bill that would, among other things, increase deposit and share account insurance coverage

Consideration of memoranda from Messrs. Brill, Eckert, and Hackley, re limiting the issuance of savings bonds and certificates being used by banks to avoid the 4 per cent maximum rate of interest allowed on savings deposits by shifting to such instruments which meet the regulatory definition of time deposits, staff to consider further

Discussion re impact on savings and loan associations from recent change in maximum rates payable on time deposits, discussion re possible action to sharpen the distinction between savings and other time deposits, and to define promissory notes as deposits, consensus to secure more information re need for action, understood staff would prepare information-gathering proposals for Board's consideration

Telegram sent to all member banks asking for prompt advice on any changes made in rates and terms offered on, text of telegram to be subject of press release

Telephone conference held with all Federal Reserve Banks during the meeting re
Deposits: (continued)
Time and savings: (continued)
Interest rates paid on: (continued)
Letter to all FRBanks requesting that they communicate with all member banks that are paying a rate of interest that might suggest a lack of prudence

Destruction of records:
Board's files pertaining to FRBank personnel matters and appointment of Reserve Bank and branch directors, recommendation that there be submitted to National Archives a request for Congressional authority to place these particular records on destruction schedule, approved

Dinners:
Auditors' Conference of FRBanks, to be held on April 21-23, 1965, with dinner cost authorized for forty-nine persons to be given at the Shoreham Hotel

Bank of England and the United Kingdom Treasury:
Dinner to be arranged at the International Club for representatives of, who will be in Washington beginning May 17, 1965, with cost of dinner to be paid by the Board

Memorandum from Mr. Young, Adviser to the Board and Director, Division of International Finance, recommending that Board authorize sharing with the Treasury the cost of a dinner on Monday, May 24, for certain officials of, approved

British Treasury and central bank representatives, small dinner to be given for, who will be in Washington on January 25-26, 1965, for informal conversations on financial problems, approved, understood that a few members of the Board and Treasury staffs would be invited to attend
Dinners: (continued)

Counsel of FRBanks, memorandum from Mr. Hackley, General Counsel, recommending that Board authorize the holding of a conference of, on October 18 and 19, 1965, along with a dinner on October 18, provision for which had been made in the 1965 budget, recommendation approved.

Directives in connection with dinners for official visitors, approved.

Directors' Day:
Meeting of newly appointed directors with Board on March 25, to be preceded by a reception and dinner on the evening of March 24, understood that tentative program was satisfactory and that further planning would proceed on this basis.

Report re arrangements for, seemed satisfactory to Board.

Agreed that a dinner would be given for directors of FRBanks and branches attending the meeting on the evening of March 23.

Examiners' Conference of Representatives of Bank Examination Department of Federal Reserve Banks, March 29-30, 1965:
Dinner provided at a local hotel during the conference, approved.

Understood that Board attendance would be submitted to Governor Shepardson for approval and that appropriate restrictions would be placed on the number invited.

List of forty-eight persons from Board and Board's staff to attend a dinner at local hotel in connection with, approved on March 23, 1965.
Dinners: (continued)

Group of Ten Finance Ministers:

Deputies of, memorandum approved from Governor Daane, recommending payment by the Board of the cost of a small dinner at the Cosmos Club on July 20, 1965, in honor of the Chairman of.

Suggestion approved that Federal Reserve join the Treasury in tendering a dinner at the State Department on September 24, 1965, for representatives of Working Party 3 and, attending the annual meetings of the International Monetary Fund and the International Bank for Reconstruction and Development, anticipated that approximately seventy-five persons might attend, payment of cost as co-host with Treasury, authorized.

Organization for Economic Cooperation and Development, payment authorized to Mr. Young, Adviser to Board and Director, Division of International Finance, of an amount up to $250 toward the cost of a dinner in honor of the Under Secretary of the Treasury for Monetary Affairs, to be held in re to meetings of Working Party 3 and, scheduled in Paris February 15-18, 1965, travel by Mr. Young on an actual expense basis including an allowance for official entertainment, also authorized.

Plumptre, A. F. W., Assistant Deputy Minister of Finance of Canada and an Executive Director of the International Monetary Fund, payment approved of one-half of the cost of a dinner given on March 25, 1965, in honor of, remainder of the cost was being paid by the Treasury Department.
Dinners: (continued)

System Research Advisory Committee, recommendation that a dinner be arranged for about fifty persons at a cost of approximately $400 with provisions having been made in the 1965 budget of the Division of Research and Statistics, set for June 15, 1965, approved.

Direct verification program:
SEE: Examinations, State member banks
Direct verification program

Directives:
Staff of Board of Governors:
Examination and supervision of FRBanks:
Staff committee composed of Mr. Solomon, Chairman, and Messrs. Noyes, Brill, Farrell, and Johnson to work out a more clear-cut delineation of the areas of responsibility and methods of cooperation for Board's divisions having responsibilities re functions of FRBanks, draft of directives, approved, subject to changes reflecting the amendments agreed upon

Directives now issued and copies sent to heads of divisions of Board's staff and also to FRBanks

Directors:
FRBank of Atlanta:
Classification for purposes of electing Class A and Class B directors, changes approved

Hatch, Edwin Irby, Class C, President of the Georgia Power Company, Atlanta, Georgia, appointment to be made if willing to accept, if unavailable, the same procedure would be followed re Frank M. Malone, Vice President of Southern Bell Telephone and Telegraph Company, Atlanta

Advice received re willingness to accept, appointment telegram sent on January 3, 1966
Directors: (continued)

FRBank of Atlanta: (continued)

Malone, Frank M., Class C, Vice President in charge of operations (Atlanta) of Southern Bell Telephone and Telegraph Company, appointment to be made if it is found that Edwin Irby Hatch, President of the Georgia Power Company, Atlanta, Georgia, would not be available to serve.

Ascertained that Mr. Hatch would be able to serve.

Oliver, L. E., Class C, Vice President, Southern Territory of Sears Roebuck and Company, Atlanta, Georgia, appointment to be made if found that Carl J. Reith, President of Colonial Stores, Inc., Atlanta, Georgia, could not accept.

Reith, Carl J., Class C, President Colonial Stores, Inc., Atlanta, Georgia, appointment approved if willing to accept.

Tarver, Jack, Chairman and FRAgent, designation for 1966.

FRBank of Boston:

Canham, Edwin D., Chairman and FRAgent, designation for 1966.

Cole, Charles Wesley, Class C, appointment approved if willing to accept.

Advice received re willingness to accept, appointment telegram sent on November 18, 1965.

Agreed that appointment should be made effective on date earlier than January 1, 1966, if feasible, to succeed James McCormack.

McCormack, James, Class C, resigned.

Resignation submitted as of the end of November 1965, to be replaced by Charles W. Cole, of Amherst, Massachusetts, who had advised Board he could accept.
Directors: (continued)

FRBank of Boston: (continued)

Price, Don K., Jr., Dean of School of Public Administration, Harvard University, agreed to ascertain willingness to accept appointment as Class C, to replace James McCormack, who had resigned

Teele, Stanley F., Treasurer of Amherst College, agreed that if Don K. Price, Jr., were unable to accept appointment as Class C, similar steps should be taken

Webster, William, Deputy Chairman, appointment for 1966, approved

FRBank of Chicago:

Lunding, Franklin J., Chairman and FRAgent, designation for 1966

Miller, Arjay, Class C, President, Ford Motor Company, appointment approved if willing to accept

Sheldon, John W., Deputy Chairman, appointment for 1966, approved

Stahr, Elvis J., Jr., Class C, President of Indiana University, Bloomington, Indiana, appointment approved if willing to accept

Advice received re willingness to accept, appointment telegram sent on December 14, 1965

FRBank of Cleveland:

Classification of member banks in the Fourth District for the purpose of electing Class A and Class B directors, no change to be made

Hall, Joseph B., Chairman and FRAgent, designation for 1966

Johnston, Logan T., Class C, reappointed for a three-year term beginning January 1, 1966, approved

Appointed as Deputy Chairman for 1966, approved
Directors: (continued)
FRBank of Dallas:
Classification for purposes of electing Class A and Class B directors, changes approved
Levine, Max, Deputy Chairman, appointment for 1966, approved
Pitzer, Kenneth S., Class C, President, Rice University, Houston, Texas, appointment approved if willing to accept, if not available, a similar inquiry would be made of James Earl Rudder, President, Texas A. & M. University, College Station, Texas
Advice received re willingness to accept, appointment telegram sent December 3, 1965
Rudder, James Earl, Class C, President, Texas A. & M. University, College Station, Texas, if it is learned that Kenneth S. Pitzer, President, Rice University, Houston, Texas, is not available for appointment as a Class C, inquiry will be made of
Thomsen, Carl J., Chairman and FRAgent, designation for 1966
FRBank of Kansas City:
McGee, Dean A., Class C, reappointed for a three-year term beginning January 1, 1966, approved
Scott, Homer A., Chairman and FRAgent, designation for 1966
Simons, Dolph, Deputy Chairman, appointment for 1966, approved
FRBank of Minneapolis:
Bean, Atherton, Chairman of Board of, discussion re filling position of, which would be vacant at end of 1965, with suggestion made by Chairman Martin that Deputy Chairman Bemis be named Chairman, Class C director also to be sought
Directors: (continued)

FRBank of Minneapolis: (continued)

Bemis, Judson, Deputy Chairman, suggestion re, to succeed Mr. Bean as Chairman 8/16 2698

Chairman and FRAgent, designation for 1966 10/27 3406

Dayton, Donald C., President of Dayton's Department Store, Minneapolis, Minnesota, agreed to ascertain through Chairman Bean whether Paul S. Gerot, Chairman of The Pillsbury Company, Minneapolis, or, would accept appointment as Class C, for a three-year term, understanding that Messrs. Gerot and Dayton would be approached in order of Chairman Bean's preference 11/15 3666

Gerot, Paul S., Chairman of The Pillsbury Company, Minneapolis, Minn., agreed to ascertain through Chairman Bean of FRBank of Minneapolis whether Donald C. Dayton, or, would accept appointment as Class C 11/15 3666

Lilly, David M., Class C, President of Toro Manufacturing Corporation, Minneapolis, Minnesota, appointment approved if willing to accept 12/22 4337

FRBank of New York:

Case, Everett N., designated as Chairman for the year 1966, replacing Philip D. Reed 10/14 3314

Chairman and FRAgent, designation for 1966, reaffirmed 10/27 3406

Hannan, Kenneth H., Executive Vice President, Union Carbide Corporation, currently as Class B director, agreed to appoint as a Class C director for a three-year term beginning January 1, 1966, and as Deputy Chairman, if willing to accept, since Mr. Hannan has served six years as a Class B director it was noted that action taken constituted an exception to the normal policy of rotation 11/8 3594
Directors: (continued)

FRBank of New York: (continued)
Hannan, Kenneth H., Executive Vice President, Union Carbide Corporation: (continued)
Advice re willingness to accept, received, appointment telegram sent 11/18 3759
Nickerson, Albert L., Chairman of Board, Socony Mobil Oil Company, Inc., and presently as Class B, to be ascertained whether if so appointed, Mr. Nickerson would be willing to serve as Class C director and Deputy Chairman of FRBank of New York 10/14 3314
Subsequently reported that Mr. Nickerson would not be able to serve in the capacity suggested 10/14 3315
Reed, Philip D., will have completed six years of service as Chairman and Class C director at end of 1965, Everett N. Case designated Chairman for year 1966 to replace 10/14 3314

FRBank of Philadelphia:
Hoadley, Walter E., Chairman and FRAgent, designation for 1966 10/27 3406
Winn, Willis J., Deputy Chairman, appointment for 1966, approved 10/27 3407
Yarnal, D. Robert, Jr., reappointed as Class C, for a three-year term beginning January 1, 1966, approved 10/27 3405

FRBank of Richmond:
Grier, William H., Deputy Chairman, appointment for 1966, approved 10/27 3407
Hyde, Edwin, Chairman and FRAgent, designation for 1966 10/27 3406

FRBank of St. Louis:
Classification for purposes of electing Class A and Class B, no change in the existing classification to be made this year 8/30 2811, 2815
Directors: (continued)
FRBank of St. Louis: (continued)

Broadbent, Smith D., Jr., Deputy Chairman, appointment for 1966, approved 10/27 3407

Appointed as Deputy Chairman for 1966, reaffirmed 12/7 4068

Rebsamen, Raymond, Chairman of FRBank of St. Louis, questions re eligibility as a Class C director, in light of serving as president of a life insurance company and as director of an open-end mutual fund, determined not legally disqualified, another question related to the fact that children of, owned fifty per cent of the bank stock of national bank in Jacksonville, Arkansas, Mr. Rebsamen voted stock for children, this latter matter to be discussed by Chairman Martin with 11/8 3594

Reappointed as a Class C, for the three-year term beginning January 1, 1966, approved, and designated as Chairman and FRAgent for the calendar year 1966 12/7 4068

FRBank of San Francisco:
Classification for purposes of electing Class A and Class B directors, changes approved 6/17 2045, 2065

Fredericks, John D., Deputy Chairman, appointment for 1966, approved 10/27 3407

Advice to, re reappointment for the year 1966 12/1 3895

Hirschler, Frederic S., Chairman and FRAgent, designation for 1966 11/3 3517

Lindeman, Carl O., Class C, Chairman of Pacific Telephone Company, appointment to be made if willing to accept, if not available a similar inquiry should be made of Eugene E. Trefethen, Executive Vice President, Kaiser Industries, Oakland, California 11/3 3516
Directors: (continued)
FRBank of San Francisco: (continued)
Rocca, Bernard T., Jr., Class C, President of Pacific Vegetable Oil Corporation, San Francisco, California, appointment to be made if willing to accept
Advice received re willingness to accept, appointment telegram sent on December 3, 1965
Eugene E., Class C, Executive Vice President, Kaiser Industries, Oakland, California, appointment to be made if it was found that Carl O. Lindeman, Chairman, Pacific Telephone Company, San Francisco, could not accept
FRBanks:
Conflict of interest of:
No division of Board's staff appeared to have direct responsibility for reviewing the adequacy of Federal Reserve Banks for, or possible abuses of information by them, staff committee recommended that Legal Division be directed to give continuing attention to the subject, including statements or instructions that the Board might issue, agreement expressed
Point raised by staff member that if responsibility for bank supervision was centered in the Board and powers to decide certain types of cases were delegated to the FRBanks, the service of bankers as, could lead to conflicts of interest, or at least to charges of such conflicts, point recognized
Rotation policy, exception re appointment of Kenneth H. Hannan, Executive Vice President, Union Carabide Corp., as Class C, for three-year term, since Mr. Hannan has served six years as a Class B, understood action taken constituted an exception to the normal policy of rotation
Directors: (continued)
FRBanks: (continued)

Stock ownership by children of Raymond Rebsamen, Chairman of FRBank of St. Louis, questions relating to eligibility for service as a Class C, of FRBank of St. Louis, in light of, understood that Mr. Hackley would furnish to Chairman Martin such facts as could be ascertained and that Chairman Martin would discuss matter with Chairman Rebsamen

FRBanks and Branches:
Appointments and reappointments:
List of names with respect to appointments of Chairmen, Deputy Chairmen, and Class C directors at Federal Reserve Banks and the appointment of directors at FRBank Branches, for terms beginning January 1, 1966

In case of other appointments, reappointments, or designations for terms beginning January 1, 1966, procedures were agreed upon that would permit the matters to be considered by Board in due course

List of names with respect to appointments of Directors at FRBank of Atlanta, and the Jacksonville, Nashville, and New Orleans Branches, and reappointment of Deputy Chairman at FRBank of San Francisco

Reappointment of a Class C director, redesignation of Chairman and FRAgent and appointment of a Deputy Chairman at the FRBank of St. Louis, agreed upon, director possibilities mentioned at FRBranch Bank of Baltimore, director appointment at Federal Reserve Branch Bank of Charlotte, and a Class C director appointment made at FRBank of Chicago
Directors: (continued)
FRBanks and Branches: (continued)

Meeting of newly appointed directors with the Board:

Date of March 25, 1965, to be preceded by a reception and dinner, understood that tentative program was satisfactory and that further planning would proceed

Arrangements for, satisfactory to the Board

Evaluation of meeting, with understanding that suggestions could be conveyed to Mr. Morgan

Date of March 24, 1966, agreed an appropriate date for Directors' Day, with a dinner to be given on the evening of March 23

FRBranch banks:
Baltimore:

Corrin, E. Wayne, reappointed for three-year term beginning January 1, 1966, approved

Cummings, Harry B., resigned, Wilbur G. Smith or Lewis M. Smith, named as possible replacement

Hupfeldt, William C., President, Schluderberg-Kurdle Company, Baltimore, Maryland, appointment to be made if willing to accept for the unexpired portion of the term ending December 31, 1966

Kleff, Arnold J., Jr., Manager, American Smelting & Refining Company, Baltimore, Maryland, appointment to be made if willing to accept, advice received re willingness to accept, approved, appointment telegram sent on December 22, 1965
Directors: (continued)
FRBranch banks: (continued)
Baltimore: (continued)
Smith, Lewis M., Vice President, Chesapeake and Potomac Telephone Company, Baltimore, Maryland, if found that Wilbur Smith, General Manager, Sparrows Point Works of Bethlehem Steel Corporation, Baltimore, Maryland, could not accept appointment, it was understood that similar inquiry would be made of, to fill the unexpired term of Harry B. Cummings who had resigned

Smith, Wilbur, General Manager, Sparrows Point Works of Bethlehem Steel Corporation, Baltimore, Maryland, appointment to be made if willing to accept, approved, for the unexpired portion of the term ending December 31, 1966, to replace Harry B. Cummings, who had resigned

Birmingham:
Gwaltney, Eugene C., Jr., reappointed for three-year term beginning January 1, 1966, approved

Buffalo:
Forman, Maurice R., reappointed for a three-year term beginning January 1, 1966, approved

Charlotte:
Fraley, John L., Executive Vice President of Carolina Freight Carriers, Inc., Cherryville, North Carolina, appointment approved if willing to accept

Cincinnati:
Laing, R. Stanley, reappointed for a three-year term beginning January 1, 1966, approved
Directors: (continued)
FRBranch banks: (continued)

Denver:
  Dobbins, Cris, President and Director, Ideal Cement Company, Denver, Colorado, appointment approved if willing to accept, advice received re willingness to accept, appointment telegram sent on November 10, 1965

Detroit:
  Peppiatt, Guy S., reappointed for three-year term beginning January 1, 1966, approved

El Paso:
  Ray, Joseph M., President, Texas Western College, El Paso, Texas, appointment approved if willing to accept
  Advice received re willingness to accept, appointment telegram sent December 3, 1965

Helena:
  Koch, Edwin C., reappointed for a two-year term beginning January 1, 1966, approved

Houston:
  Campbell, D. B., reappointed for three-year term beginning January 1, 1966, approved
  Morse, George T., Jr., President, Peden Iron and Steel Company, Houston, Texas, appointment approved if willing to accept
  Advice received re willingness to accept, appointment telegram sent Dec. 6, 1965
  Peters, Lovett C., resigned, to be replaced by George T. Morse, Jr., President, Peden Iron and Steel Company, Houston, Texas, appointment approved if willing to accept
Directors: (continued)
FRBranch banks: (continued)

Jacksonville:
Bowen, William Jackson, Class C, President of Florida Gas Company, Winter Park, Florida, appointment approved if willing to accept 12/1 3894
Jordan, Castle W., President, Ryder Systems, Inc., Miami, Florida, appointment approved if willing to accept, advice received re willingness to accept, appointment telegram sent on December 20, 1965 12/15 4169
Pratt, Douglas McLain, Class C, President of National City Lines, Tampa, Florida, appointment approved if willing to accept for the unexpired portion of the term ending December 31, 1967, advice received re willingness to accept, appointment telegram sent on December 8, 1965 12/1 3894
Vaughn, Harry T., Class C, resigned effective January 1, 1966, to begin service as Class B director, to be succeeded by Douglas McLain Pratt, President of National City Lines, Tampa, Florida

Little Rock:
Stabler, Carey V., reappointed for three-year term beginning January 1, 1966, approved 10/27 3406

Los Angeles:
Coons, Arthur G., reappointed for two-year term beginning January 1, 1966, approved 10/27 3406

Louisville:
Green, C. Hunter, reappointed for three-year term beginning January 1, 1966, approved 10/27 3406

Memphis:
Cooper, Sam, reappointed for three-year term beginning January 1, 1966, approved 10/27 3406
Directors: (continued)
FRBranch banks: (continued)

Nashville:
Heard, George Alexander, Class C, Chancellor of Vanderbilt University, Nashville, Tennessee, appointment approved if willing to accept, advice received re willingness to accept, appointment telegram sent on Dec. 8, 1965

New Orleans:
Longenecker, Herbert E., Class C, President of Tulane University, New Orleans, Louisiana, appointment approved if willing to accept

Smith, Frank G., Jr., Vice President, Mississippi Power and Light Company, Jackson, Mississippi, appointment approved if willing to accept, advice received re willingness to accept, appointment telegram sent on December 20, 1965

Oklahoma City:
Flint, C. W., Jr., Chairman of the Board of Flint Steel Company, Tulsa, Oklahoma, appointment approved if willing to accept, advice received re willingness to accept, appointment telegram sent on November 8, 1965

Omaha:
Harris, John T., reappointed for two-year term beginning January 1, 1966, approved

Pittsburgh:
Byrom, F. L., reappointed for a three-year term beginning January 1, 1966, approved

Portland:
Barbey, Graham J., reappointed for two-year term beginning January 1, 1966, approved
Directors: (continued)
FRBranch banks: (continued)
Salt Lake City:
  Derrick, Royden G., President Western Steel Company, appointment approved if willing to accept, if not available, a similar inquiry would be made of James C. Fletcher, President, University of Utah, Salt Lake City, Utah, advice received re willingness to accept, appointment telegram sent on November 5, 1965
  Fletcher, James C., President, University of Utah, Salt Lake City, Utah, to be contacted re appointment if Royden G. Derrick, does not accept
San Antonio:
  May, Francis B., Chairman of Department of General Business, University of Texas, Austin, Texas, appointment approved if willing to accept
  Advice received re willingness to accept, appointment telegram sent on December 6, 1965
Seattle:
  McGregor, William, reappointed for a two-year term beginning January 1, 1966, approved
Directors' day:
SEE: Directors, FRBanks and Branches:
  Meeting of newly appointed directors with Board
Discount mechanism:
Study re:
  Proposal that System undertake, to evaluate current functioning of the, to formulate new policy re discounting and related open market operations, opinion favorable, to discuss with FRBank Presidents, Chairman Martin to talk with Chairman Hayes of Committee on Discounts and Credits
Discount mechanism: (continued)
Study re: (continued)
Report by Mr. Holland re developments of proposed, Chairman Martin willing to move ahead with arrangements, Governor Mitchell designated Chairman of committee with Governors Maisel and Shepardson as members, committee to report recommendations, Chairman Martin to inform Mr. Bopp, Chairman of Presidents' Conference

Memorandum outlining establishment of a Steering Committee of 11-man Secretariat and naming of individuals proposed to staff such groups, brief meeting set following FOMC meeting on August 10, 1965

Report by Chairman Martin to joint meeting of Board with Conference of Presidents on details of establishment of committee and work outlined

Discount officers of FRBanks:
Borrowings from FRBanks by national banks, Board to discuss with, prior to answering request from Comptroller of the Currency for information on continuing basis re, letter to FRBanks approved, draft of reply to Comptroller to be prepared after all information had been received and reviewed

Meetings:
Draft letter requesting FRBanks to submit at end of each reserve computation period a list of banks that had been indebted in at least four of the last six periods and in most recent period had borrowed over 10 per cent of required reserves if a reserve city bank, and over 20 per cent if a country bank, understood matter would be held in abeyance pending discussion at conference of
Discount officers of FRBanks: (continued)

Meetings: (continued)

Memorandum from Mr. Holland of Board's staff proposed that President Hayes of FRBank of New York as Chairman of the Committee on Discounts and Credits of the Conference of Presidents of Federal Reserve Banks, be requested to call a conference of Federal Reserve Discount Officers to consider uniform procedures for handling emergency borrowing, agreement with suggestion, Mr. Holland to attend conference as Board's regularly designated representative

Discount window:

Administration of, discussion re Board's role of, Governor Shepardson felt that it was a function of the Division of Examinations and questioned whether it was efficiently handled by the Division of Bank Operations, agreed that a broader study re establishment of discount policy should bring in contributions by the Division of Research and Statistics

Robert C. Holland, Associate Director, Division of Research and Statistics, directed to review data re discount function received from the FRBanks

Endorsement procedures re customers notes presented for discount or as collateral for borrowing from an FRBank, approval given to reply to Senator Robertson, Chairman of Banking and Currency Committee, re views on suggestion by Gaylord A. Freeman, Jr., Vice Chairman of Board of First National Bank of Chicago with respect to, letter also sent to FRBank Presidents asking for their views re
Discount window: (continued)

FRBank of Atlanta, current statistical data revealed substantial continued borrowing by certain banks in the Sixth District in relation to required reserves, agreed to draft letter to all FRBanks asking for data re borrowing by member banks

FRBank of Kansas City, use of, by member banks in Tenth District, mentioned in reviewing examination report of

National banks:

Borrowings from FRBanks by, request from Comptroller of the Currency for information on a continuing basis re, agreed that matter should be discussed with discount officers of FRBanks, copies of Comptroller's letter to be sent to Presidents of FRBanks with request for views, draft of reply to Comptroller then to be prepared for Board's consideration

Reply to Comptroller of the Currency, approved

Exchange of information concerning national banks use of, reply to Comptroller of the Currency, approved

Reports re use of:

Letter to all FRBanks re proposed quarterly reports dealing with current member bank borrowing, Board also approved preparation of proposed monthly statistical analysis on an experimental basis re, Form 527 supplying reports re, to be continued and Form 527a with listings containing bank names to be available to Board members
Discount window: (continued)
Reports re use of: (continued)
Report dated September 3, 1965, from Divisions of Examinations and Research and Statistics on member bank borrowings from FRBanks for second quarter of 1965, staff to have benefit of any comment or suggestions by members of Board that would tend to make succeeding reports more useful, no specific suggestions made by Board for changes in format of succeeding reports, suggestion that report be brought up again when other members of the Board were present, Governor Mitchell, especially, might have views on subject.

Uniform procedures for handling types of emergency borrowing, agreement with Mr. Holland's memorandum recommending that Mr. Hayes of FRBank of New York call a conference of Federal Reserve Discount officers to consider, Mr. Holland to attend conference as Board's regularly designated representative.

Use of:
Draft letter requesting FRBanks to submit at end of each reserve computation period a list of banks that had been indebted in at least four of the last six periods and in the most recent period had borrowed over 10 per cent of required reserves if a reserve city bank, and over 20 per cent if a country bank, understood that matter would be held in abeyance pending discussion at conference of discount officers.
Discount window: (continued)

Suggestion that if access to the discount window was eased a little, it might encourage some banks to go to the FRBank that were now going to correspondent banks, views expressed at joint meeting of Board and FAC

Proposal in Governor Mitchell's memorandum captioned "The Federal Reserve Image," called for Federal Reserve discount windows to accept notes with maturities up to 3 months from banks having difficulty in meeting seasonal needs of customers out of their own resources

Governor Balderston suggested accepting at the discount window, notes of member banks up to three months for seasonal needs beyond the bank's own resources

Letter to the Presidents of all FRBanks re plans for automating the L.5.3 and L.5.4 reports, relating to, by member banks

(Individual banks)

Bank of the Commonwealth, Detroit, Michigan, in reviewing Examination Report of FRBank of Chicago, Governor Mitchell was to seek more information re circumstances surrounding recent borrowing record of

Governor Mitchell said he had talked with President Scanlon of FRBank of Chicago re, understood material furnished by President Scanlon would be circulated to the Board

Five Points National Bank of Miami, Florida, Mr. O'Connell to inform the FRBank of Atlanta it was authorized to comply with request from FDIC for information and data re borrowings by, understood FDIC was preparing to issue notice terminating status of the bank

9/21 3118

11/3 3521

11/3 3537

12/10 4151, 4155

1/5 31

1/21 237

6/4 1888
Discount window: (continued)
Use of: (continued)

Orange Empire National Bank of Anaheim, Calif., possible request to borrow $500,000 from the FRBank of San Francisco, reported by Mr. Solomon, Regional Comptroller of the Currency in San Francisco expressed doubt re solvency of, and indicated favor re possible merger with a national bank in San Diego, Board indicated that it wished to be kept informed

No application for accommodation at, reported that merger had been rejected, and that the Bank had been placed in conservatorship

Republic National Bank of Dallas, Texas, record of borrowings from Federal Reserve Bank of Dallas noted in examination report of the FRBank

San Francisco National Bank, San Francisco, California, particularly insofar as bank's difficulties:

Report re extensive borrowing from the FRBank of San Francisco, comments re additional assistance through, in case proposed merger did not materialize, agreement that FRBank had been taking all steps that could reasonably be taken to cope with the situation

Noted that negotiations for merger into Central Valley National Bank of Oakland had been terminated, need for current and continued assistance through, discussed

Noted that borrowing had been paid down to $5.6 million, with balance secured by assets having a face value of $10 million, likely that the FRBank would be paid in full, remainder of assets of such quality as to make recovery highly problematical
Discount window: (continued)
Use of: (continued)

17th Street National Bank of Denver, Colorado, memorandum informing Board of recent developments related to borrowings by, from the Denver Branch of the FRBank of Kansas City, understanding that a letter to the Comptroller of the Currency would be prepared for Board's consideration

Letter to Comptroller of the Currency, approved with the understanding that copies would be sent to Secretary of the Treasury, Under Secretary Barr, and the Chairman of the FDIC

Dividends:

Holding company affiliates, letter to FRBank of Chicago, approved, re the question whether a holding company affiliate may declare a stock dividend based upon its equity in undistributed net income of subsidiary banks, substance of letter to be sent to all Federal Reserve Banks

Violations of section 5199(b) of the Revised Statutes, involving banks that had paid dividends without prior Board approval, new procedure would allow such cases to be mentioned in report of examination of that bank, with a letter of caution against future violation to be sent by the FRBank, Board to be notified re instances where condition of bank had been adversely affected to a serious extent

(Individual banks)
Coopersville State Bank, Coopersville, Michigan, declaration of a dividend payable December 30, 1965, approved
Dividends: (continued)

Ewing Bank and Trust Company, Ewing Township, New Jersey, declaration of a dividend in January 1966, approved 12/21 4317

First State Bank of Decatur, Michigan, declaration of a dividend, approved 7/1 2210, 2233

Georgia Railroad Bank & Trust Company, Augusta, Georgia, declaration of a dividend payable on December 31, 1965, approved 11/18 3755, 3765

Maries County Bank, Vienna, Missouri, no objection interposed to a dividend declared on January 11, 1965, without prior consent of Board, advice to 4/20 1308, 1321

Naumkeag Trust Company, Salem, Massachusetts, declaration of a cash dividend, approved 7/12 2276, 2295

State Savings Bank of Lebanon, Missouri, declaration of a dividend in December 1965, approved 10/27 3391, 3409

Sylvan State Bank, Sylvan Grove, Kansas, declaration of a dividend in December 1965, approved 12/9 4090, 4107

Dollar exchange:

Franklin National Bank, Mineola, New York, request of, for permission to accept drafts or bills of exchange drawn for the purpose of furnishing, possible effect from balance of payments standpoint, discussed, understood letter to, would be changed urging bank to operate within the guidelines established under the voluntary foreign credit restraint effort 11/17 3717

Drew University, Economic Research Institute of, request for authorization of two contracts, one a study of sample methods to determine the attitude of Morris County, N. J., residents toward commercial banking in county, another for study of penetration of Morris County market area by banks located outside county, approved, provision made in budget of Division of Research and Statistics 4/29 1434
Earnings:
FRBanks, 1964, telegram to FRBanks requesting them to pay to the Treasury on November 17, 1965, the eleventh and twelfth instalments of the special payments reflecting the Board's decision that the surplus accounts of the FRBanks should be maintained at a level equal to 100 per cent of subscribed capital.

Earnings and expenses:
FRBanks:
1964, profit and loss accounts, approval given to issuance of press release re, which release would also report on Board conclusion that surplus of FRBanks should be maintained at level of paid-in capital rather than subscribed capital, noting that this decision would add $524 million to the amount paid by Federal Reserve into Treasury in 1965.

1965, profit and loss accounts, telegram approved to FRBanks re estimated FRBank earnings and expenses for, routine year-end telegram not to be sent from here on, since continuing authority for closing-books is contained in Accounting Manual, any unusual charge-offs or other special adjustments in accounts contemplated at end of year will be brought to Board's attention for action.
Eastland, James O., Senator:

Administrative Procedures Act, report on S-1336, a bill to amend, with provisions re rate making actions such as establishment of discount rates, setting of stock margin requirements, and establishment of maximum rates of interest on time and savings deposits, provisions of bill opposed by Board, report transmitted to, Chairman of Senate Judiciary Committee, copies of letter and report sent to all FRBanks with report sent to American Bankers Association as requested.  

Foreign branches of U.S. banks, H.R. 6849 and S. 1907, companion bills to amend the U.S. Code by adding a new section to forbid any U.S. Court from enforcing revenue laws which restrain or enjoin banks with respect to property or rights of property situated outside the United States, except under certain circumstances, letter favoring enactment transmitted to Congressman Celler and, of the Judiciary Committees.

Loans to examiners, letter to, Chairman of Senate Judiciary Committee recommending introduction and enactment of appropriate amendments to the Criminal Code that would authorize an insured bank to make a home mortgage loan to an examiner up to an amount not exceeding $30,000.

Economic conditions:

Domestic, appraisal re general outlook for U.S. economy:

Topic for discussion with FAC
Outlook over next several months favorable, views expressed at joint meeting with FAC.
Economic conditions: (continued)
Domestic, appraisal re general outlook for U.S. economy: (continued)

Topic for discussion with FAC
Outlook favorable with some adjustment in steel and auto production, views expressed at joint meeting with FAC
5/3 1463, 1473

Topic for discussion with FAC
Belief that level of business will rise further during the remainder of the current year, views expressed at joint meeting with FAC
5/18 1626

Topic for discussion with FAC
Favorable outlook, views expressed at joint meeting with FAC
8/27 2789, 2808

Economic Consultants Incorporated, Coral Gables, Florida, letter to, approved, re application by Capital Bancshares, Inc., Miami, Florida, for permission to vote the shares it owns and controls of Capital National Bank of Miami, Florida
9/21 3087

Economic Research Institute of Drew University, memorandum from Division of Research and Statistics for authorization of two contracts with, a $4,000 contract for a study of sample methods to determine the attitude of Morris County, New Jersey, residents toward commercial banking services in the county, and a $1,000 contract for a study of the penetration of the Morris County market area by banks located outside the county, approved
10/29 3426, 3441

Economic review:
Meeting to be combined with money market review for Friday, May 21, 1965, instead of Monday
11/16 3683

Economic review:
Meeting to be combined with money market review for Friday, May 21, 1965, instead of Monday
4/29 1434

Economic review:
Meeting to be combined with money market review for Friday, May 21, 1965, instead of Monday
5/20 1699
El Salvador, Financiera de Desarrollo e Inversion, S.A., San Salvador, El Salvador, letter to Wells Fargo Bank International Corporation, San Francisco, California, approved, granting permission to purchase shares of

Emergency plans:

Board of Governors:
- Defense mobilization activities, letter approved to Chairman Robertson of Joint Committee on Defense Production transmitting an annual report on mobilization activities
- Emergency preparedness program, agreed that Governor Maisel take over Governor Robertson's assignment for development of the Board's emergency preparedness program
- Commercial bank preparedness program, discussion re omission from the national bank examination report form of a uniform questionnaire on emergency preparedness measures that was adopted by the three Federal bank supervisory agencies in 1958, in view of need for completed questionnaire in time for June 30, 1965 tabulation, assistance of Secretary of Treasury was to be requested, agreed letter for Secretary of Treasury seemed appropriate in view of circumstances described

Communications and Records Center at Culpeper, Va.

SEE: Emergency plans:
- Relocation facility for joint use of Board and FRBank of Richmond
Emergency plans: (continued)

Computer remote operations facility:

Memorandum from Mr. Schwartz re sharing jointly by Board and FRBank of Richmond, the new, Division of Data Processing to provide answers to Board members' questions with respect to, Board authorized moving ahead with plans according to understanding reached at meeting

Ad hoc committee consisting of Messrs. Ellis, Hickman, Swan, and Wayne to study System-wide need, Governor Robertson designated as Board representative

Recommendation approved that a contract be entered into with Communications Systems Incorporated, Paramus, New Jersey, at a cost of $19,700 for a detailed study of the feasibility of a shared on-line remote computer operation at the proposed relocation site of Board and FRBank of Richmond, an item of $25,000 for outside consultant services re computer project was contained in tentative budget of Division of Data Processing, letter sent to Communications Systems, Inc.

Detroit Branch, fallout shelter, letter to FRBank of Chicago, approved, interposing no objection to Bank's proceeding re, at an expenditure greater than originally authorized

FRBank of Kansas City, fallout shelter, possible misleading note in cost tabulation in, noted in connection with approval of modification of proposed addition to head office building and authorization of final plans and specifications
Emergency plans: (continued)

Relocation facility for the joint use of the Board and FRBank of Richmond:

Attendance at Board meeting of Vice President Dickerson of FRBank of Richmond, and Mr. Strange-Boston of the architectural firm of Marcellus Wright & Partners to discuss

Discussion re meeting both needs of emergency operations, to which security would be of paramount importance, and of continuous non-emergency functions, for which quality of day-to-day working conditions deserve serious consideration, staff requested to revise draft of letter to FRBank of Richmond

Further discussion of the problems involved in blending the needs envisaged for emergency facilities and alternatively for continuing operations, understood letter would be sent to FRBank of Richmond

No final decision had yet been made as to the functions that would be performed at the proposed relocation site at Culpeper, Virginia, mentioned in connection with Board's budget for 1966

Employment:

FRBanks, downward trend in the number of Reserve Bank employees, anticipated employment was lower than at any time in the last 15 years, noted in budgets of FRBanks for first half of 1966

England:

Arbuthnot Latham & Co., Limited, London, England, letter to Philadelphia International Investment Corporation, Philadelphia, Pennsylvania, granting its request for permission to acquire shares of, with understanding that guidelines under voluntary credit restraint effort would not be exceeded
England: (continued)

First Chicago Nominees Limited, London, England,
letter to First Chicago International Finance Corporation,
Chicago, Illinois, granting consent to purchase shares of
Corporation, New York, New York, approved, granting consent to purchase shares of

Equipment:

Board of Governors:

Computer:

IBM 360, model 50, letter to International Business Machines Corporation,
modifying the Board's letter of June 10, 1964, approved on July 29, 1965

Outside use of:

Request for data from reports of condition and reports of income and dividends by Yale University in connection with a study of the role of commercial banks in the American economy, estimated that only 15 hours of Board computer time would be required before further processing on Yale computer

Mr. Langham, Assistant Director, Division of Data Processing authorized to negotiate with the appropriate representative of Department of State concerning the Department's request for 20-30 hours a week on Board's computer for the next four or five months, such negotiation to be on the basis that the rate of reimbursement would be $45 per hour
Board of Governors:

Computer:

Outside use of:

Question re granting requests by scholars for data from the computer involving projects of which the Board derives little benefit, request by Bryan Bailey for banking data from condition and earnings reports which involved a cost of $450 for computer time plus a quantity of cards to be punched, approved, with Governor Mitchell dissenting.

Current arrangement with FDIC for use of, to be continued on a no-charge basis with additional time scheduled, as available, for the Corporation's use.

Board concurred in idea of making a charge for cost of preparing data for outside use unless it should be determined that the Board's staff itself saw a use for data or some part of it, this decision made in connection with request from Howard Crosse, Vice Chairman of Franklin National Bank, New York, New York.

Remote operations facility:

Memorandum from Mr. Schwartz re sharing operations of computer facilities jointly by Board and Federal Reserve Bank of Richmond, the new, Data Processing Division to answer Board members' questions re, Board authorized moving ahead according to understanding reached at meeting.

Ad hoc committee consisting of Messrs. Ellis, as Chairman, Hickman, Swan and Wayne to study System-wide need, Governor Robertson designated as Board representative.
Equipment: (continued)
Board of Governors: (continued)
Computer: (continued)
Remote operations facility: (continued)
Recommendation approved that a contract be entered into with Communications Systems Incorporated, Paramus, New Jersey, at a cost of $19,700 for a detailed study of the feasibility of a shared on-line remote computer operation at the proposed relocation site of Board and FRBank of Richmond

Dataplotter System Series 3500:
Letter to Electronics Associates, Inc., West Long Branch, New Jersey, approved, indicating the intent of the Board to purchase at a cost of $62,205, understood that further documentation would be made available to the Board for consideration

Memorandum from Division of Data Processing recommending that Board's present electronic charting machine be replaced by, approved, action included approval of an overexpenditure of approximately $2,305 in the pertinent account of 1965 budget of Division of Data Processing, letter sent to Electronic Associates, Inc.

FRBank of New York:
Computer, mention made of purchase plans for replacement computer at, in connection with discussion of FRBank budgets for second half of 1965

Electronic equipment, budget decrease for first half of 1966 reflected a lowering of the cost of check operations through accelerated conversion to highspeed processing
Equipment: (continued)
FRBank of Richmond:
  Computer:
  Remote operations facility: (to be shared jointly by Board and)
SEE: Equipment:
  Board of Governors:
  Remote operations facility:
FRBanks:
  Computers, centralization of data processing, establishment of ad hoc committee by Conference of Presidents to study System-wide needs for, committee to consist of President Ellis, as Chairman, and Messrs. Hickman, Swan, and Wayne, Governor Robertson designated to represent Board, with staff participation to be arranged, plans to obtain from FRBanks reports re computer utilization felt to be desirable
  Electronic, noted in Reserve Banks' Budgets for first half of 1966 that shift to automatic check processing continued to be an important influence on System expenses
FRSystem:
  Purchasing or leasing of equipment for FRSystem:
  Possibility of reducing expenses through arrangements for centralized, Chairman Martin expressed the view that the matter should be referred to the Presidents' Conference, Governor Robertson felt a list of questions should first be developed, agreement that Mr. Farrell be asked to prepare a list
  Letter to Chairman of Presidents' Conference approved, re proposed study with respect to procedures re
Equipment: (continued)
FRSystem: (continued)
Purchasing or leasing of equipment for FRSystem: (continued)
Letter to J. M. Thayer, Jr., Cashier, FRBank of Boston, advising that Joseph E. Kelleher, Director, Division of Administrative Services, would serve as an associate of the ad hoc subcommittee of the Committee on Systems and Procedures of the Conference of Presidents that had been requested to make a study re

Eurofinance, Paris, France, Samuel I. Katz, Adviser, Division of International Finance, authorized to visit, during the course of his previously approved trip to Basle, Switzerland, to attend a meeting being arranged by Bank for International Settlements

Evins, Joe L., Congressman:
Citizens Bank, Smithville, Tennessee, approved application for membership in FRSystem protested by, letter to

Examinations:
Federal bank supervisory agencies, draft reply to Chairman Multer of Subcommittee on Bank Supervision and Insurance of House Committee on Banking and Currency re an inquiry as to the differences in examinations of commercial banks by, and also reexamination of savings banks and the thrift portion of a commercial bank's business, understood that a revised draft would be prepared for consideration

Further discussion with additional changes agreed upon, reply approved
FRBanks:

Currency destruction function, agreement that Treasury Department be allowed access to portions of reports of examination of FRBanks re, in light of request by Chairman Patman of House Banking and Currency Committee for information on recommendations by the Treasury to the FRBanks for use in connection with consideration of proposed legislation providing for destruction of unfit FRNotes at FRBanks

Procedures for supervision and:

Draft of directives to Divisions of Examinations, Research and Statistics, Bank Operations, and Personnel Administration re, approved, subject to changes reflecting the amendments agreed upon, with understanding that copies would be sent to FRBanks

Directives now issued and copies sent to heads of divisions of Board's staff and also to FRBanks

Recommendations by Governor Shepardson, in light of report on examination and supervision of FRBanks made by Haskins & Sells, that they assist the Division of Examinations as outlined in their letter of April 8, 1965, approved

Changes in policies with respect to, including recommendations of possible legislation, request from Chairman McClellan of Permanent Subcommittee on Government Operations for information concerning, reply tabled

Revised draft of letter approved with understanding that certain changes agreed upon would be made before transmittal
Examinations: (continued)
FRBanks: (continued)

Salaries of officers at FRBanks in charge of bank examinations including the Vice President, Assistant Vice President, and Chief Examiner, request from American Bankers Association for, Division of Personnel Administration authorized to furnish the modal salary of the Vice Presidents in charge of examinations

Foreign banking corporations, request by Comptroller of the Currency for full reports of examination of, that are subsidiaries of national and State member banks, discussion brought out that Comptroller of the Currency Saxon had made only one request 18 months ago, for an examination report of a national bank subsidiary, and it was agreed that the approved reply should make reference to that fact

Member banks in St. Louis District, Board authorized Mr. Wyrick, Vice President of FRBank of St. Louis, to permit FBI access to examination reports including confidential sections and related documents of certain National banks:

Access to examination reports of four national banks requested by two Federal Reserve Bank examiners assigned to the Permanent Subcommittee on Investigations of the Senate Committee on Government Operations, in light of criminal elements, Board unwilling to grant, since request should be made to the Comptroller of the Currency
Examinations: (continued)
National banks: (continued)

Confidential section of examination reports, new supplemental, letter to Comptroller of the Currency indicating importance of receiving, with purchased examination reports, approved
Reply acceded to request, letter to Comptroller requesting that confidential sections omitted from previously submitted reports to the FRBanks be furnished, in light of difference in opinion re receipt of confidential reports of the San Francisco National Bank by the FRBank of San Francisco, approved

Emergency preparedness measures for commercial banks, discussion re omission from national bank examination reports of a uniform questionnaire re, that was adopted by the three Federal bank supervisory agencies in 1958, in view of need for completed questionnaire in time for June 30, 1965 tabulation, it was decided to request assistance of the Secretary of Treasury, letter to Secretary Dillon, approved

Salary figures, letter to Chairman Patman of House Banking and Currency Committee relating to a request for bank officers' compensation data, listed in reports of, for Committee's study of management succession, agreed that complete information would be furnished, with restrictions against publication
Examinations: (continued)

State banks pending revision of Pennsylvania banking laws calling for one examination each twelve months rather than each calendar year, letter to Mr. G. Allen Patterson, Secretary of Banking of State of Pennsylvania, emphasizing need for frequent examinations and a more surprise element than the revision would bring, approved

State member banks:

Direct verification program:
Letter to FRBanks approved requesting them to ascertain at the next examination the existence of, and if none, to obtain views of senior management re adopting such a program, if program is in effect a brief report is requested on page E of the confidential section of the examination report

Reply to President Irons, FRBank of Dallas, stating that the Board is agreeable to the inauguration of, on a test basis at the Dallas Bank, for a period of six months, if successful Division of Examinations probably would recommend to Board that a similar program be placed in effect at all FRBanks

Foreign branches of, designation of Glenn M. Goodman, Assistant Director, Division of Examinations, with appropriate Board staff and three or four examiners from FRBank of New York to conduct, of foreign branches of, located in London, Paris, and Frankfurt, approved
Examinations: (continued)
State member banks: (continued)

Reports of, advice received from FDIC that General Accounting Office might seek to obtain all reports of examination to which FDIC had access, which included, Board alerted that requests might come direct from General Accounting Office or through FDIC

Trust departments of, revised examination report form and manual for use by FRBanks in reporting results of examination of, approved, to be transmitted to FRBanks when available, with a letter authorizing their use

Verification procedures and operations in the hands of State and national bank examiners, Governor Mitchell issued a memorandum captioned "The Federal Reserve Image," suggesting that he would streamline and reinforce examination activities by putting, leaving the Federal Reserve examiners to appraise the adequacy of internal and external accounting and auditing controls

(Individual names)
Bank of Dublin, Virginia:
Request by First Virginia Corporation, Richmond, Virginia, a bank holding company, for copies of reports of examinations for certain dates in 1965, approved, with caution re disclosure

Request by First Virginia Corporation, Arlington, Virginia, for access to confidential sections of reports of examination of, and other documents that might support its fidelity bond claim for recovery of certain losses sustained by, letter to First Virginia and to FBI, approved
Examinations: (continued)

Bank of Dublin, Virginia: (continued)
FRBank of Richmond authorized to supply FBI with copies of officers' questionnaires and the last three examination reports of, including the confidential sections, information not to be used in court or any administrative proceeding without obtaining permission from Board

Request by First Virginia Corporation, to quote in its proof of loss to be filed with the bonding company a question from the officers' questionnaire, included in the confidential section of the examination reports, granted

Bank of White Sulphur Springs, West Virginia, during current examination of, it had been found that a line of paper acquired through an automobile dealer appeared to have substantial losses in it, indicated losses would wipe out bank's undivided profits and about half of its surplus, FRBank of Richmond vigorously working with State Banking Department to straighten out situation

Review of further developments and completeness of current examination by FRBank of Richmond, from which it appeared unlikely any shortage of funds was involved

Cudahy Marine Bank, Cudahy, Wisconsin, request by Marine Corporation, Milwaukee, Wisconsin, for copies of examination reports of, on a continuing basis, approved under terms outlined
Examinations: (continued)

Farmers and Merchants Bank of Long Beach, Calif.:
Agreement that Mr. O'Connell of Board's staff should go to San Francisco to assist in analyzing current examination report of, in preparation for response to request by U. S. Attorney in Los Angeles that Board issue a warning pursuant to section 30 of the Banking Act of 1933 based on occurrences with which certain officers of, were under indictment, also involved was a request by U. S. Attorney for permission to use documents in possession of FRBank re

Recommendation of Mr. O'Connell that Board decline to issue requested warning, approval given to letter to Justice Department, with understanding that a copy be furnished to U. S. Attorney Real, letter sent to FRBank of San Francisco

FRBank of Atlanta, report reviewed, agreed that President Bryan would be advised by telephone that Atlanta Bank should conform to prescribed procedure for vault storage envelopes for securities received for safekeeping, letter confirming

FRBank of Boston:
Report reviewed, noted that Mrs. Norr of staff of FRBank of Boston had reported indebtedness over stock transactions, understood that a letter would be prepared for Board's consideration to President Ellis re this matter, also minor holdings of Vice President Angney in bank holding company stock noted

Report reviewed, no matters requiring action
Examinations: (continued)

FRBank of Chicago:
Report reviewed, agreed that there were no matters requiring Board action, except that Governor Mitchell was to seek more information re circumstances surrounding recent borrowing record of Bank of the Commonwealth, Detroit, Michigan

Governor Mitchell said he had talked with President Scanlon of FRBank of Chicago re Bank of the Commonwealth, understood material furnished by President Scanlon would be circulated to Board members

Report reviewed, no matters requiring action 1/5 31

FRBank of Cleveland, report reviewed, no matters requiring action 1/21 237

FRBank of Dallas:
Report reviewed, no matters requiring action, borrowing records of two member banks mentioned, one in San Antonio and the Republic National Bank of Dallas

Request from Congressman Wright that a disinterested third party be permitted to examine records of, to determine whether the deceased father of Albert Sidney Lackey had funds deposited in, letter to Congressman Wright, approved, further review of Bank's account books to be made during next examination 4/15 1238

FRBank of Kansas City, report reviewed, building plans for Reserve Bank and its Denver Branch, certain personnel matters, and the discount activity of the Tenth Federal Reserve District discussed 6/10 1939, 1951

FRBank of Philadelphia, report reviewed, no matters requiring action 7/20 2386
Examinations: (continued)

FRBank of Richmond:

Report reviewed, noted that Bank's management was giving renewed attention to report of indebtedness to two brokerage firms by an employee of the Money Department

Report reviewed, no matters requiring action

FRBank of San Francisco, report reviewed, no matters requiring action

Fidelity Bank, Beverly Hills, California, rated as a problem bank at the time of the 1963 examination and again in 1965, discussed in connection with application to merge with South Bay Bank, Manhattan Beach, California

Grace National Bank, New York, New York, request by New York State Superintendent of Banks for access to examination reports in light of application for the merger of, into Marine Midland Trust, New York, New York, consensus that Reserve Bank should refuse request since Comptroller of the Currency had refused

Orange Empire National Bank of Anaheim, California, report from Mr. Solomon re telephone conversation with President Swan of FRBank of San Francisco concerning questions revealed in examination report of, Regional Comptroller of the Currency in San Francisco had expressed doubt re solvency of, indication that Regional Comptroller favored merger with a national bank in San Diego, Board indicated that it would like to be kept informed

Mr. Solomon reported at April 12, 1965, Board meeting that Bank had been placed in conservatorship
Examinations: (continued)

San Francisco National Bank, San Francisco, California, request from FRBank of San Francisco for guidance in handling request from Permanent Subcommittee on Investigation of the Senate Committee on Government Operations for examiners report submitted in connection with application to organize, advice not to release report but to make available copy of letter sent to Comptroller of the Currency re the application 2/23 621

Security-Peoples Trust Company, Erie, Pennsylvania, loan classifications found in the 1963 and 1964 reports of examination of, discussed in connection with approval of application to merge with Girard Battles National Bank, Girard, Pennsylvania 1/7 70

Wellsville National Bank, Wellsville, Pennsylvania, letter to FRBank of Philadelphia, approved, re a proposed examination of, letter to FRBank of Philadelphia indicated that if further efforts through the Regional Comptroller of the Currency did not result in the FRBank obtaining the information needed, the Board should be informed 4/7 1125, 1131

Wisconsin Marine Bank, Milwaukee, Wisconsin, request by Marine Corporation, Milwaukee, Wisconsin, for copies of examination reports of, on a continuing basis, approved under terms outlined 8/6 2642, 2646
Examiners:
Board of Governors:
FRBank of New York, designation of three or four examiners from, as Federal Reserve Examiners to assist Mr. Goodman in examination of foreign branches of State member banks located in London, Paris, and Frankfurt, arrangement approved, with detailed travel arrangements, granted

(Individual names)
Burton, Robert C., Review Examiner, (with commission of Federal Reserve Examiner), appointment and salary approved (understanding that normal physical requirements would be waived)

Dahl, Frederick R., Chief, Special Studies and Operations Section, Division of International Finance, commissioned as Federal Reserve Examiner

Greene, Sandra, Assistant Review Examiner, appointment and salary approved

Sidman, Thomas A., Accountant-Analyst, Division of Examinations, appointment as examiner, approved

Conference of Representatives of Bank Examination Departments of FRBanks:
March 29 and 30, 1965, dates approved and dinner provided at a local hotel, authorized

Understood that Board attendance would be submitted to Governor Shepardson for approval and that appropriate restrictions be placed on number invited

List of 48 persons from Board and Board's staff to attend a dinner at a local hotel in connection with
Examiners: (continued)

Conferences:
Attendance by Mr. Solomon and two other officers of the Division of Examinations along with payment of registration fee for each Board representative, meeting being held in connection with annual convention of the National Association of Supervisors of State Banks in Detroit, Michigan, on October 1, 1965

FRBanks:
Appointment of examiners, assistant examiners, and special or special assistant examiners of, vested in Governor Shepardson

Appointment declined:
Thompson, Donald W., appointment as assistant examiner, FRBank of San Francisco, declined for specific reasons stated in letter to FRBank

Family relationships:
Federal Reserve Loose-Leaf Service, letters re, revision of, advice to FRBanks

Ray, Richard, assistant examiner, FRBank of San Francisco, appointment approved, not to participate in the examination of American National Trust and Savings Association, San Francisco, California, so long as he is indebted to that bank and his sister is employed there

Federal Reserve Loose-Leaf Service:
Review of general principles resulting in revision and supplements to, Board's letters of approval of FRBanks examining personnel not to contain specific instructions but it will be the responsibility of the Banks to make assignments in keeping with the general principles outlined, advice to all FRBanks
Examiners: (continued)
FRBanks: (continued)

Indebtedness and outside business activities:
Ownership of bank stock of examining personnel, specific cases at FRBanks of Philadelphia, Cleveland, and Chicago, rulings requested by FRBanks of Cleveland and Chicago, after discussion, agreed that letters to three FRBanks would be modified in line with views expressed at Board meeting

Instructions to:
Direct Verification Program, FRBanks requested to ascertain at the next examination of each State member bank and on a continuing basis, the existence of, and if none to obtain views of senior management toward adopting such a program, if program is in effect, to give a brief report on the nature and extent, using page E of confidential section of examination report, letter to FRBanks, approved

Loans:
Draft legislative proposal to liberalize law to permit an examiner to obtain a home mortgage loan up to a specified amount from a bank which he is authorized to examine, agreed to make amount proposed compatible with amount proposed for executive officers of member banks
Letter to Chairman Eastland of Senate Judiciary Committee recommending introduction and enactment of appropriate amendments to Criminal Code that would authorize an insured bank to make a home mortgage loan to an examiner up to an amount not exceeding $30,000
Examiners: (continued)
FRBanks: (continued)
Loans: (continued)

H.R. 6701, a bill "to amend sections 212 and 213 of title 18, United States Code," in order to permit banks and other financial institutions to make home mortgage loans not to exceed $30,000 to examiners or assistant examiners authorized to examine such institutions, Board of opinion that proposed legislation should prohibit examiners to examine bank or institution where mortgage loan made, report to Budget Bureau, approved.

Transfer of verification procedures and operations to the hands of State and national bank examiners, Governor Mitchell issued a memorandum captioned "The Federal Reserve Image," suggesting that he would streamline and reinforce examination activities by, leaving the Federal Reserve examiners to appraise the adequacy of internal and external accounting and auditing controls.

Treatment accorded by, to Small Business Administration loans, particularly in the determination of a bank's ratio of loans to deposits, letter to Small Business Administration, approved, letter also forwarded to all FRBanks for distribution to

FRSystem:

Trust Examiners' Conference, to be held at FRBank of New York in February 1965, approved, letter to FRBanks re proposed conference
Executive Office of the President:

Junz, Helen B., Economist, Division of International Finance, request from Office of Special Representative for Trade Negotiations, Office of the President, for loan of, for approximately six months beginning in early fall, reimbursement for salary and related expenses on quarterly basis and travel in connection with her work to be borne by Office of the Special Representative, request approved, with details to be worked out.

Executive Orders:

No. 11122:
Assignment approved for Emanuel Melichar, Economist, Division of Research and Statistics, to serve on an interagency task force exploring means for providing additional capital to rural areas, this being one of the activities of the Rural Development Committee, established by, dated October 16, 1963.

No. 11213, and Treasury regulations issued under the order, letter to Secretary of the Treasury requesting that information returns made by commercial banks under, be opened to inspection by six specified members of Board's staff, duly authorized by Board.

No. 11222:
Standards of ethical conduct:
Civil Service Commission, Chairman of, instructed to work with each department and agency head to establish within his organization, Howard H. Hackley, General Counsel, designated to provide counsel, guidance, and interpretation on matters re ethical conduct of officers and employees of Board, advice of designation to be sent by letter to Chairman Macy.
Executive Orders: (continued)
No. 11222: (continued)
Standards of ethical conduct: (continued)
Legal Division had drafted regulation that would apply specifically to Board employees, decided not to send copies of the regulation to FRBanks, Governor Daane dissenting, Governor Mitchell abstaining

Proposed Board regulation transmitted to Civil Service Commission by letter dated December 27, 1965

Exhibits:
Currency, new specimens obtained from Bureau of Engraving and Printing without charge to replace notes in Board's currency exhibit in poor condition, recommendations approved that $1 FRnotes be placed in separate panel, that specimens be obtained of 1957 Series $1 silver certificates, and, as they are available, 1963 Series $2 and $5 U.S. notes and 1963 Series $5-$100 FRnotes, suitable method of lighting exhibit to be devised

Expediting Act:
Amendment of, draft bill proposed by the Department of Justice re, to relieve the Court of a portion of its present burden by restricting the right of exclusive appeal to those cases involving matters of national importance, report to Bureau of the Budget, approved

Expenses:
Board of Governors:
Associated University Bureaus of Business and Economic Research and Representatives of FRSystem to attend a breakfast in New York City on Dec. 30, 1965, a deduction of $1.30 to be made from the per diem paid to Board employees in attendance
Expenses: (continued)

Board of Governors: (continued)

Auditors Conference, payment for cost of dinner for 49 persons to be held at the Shoreham Hotel on April 21, 1965, authorized

Banking data from condition and earnings reports, request for access to, by Bryan A. Bailey, a Ph.D candidate at Brown University, in connection with doctoral dissertation, approved, with Governor Mitchell dissenting, computer time cost to be approximately $450, with addition of quantity of cards to be punched

Board building:

Recommendation that Board authorize an amendment to agreement made on December 7, 1962, with Harge- son Hough Livingston & Larson, approved, amendment provides for payment by Board of a fee of 9-3/4 per cent for work involving alterations and additions to Board's existing building

Recommendation that Board authorize a study by Raymond Loewy/William Snaith, Inc., New York, New York, re possibility of re-arranging the Board's staff offices with a view to increasing efficiency and attractiveness, accepted with expenses, authorized

Agreement that Raymond Loewy/William Snaith, Inc., New York, New York, should be requested to proceed with development of specific plans and cost estimates for improving space utilization, such plans to cost not more than $12,500, approval given to letter to Raymond Loewy/William Snaith, Inc., Governors Mitchell and Daane dissenting
Expenses: (continued)
Board of Governors: (continued)
Board building: (continued)
  Overexpenditure of $3,264, in the account of the 1965 Budget of the Division of Administrative Services for the purposes of recaulking the exterior marble of the front portico of, approved 8/23 2756

British Treasury and Bank of England officials, dinner for, memorandum from Mr. Young, Adviser to the Board and Director, Division of International Finance, recommending that Board authorize sharing with the Treasury the cost of a dinner on May 24, for, approved 5/18 1657

Consultants:
  Group on price measurement headed by Professor Kravis of University of Pennsylvania, other scholars being considered for inclusion are Professor Griliches and Rees of Chicago, Dr. Lipsey of National Bureau, and Dr. Denison of Brookings Institution, expenses for travel and fees may result in overexpenditure for Division of Research and Statistics 1/11 105, 113

Establishment of procedure for payment of fees and reimbursement for travel expenses incurred in connection with System committee activities, approved, letter to FRBanks 6/21 2095, 2110

Computer feasibility study, contract with Communication Systems Incorporated, Paramus, New Jersey, at a cost of $19,700, approved 11/29 3865, 3870

Consumer debt and purchases data from Bureau of Labor Statistics Survey of Consumer Expenditures and Income, estimated expenditures involved, approved 12/8 4226
Expenses: (continued)
Board of Governors: (continued)

Department store sales reports, arrangements with Bureau of the Census with respect to, the System to pay the costs incurred by Census, estimated at $30,000 per year, rather than pro rate this cost among individual Reserve Banks, the Board is prepared to assume the expense until June 1967

Dinners:
SEE: Dinners:
Discretionary expenditures of, discussed in memorandum (dated November 19, 1965) by Mr. Solomon of Board's staff, in which it was suggested that the Board might want to give consideration to the question of membership dues in organizations that were primarily professional, research, or educational as compared with organizations that were essentially trade associations

Economic Research Institute of Drew University, authorization for two contracts with, a $4,000 contract for a study of sample methods to determine the attitude of Morris County, New Jersey, residents toward commercial banking services in the county, and a $1,000 contract for a study of the penetration of the Morris County market area by banks located outside the county, approved

Employee training and development program:
Economists, plan for strengthening Board's recruitment program in economic and related areas of staff work by offering assistance to selected younger persons in preparation of their doctoral dissertations, with occasional trips at Board expense to their respective campuses for consultation with members of the faculty, authorized
Expenses: (continued)
Board of Governors: (continued)
Employee training and development program: (continued)
French, Conversational:
Letters to Mrs. Renee Mikus and Mr. Joseph Mikus of Washington, D.C., confirming arrangements for them to give instructions in, with payment at the rate of $10 for each session conducted, (it developed that Mr. Mikus would not be available, accordingly Governor Shepardson approved a letter to Mr. Jean Jacques Lesceux of Washington, D.C., containing same terms)
Letter to Mrs. Jacqueline M. Dockery, Arlington, Virginia, approved, confirming arrangements for her to conduct a course in Intermediate French for members of the Board's staff, with payment of a fee of $4 for each session conducted
Letter to Mrs. Jacqueline M. Dockery confirming arrangements for continuation of a course in Intermediate French for members of the Board's staff, at a fee of $4 for each session conducted
Letter approved to Mrs. Renee Mikus of Washington, D.C., confirming arrangements for her to conduct a course in, for members of the Board's staff, at a fee of $10 to be paid for each session conducted
Oral Communication, Effective, letter to Professor Edwin L. Stevens, Washington, D.C., approved, confirming arrangements to conduct a 24-hour course in, for members of Board's staff, a fee of $900 to be paid upon completion of the course
Expenses: (continued)

Board of Governors: (continued)

Employee training and development program: (continued)

Reading Improvement, letter to Mr. George L. Stevens, approved, confirming arrangements to conduct a 24-hour course in, for members of the Board's staff, a fee of $40 to be paid for each participant in the course 9/22 3139

Writing, Effective, letter to Dr. Calvin D. Linton, approved, confirming arrangements to conduct a 20-hour course in, for members of the Board's staff, with compensation in amount of $500 to be paid at completion of course 1/26 273

Equipment:

Dataplotter System Series 3500, recommendation that Board's present electronic charting machine be replaced by a, approved, Board's action included approval of an overexpenditure of approximately $2,305 in the pertinent account of 1965 budget of Division of Data Processing, letter sent to Electronic Associates, Inc. 9/15 3029

Machines, dictating and transcribing, overexpenditure of $4,400 in the Furniture and Equipment Account of the Division of Administrative Services, for the purchase of six dictating machines and four transcribing machines, approved 6/29 2182

Examiners Conference of Representatives of Bank Examination Departments of FRBanks to be held on March 29 and 30, 1965, and dinner provided at a local hotel during conference, approved 1/13 117, 126

List of forty-eight persons from Board and Board's staff to attend the dinner, approved 3/24 968
Expenses: (continued)
Board of Governors: (continued)

Group of Ten Finance Ministers, Deputies of, memorandum from Governor Daane, recommending payment by the Board of the cost of a small dinner at the Cosmos Club on July 20, 1965, in honor of the Chairman of, approved 8/13 2685

Leased Operator Service, use of leased operator service at approximately $5 per hour, pending the employment and training of an operator, authorized 8/23 2756

Luncheons for central bankers attending the annual meetings of the International Bank for Reconstruction and Development and International Monetary Fund, when held in Washington, agreement that three luncheons be given this year, further agreement that transportation be offered to guests between meeting headquarters and the Board's building, expenses authorized 8/18 2728

Monetary research, continuation of meetings with Social Science Research Council for collaboration with respect to, with a cost of approximately $12,000, approved 6/25 2161

National Association of Supervisors of State Banks, payment of registration fees for Mr. Solomon and two other officers of Division of Examinations, approved, to be held in Detroit, Michigan, October 1, 1965 8/6 2642

Parking facilities:
Estimated expense of $13,500 for moving utility lines in connection with arrangements with the Department of Interior re plans for underground parking for Square N. 128, approved 5/5 1478
Expenses: (continued)

Board of Governors: (continued)

Parking facilities: (continued)

Removal and relocation of a gas line, if necessary in the construction of a garage under the proposed Annex building and under portions of Square N. 128, letter approved to Washington Gas Light Company, Washington, D.C., indicating that the Board was prepared to pay the cost of

Physical examinations:

Cafeteria employees, annual physical examination of all employees in the Board's cafeteria, at a fee of $125, approved

Chauffeurs and messenger-drivers, annual physical examinations of, approved, letter to Dr. Frederic D. Chapman, stating fee and including payment for X-ray for new employees

Letters to Dr. Frederic D. Chapman, Washington, D.C., confirming arrangements for the annual physical examination of all employees in the Board's cafeteria at a fee of $125 and the annual physical examinations of the Board's chauffeurs and messenger-drivers at a fee of $28 for each examination

Publication of "Banking Market Structure and Performance in Metropolitan Areas," by Theodore G. Flechsig, in the Board's shop with out-of-pocket expenses of $680 provided in the 1965 budget, approved

Retirement benefits, supplementary, letter to Secretary of Retirement System of Board, re payment of cost of increased benefits provided under Public Law 87-793, approved
Expenses: (continued)
Board of Governors: (continued)
Salaries of FRBank officers:
Appointment of McKinsey & Co., Inc., Washington, D.C., to assist in study re, particularly those paid in the New York bank community, with payment of fees and expenses not to exceed $15,000, authorized

Appointment of Booz, Allen, & Hamilton, Inc., Cleveland, Ohio, to assist in developing guidelines for, specific objective to obtain factual information re salaries in the Dallas community for positions similar to those of FRBank officers supervising eight designated functions, professional fees approved not to exceed $7,000 and reimbursable expenses to be between $1,500 and $2,000 with payment to be made by Board upon receipt of final report

Social Science Research Council, proposed contract with, for a research project on the linkages between monetary policy and aggregate demand, approved

Special consultations by Dr. Frederic D. Chapman, payment of a consultant fee of $200 at the end of 1965 and at the end of each year thereafter to Dr. Chapman for special consultations and advice rendered by him in connection with Board's medical program for its employees

Study of credit quality, request from National Bureau of Economic Research Inc., for substantive and financial assistance re, approved, overexpenditure in pertinent budget account of Division of Research and Statistics in the amount of $30,000, approved
Expenses: (continued)

Board of Governors: (continued)

Technical advisory committee, establishment of, approved, to assist Board's staff in connection with voluntary credit restraint program with expenses to be paid by Board and pay in accordance with normal fee schedules for consultants

FRBank of Cleveland:
Counsel, special, payment of fee not to exceed $6,000 in connection with acquisition of real estate in Cincinnati, Ohio, for site of the new Cincinnati branch, approved

FRBank of Kansas City:
Counsel, special, request by, for approval of payment of $1,125 representing 25 per cent of the Bank's share of settlement made by Oklahoma City with Kay Engineering Company in connection with recovery of damages incurred during construction of the Oklahoma City Branch Bank building, approved

FRBank of Richmond:
Retirement benefits, supplementary, for widow of Maurice P. Flagg, payment of, as provided under Public Laws 87-793, and 88-25, approved

FRBank of San Francisco:
Counsel, special, employment of, with fee likely in excess of $2,500, to represent the Bank and its officers in litigation (involving the San Francisco National Bank) between the Federal Deposit Insurance Corporation and A.M.R., Inc., et al, approved
Expenses: (continued)

FRBanks:
Consultants, establishment of procedure for payment of fees to consultants and reimbursement for their travel expenses when incurred in connection with System committee activities, approved, along with suggestion that Board's Division of Personnel Administration keep record of fees paid for reference purposes, letter to FRBanks, approved 6/21 2095, 2110

Discretionary expenditures, discussed in memorandum (dated November 19, 1965) by Mr. Solomon of Board's staff, in which it was suggested that the Board might want to give consideration to the question of membership dues in organizations that were primarily professional, research, or educational as compared with organizations that were essentially trade associations 12/1 3884

FRNotes, purchase of canvas pouches and wire hasp padlock seals from sources mentioned at quoted prices, to be used in shipment of new FRNotes from Washington to various FRBanks and branches, approved, letter to Mr. Bopp, Chairman of Presidents' Conference, informing him of Board's action 6/16 2022, 2042

Savings bond luncheons, question raised by Savings Bond Division of the Treasury Department re Board's views with respect to assistance by, in payment of, for 25th anniversary drive in 1966, agreement with suggestion that it would be appropriate for, to absorb cost of luncheons that could be arranged on FRBank premises but that it would be inappropriate to pay cost of those arranged outside FRBanks 10/26 3383
Expenses: (continued)
FRBanks: (continued)
Savings bond luncheons: (continued)
Letter sent to Treasury Department re, FRBanks advised of position stated in such letter

Export-Import Bank:
Foreign lending by U.S. banks under voluntary credit restraint program, Governor Robertson presented a proposed letter to President of, expressing concern about possibility that commercial banks might arrange loans through, with or without its guaranty, or might purchase insurance for purpose of placing credits outside the target established for foreign lending by banks under the President's balance of payments program, Board concurred in sending proposed letter to

Fair employment practices:
FRBank of New York, report by Governor Balderston re letter received from lawyer for Congress of Racial Equality (CORE) setting forth certain allegations of discriminatory employment practices on part of, agreed to obtain all available information before considering, following which Board would consider a reply
Agreed that letter making interim acknowledgment should be sent, letter sent on August 17, 1965
Revised draft of reply would be submitted for Board's consideration
Transmittal of letter approved
Farm Credit Administration:
Legislation proposed by, letter to Bureau of the Budget reporting on a draft bill to amend various provisions of the law administered by, approved

Fascell, Dante B., Chairman of House Legal and Monetary Affairs Subcommittee:
Bank mergers which have been approved by banking agencies and then dissolved through efforts of the Antitrust Division of the Department of Justice, reply to, re problems, approved
Coin shortage, views re matters relating to, and possibility of requiring member banks to report to FRSystem the amounts and denominations of coin held by them and counted as part of their reserves, reply to, approved
Float, reduction in, reply to, updating our previous comments with regard to, in light of increased uses of automatic data processing equipment in check clearings, approved
H.R. 5305, a bill which would permit local destruction and eliminate sort of unfit FRNotes, favorable report to
Time certificates, negotiable, reply to, re certain questions concerning increased use of, by banks

Federal Advisory Council:
Balance of Payments:
United States:
Council believes that a comprehensive program of action is imperative for the continuing welfare of the economy and nation's leadership in the world with specific suggestions of factors having bearing on the program, view expressed at joint meeting with FAC
Federal Advisory Council: (continued)
Balance of Payments: (continued)
United States: (continued)

Direct capital controls re, hope not to impose, but the seriousness of the problem must be emphasized, view expressed at joint meeting with FAC

Plans would include such factors as further reduction in U.S. economic and military aid, curtailment of defense spending in Europe, and continuation of efforts to keep wages and other costs within productivity gains needed, views expressed at joint meeting with FAC

U.S. bank funds, strong foreign demand for, as the voluntary restraint program continues, the pent-up demand probably will increase, views expressed at joint meeting with FAC

Bank financing:
Business needs, view that business activity will continue to rise, though less rapidly, Council believes that peak in business loans for the year has not been reached, views expressed at joint meeting with FAC

Bonds:
Markets, recent behavior of bond market is indication of continued strengthening of interest rate structure, yields on corporate and Government securities are higher than at any time in past four years and the spread between Government bonds and corporate obligations has widened, probable demand of banks for Government and municipal obligations will lessen, view expressed at joint meeting with FAC
Federal Advisory Council: (continued)
Bonds: (continued)
Municipals, evaluation of recent slowdown in bank acquisition of, not discussed at joint meeting with FAC

Branch banks, foreign:
Investments by, Governor Robertson stated that he hoped to call a group of technicians to formulate groundrules that would be workable and acceptable in connection with activities of foreign branches of U.S. banks which related to the balance of payments problem, view expressed at joint meeting with FAC

Business conditions:
Expenditures, members of Council have observed significant upward revisions in capital expenditures and other business plans, businesses are being prompted to spend freely for capital improvements, views expressed at joint meeting with FAC

Outlays, expectation that business fixed capital outlays in 1966 will be higher than they were this year, although the percentage increase may be less than in 1965, no evidence at present that capital outlays in 1966 will result in overcapacity in any important industries, views expressed at joint meeting with FAC

Credit:
Bank:
Contraseasonal demand for bank credit suggests inventory build-ups particularly in steel and autos, with rise in bank loans indicating possibility of spread to other industries, although no satisfactory information is available, view expressed at joint meeting with FAC
Federal Advisory Council: (continued)

Credit: (continued)

Bank: (continued)

Demands for, somewhat in excess of usual seasonal demands, strength and persistence of loan demand of banks, combined with somewhat tighter reserve position is exerting upward pressure on interest rates and lending terms and conditions, view expressed at joint meeting with FAC

Year-end business demands for bank credit will be somewhat above the usual seasonal pattern, Council not completely unanimous in its statement, views expressed at joint meeting with FAC

9/21 3098

Debentures:

Use of, rapid expansion in bank assets has tightened reserve position of most banks, in addition, capital ratio and risk asset ratio of same banks have become less favorable, these developments are factors which are likely to result in additional issuance of capital notes and, during the remainder of this year and in 1966, view expressed at joint meeting with FAC

11/16 3692

Deposits:

Time certificates, negotiable:

Good market for, with volume growing, some feeling that tendency may be to shift funds to larger centers, with likelihood that volume may increase further if flow of corporate funds is curtailed, views expressed at joint meeting with FAC

9/12 3100

2/16 554
Federal Advisory Council: (continued)

Deposits: (continued)

Time certificates, negotiable: (continued)

Dollar volume of, at banks outside the New York City area, reflects the unwillingness of many banks to issue at the present rate, and increased hesitancy on the part of many corporate treasurers to place deposits at smaller banks, view expressed at joint meeting with FAC

Result of recent developments, banks have been obliged to pay higher rates and generally to shorten maturities on CDs and short-term promissory notes in an attempt to attract funds necessary to meet their borrowing customers' requirements, banks are now finding it difficult to replace maturing CDs or to attract new funds at ceiling rates established by Regulation Q, views expressed at joint meeting with FAC

Time and savings:

Preliminary figures suggest that the rate of growth will continue in 1965, depending on banks seeking funds which will be determined largely by the loan demand, view expressed at joint meeting with FAC

Increase in, varies from district to district, reflecting interest paid on balances, view expressed at joint meeting with FAC

Discount rates, possible increase in, discussed in connection with balance of payments problem, views expressed at joint meeting with FAC
Federal Advisory Council: (continued)

Discount window:  
Use of, suggestion that if access of discount window was eased a little, it might encourage some banks to go to the FRBank that were now going to correspondent banks, views expressed at joint meeting of Board and FAC  
9/21 3118

Economic conditions:  
Domestic:  
General outlook over next several months favorable, with pace of economy most likely to slow somewhat in the event of an early steel settlement, view expressed at joint meeting with FAC  
2/16 551

General outlook favorable with some adjustment in steel and auto production and rate of inventory accumulation problem but with no significant effect on business before end of year, view expressed at joint meeting with FAC  
5/18 1626

Belief that level of business will rise further during the remainder of the current year, view expressed at joint meeting with FAC  
9/21 3087

Anticipation that the U.S. economy during the remainder of this year and the first part of 1966 will continue favorable, statement reflected quite a universal feeling in all districts, views expressed at joint meeting with FAC  
11/16 3683

Executive Committee:  
Members, election of Messrs. Moorhead, Martin, Stoner, Smith, and Cook  
2/16 550

Federal funds market, belief that rates in, are likely to stay above the current discount rate because of reluctance of borrowing from Federal Reserve, in these circumstances, an increasing number of medium and smaller banks are likely to participate in, view expressed at joint meeting with FAC  
9/21 3106
Federal Advisory Council: (continued)

Foreign banking corporations:

Edge corporations, question re Board's view toward approval of applications of, in view of effort to curtail outflow of U.S. dollars to improve balance of payments position, Governor Robertson expressed his views in joint meeting with FAC

Inflation:

Evidence of, with strong demand for bank loans and reliance on C.D.'s to meet this demand, also the underlying difficulties with the balance of payments, consequently, FAC believes the Board should be prepared to move in the direction of further restraint, including a tightening of reserves and an increase in the discount rate, views expressed at joint meeting with FAC

Interest:

Rates, most Council members reported little firming of lending policies, with no firming for prime customers, the few increases in rates that have occurred have been highly selective, view expressed at joint meeting with FAC

Inventories:

Business inventory policies, no substantial revisions noted, however, step-up in military operations in Vietnam and the expansion in defense spending, even though modest to date, have resulted in the general expectation that the uptrend in business would continue, presumably because Federal spending would rise further, view expressed at joint meeting with FAC
Federal Advisory Council: (continued)
Inventories: (continued)

Policies re, despite the rather optimistic expectations that prevail in the business community, additions to inventories do not appear excessive in relation to sales, however, the present high inventory totals assume a continuation of current sales trends, views expressed at joint meeting with FAC

Stockpiling, strong contraseasonal demand for bank credit suggests inventory build-ups particularly for steel and autos, with rise in bank loans indicating possibility of spread to other industries, although no satisfactory statistical information is available, views expressed at joint meeting with FAC

Liquidity:
Banking system, Council believes that reduced bank associated with substantial reduction in Government securities portfolios is becoming a more important factor inhibiting the accommodation of borrowers, many commercial bankers feel they can continue to obtain funds to accommodate borrowing customers by use of certificates of deposit and short-term notes, views expressed at joint meeting with FAC

Loans:
Business customers, belief that the increases in the interest rate on business loans to various borrowers have been highly selective and practically negligible in their effect, view expressed at joint meeting with FAC
Federal Advisory Council: (continued)

Loans: (continued)

Foreign lending by U.S. banks:

Recent rate of increase in commercial bank
loans to foreigners will not continue in months ahead, es-

cially in view of current program of the Administration

Volume of U.S. bank lending to foreigners
probably will not rise significa-

cntly over the rest of the
year, Governor Robertson spoke
enthusiastically about response
of bankers of this country to
voluntary foreign credit re-

straint effort, views expressed

at joint meeting with FAC

Limit, Council believes that some further rise
in loan-deposit ratio may occur
months ahead, doubtful that
this will limit bank loan ex-
pansion significantly in the
near future, banks with strong
loan demands will attempt to
obtain funds by bidding for
certificates of deposits and
issuing notes, views expressed

at joint meeting with FAC

Mortgage, Council believes that recent trends
reflect largely less will-

iness on part of banks for,
since rates and terms are not
as attractive as previously,
views expressed at joint meet-
ing with FAC

Meeting with Board
Meeting with Board
Meeting with Board

Mr. James S. Rockefeller from second FRDistrict
attended meeting

Meeting with Board

Meetings:

May 17-18, 1965, next to be held
September 20-21, 1965, next to be held
November 15-16, 1965, next to be held

2/16 555
9/21 3108
2/16 555
2/16 550
5/18 1626
9/21 3086
5/18 1640
9/21 3086
11/16 3712
2/16 577
5/18 1655
9/21 3124
Federal Advisory Council: (continued)

Meetings: (continued)

February 14-15, 1966, next to be held
Succeeding meeting, which ordinarily would be held in the latter part of May conflicts with the American Bankers Association's Monetary Conference to be held in Madrid, understood that the meeting would be tentatively scheduled for June 20-21, 1966

Members:

Alternates:
- Petersen, Howard C., present at meeting representing the Third District in absence of William L. Day
- Fleming, Sam M., attended first meeting as newly appointed member
- Knight, Roger D., Jr., attended first meeting as newly appointed member
- Martin, Lawrence H., elected Vice President
- Moorhead, John A., elected President

Monetary and Credit policy:
Council believes the monetary and credit policy has contributed significantly to economic expansion, with it being possible to make less credit available without a raise in interest rates, if a raise does become necessary in light of a continued balance of payments deficit a modest increase in, would have little or no effect on economic expansion, view expressed at joint meeting with FAC

Council believes that monetary and credit policy had been appropriate under current circumstances, some discussion about continued rapid expansion of bank credit and growth in required reserves, view expressed at joint meeting with FAC
Federal Advisory Council: (continued)

Mortgage credit:
Residential, no strong demand for residential mortgage credit in relation to supply of long-term funds, and rates are tending to soften, view expressed at joint meeting with FAC

National banks:
San Francisco National Bank, San Francisco, California, discussion of circumstances surrounding recent insolvency of, views expressed at joint meeting with Board and FAC

Notes:
Short-term, as a result of recent developments, banks have been obliged to pay higher rates and generally to shorten maturities on CDs and short-term promissory notes in an attempt to attract funds necessary to meet their borrowing customers' requirements, banks are now finding it difficult to attract new funds at ceiling rates established by Regulation Q, views expressed at joint meeting with FAC

Unsecured, volume of notes likely to increase in months ahead, particularly if New York State laws are amended, volume of deposits and notes may increase further if flow of corporate funds is curtailed, views expressed at joint meeting with FAC

Prices:
Commodity, belief that broad stability that has existed for several years may now be subject to increasing upward pressures, view expressed at joint meeting with FAC
Federal Advisory Council: (continued)

Prices: (continued)

Increase in:

Steadily rising wage and materials costs and a continued high demand are both exerting pressure on business management to raise prices, view expressed at joint meeting with FAC

Belief that price increases will continue to be selective in character, although such increases are likely to become more widespread and include a greater number of products and services, with inflation creeping faster than previously, views expressed at joint meeting with FAC

Profits:

Business, anticipation that the increase in business profits in 1966 will be less than in 1965, increased need for outside capital and credit to finance anticipated investment spending, doubtful that the expected change in profits will have any marked impact on course of business investment, views expressed at joint meeting with FAC

Regulation F, Council believes that revisions of, have been helpful and hopes that the open-mindedness in interpretation and willingness to make changes will continue, view expressed at joint meeting with FAC

Staff:

Korsvik, William J., elected Assistant Secretary

Prochnow, Herbert V., elected Secretary

Steel:

Contracts, full implications of extension of, cannot be forecast, further inventory accumulation is likely by certain firms, high production generally anticipated with profits still good, views expressed at joint meeting with FAC
Federal Advisory Council: (continued)
Steel: (continued)

Developments, no significant effect on general outlook except that uncertainty of strike has been eliminated, effect of steel settlement would go straight through industry generally and give further lift to prices, view expressed at joint meeting with FAC

Inventories:
Strong contraseasonal demand for bank credit, suggests inventory build-ups particularly in steel and autos, with rise in bank loans indicating possibility of spread to other industries, view expressed at joint meeting with FAC

No evidence that businesses are becoming uncomfortable with present inventory levels relative to sales, continued increase in sales has held down inventory-sales ratios, views expressed at joint meeting with FAC

Taxes:
Excise, reduction in, would give some stimulus to economy, but this is not generally regarded as an important factor, view expressed at joint meeting with FAC

Topics for discussion:
Balance of payments:
Business and financial community reaction to recent developments
Appraisal of results of voluntary foreign credit restraint effort, or recommendations for further programs
Best course of Government action in this area in 1966, as the Council appraises the outlook
Appraisal re strength of foreign demand for U.S. bank funds
Federal Advisory Council: (continued)
Topics for discussion: (continued)

Bank financing, trends in demands for loans, do demands represent temporary rather than long-range plant expenses 5/3 1463, 1473

Bonds:
Markets, appraisal of current status of bond market, what are foreseeable trends in interest rates, and differences in these rates 8/27 2789, 2808
Municipals, evaluation of the recent slowdown in bank acquisition of municipals 10/29 3426, 3441

Business conditions, question re observation of revisions in capital expenditure or other business plans 8/27 2789, 2808
Business outlays, expectations with respect to business fixed capital outlays in 1966, question whether over-capacity will result in any important industries 10/29 3426, 3441

Credit, bank:
Information based on request for bank financing of inventory build-ups in steel and auto industries, question re indications that inventory accumulation is spreading to other industries and products 1/27 315, 326
Expectation re business demands this fall to be substantially in excess of usual seasonal needs, question re interest rates and lending terms and conditions 8/27 2789, 2808
Anticipation as to year-end business demands for bank credit in relation to usual seasonal needs 10/29 3426, 3441
Debentures, prospects for further bank issuance of capital notes and, during the remainder of this year and next year 8/27 2789, 2808
Federal Advisory Council: (continued)
Topics for discussion: (continued)

Deposits:
Time, question re 1963 and 1964 rates of growth of, likely to continue in 1965 1/27 315, 332

Time certificates:
Dollar volume of, at banks outside New York City has shown little net change, question re what extent this reflects inability to sell certificates under Regulation Q ceilings, and to what extent unwillingness to issue them 5/3 1463, 1474

Appraisal of factors underlying rapid increase in both savings and, occurring since midyear 8/27 2789, 2808

Question re recent developments affecting the ability of banks to attract funds in the market for, or through the issuance of short-term promissory notes 10/29 3426, 3441

Economic conditions:
Council's views re
Appraisal re general outlook for remainder of current year 5/3 1463, 1473

Appraisal re prospects for remainder of year 8/27 2789, 2808

Prospects for the U.S. economy during the remainder of this year and the first part of 1966 10/29 3426, 3441

Federal funds market, expectations re near-term developments in, with respect to both the extent of participation in this market by medium and smaller size banks and likely rate levels relative to the discount rate 8/27 2789, 2808

Interest rates, comments on reasons for variance in survey which reflected generally stable bank interest rate, and another survey which indicated firming of lending policies of larger banks 5/3 1463, 1474
Federal Advisory Council: (continued)
Topics for discussion: (continued)

Inventories:
Information based on bank credit of further build-ups in steel and auto inventories, and possible indications that such accumulation is spreading to other industries and products
1/27 315, 326

Question re possible substantial revisions in business inventory policies as a result of changing expectations such as Vietnam
8/27 2789, 2808

Business expectations as reflected in inventory policies
10/29 3426, 3441

Liquidity of banking system, question as to what extent has reduced bank liquidity associated with substantial reduction in Government securities portfolios, become a factor that might inhibit accommodations of future loan demand
5/3 1473, 1474

List sent to Mr. Prochnow
1/27 315, 326
List sent to Mr. Prochnow
5/3 1463, 1473
List sent to Mr. Prochnow
8/27 2789, 2807
List sent to Mr. Prochnow
10/29 3426, 3441

Loans:
Business, to what extent have selected increases occurred in rates charged to customers on various classes of
10/29 3426, 3441

Commercial banks to foreigners:
Viewed from increase in 1964, question re continuation of rate of increase in prospect
1/27 315, 327

Question re possible changes in the volume of U.S. bank lending to foreigners over the rest of the year
8/27 2789, 2809

Monetary and credit policy:
Council's views under current circumstances
1/27 315, 327
Council's views under current circumstances
5/3 1463, 1474
Council's views under current circumstances
8/27 2789, 2809
Council's views under current circumstances
10/29 3426, 3441
Federal Advisory Council: (continued)
Topics for discussion: (continued)

Mortgage:
Question re current trend in demand for residential mortgage money 1/27 315, 326
Recent trend in city bank mortgage acquisitions, question re reflecting a reduced availability of mortgages or a changed attitude toward mortgage loans 5/3 1463, 1474

Notes, short-term:
Question re present situation in the market for negotiable certificates of deposit and 1/27 315, 327
Recent developments re, question as to how this has affected the ability of banks to attract funds in the CD market or through the issuance of 10/29 3426, 3441

Prices:
Prospects for continuing broad commodity price stability that has existed for several years 1/27 315, 326
Question re strength of pressure on businesses from the demand or cost side to raise prices 8/27 2789, 2808
Question re whether price increases will continue to be selective in character or become more general 10/29 3426, 3441

Regulation F, effective January 1, 1965, request for Council's views re 1/27 315, 327

Steel:
Request for information re, further build-up in steel and auto inventories, and are there indications that such accumulation is spreading to other industries and products 1/27 315, 326
Business attitudes re present inventory levels relative to sales of 5/3 1463, 1473
Recent developments in steel, question re effect on the general outlook toward business expansion 8/27 2789, 2808
Tax reduction, excise, question re importance as a stimulus to the economy 1/27 315, 326
Time certificates, negotiable, present situation re market for 1/27 315, 326
Federal Advisory Council: (continued)
Topics for discussion: (continued)

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<td><strong>Temporary measure shows no lessening in its effectiveness since the Council met in September, if it becomes imperative that the program for banks must be continued in 1966, Council would urge that the base, or the allowable percentage, or both, be raised in the long-term interests of the economy, mention of adverse effect on U.S. exports, views expressed at joint meeting with FAC</strong></td>
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Federal Bureau of Investigation:
Bank of Dublin, Virginia:

Document prepared by, requested by First Virginia Corporation, Arlington, Virginia, in connection with the filing of a fidelity bond claim for recovery of losses sustained by, reply approved

Access to FBI report refused by
Request by FBI for copies of officers' questionnaires and examination reports of, including the confidential sections, FRBank of Richmond authorized to supply, not to be used in court without obtaining permission from the Board

Member banks in the St. Louis District, request from, for access to examination reports including confidential sections and related documents of certain, FRBank of St. Louis authorized to permit access to such reports, with the understanding that information was not to be used as evidence in the event of a trial

Protection Departments of FRBanks, Divisions of Examinations and Bank Operations to participate and cooperate with the FBI in surveys re

Federal Deposit Insurance Act:

H.R. 7133, a bill to amend the FRAct, section 5155 of the Revised Statutes, and, relating to placing of authority to approve the establishment of State member bank branches, organization of new national banks and establishment of their domestic branches, and admission of noninsured State banks to membership in FRSystem, report to Chairman Patman of the House Banking and Currency Committee, approved
Federal Deposit Insurance Act: (continued)

Section 14:
Amendment of, letter to Budget Bureau, approved, advising that Board has no objection to legislation proposed by Federal Home Loan Bank Board involving amendment of section 402 of National Housing Act and

Section 18(9):
Proposal by FDIC to amend FRAct and, to provide a penalty for payment of interest on deposits by any insured bank in violation of Federal regulations prescribing maximum rates of interest, editorial changes suggested by Governor Daane agreed upon, letter to Bureau of the Budget, approved

Federal Deposit Insurance Corporation:
Audit program of State member banks on the "problem" list, data re, being prepared for FDIC to be combined with similar information on national and nonmember banks to fulfill request made by House Banking and Currency Committee

Computer belonging to the Board, current arrangement with, for use of, to be continued on a no-charge basis with additional time scheduled, as available

Continuance of deposit insurance after withdrawal from membership in FRSystem, advice to:

- American State Bank, Lubbock, Texas
- Arnold Savings Bank, Arnold, Missouri
- Birmingham-Bloomfield Bank, Birmingham, Michigan
- Cass Bank and Trust Company, St. Louis, Mo.
- Citizens Bank & Trust Company, Washington, Indiana
Federal Deposit Insurance Corporation: (continued)
Continuance of deposit insurance after withdrawal from membership in FRSystem, advice to: (continued)

Coast Bank, Long Beach, California, notation in letter re plans for increasing proprietary capital 9/9 2910, 2930

Corn Belt Bank, Bloomington, Illinois 7/23 2432, 2445

Corydon State Bank, Corydon, Iowa, bank urged to reduce loan account to a proportion that could be handled by the official staff or to strengthen management so the present volume could be serviced more adequately 1/19 203, 225

Dauphin Deposit Trust Company, Harrisburg, Pennsylvania 3/12 850, 865

Devon Bank, Chicago, Illinois, noted that following the last examination the bank was urged to improve its capital stock position 4/19 1287, 1300

Farmers and Merchants Bank, Boswell, Indiana 5/26 1721, 1749

Farmers State Bank of Buffalo, Illinois 12/8 4082, 4087

Farmers' State Bank, Middletown, Indiana 2/26 710, 721

Fidelity Bank and Trust Company, Houston, Texas 10/29 3426, 3439

First State Bank, Bangs, Texas 1/19 202, 224

First State Bank, Hawkins, Texas 6/11 1957, 1985

First Western State Bank of Minot, North Dakota 10/14 3309, 3319

Fowler State Bank, Fowler, Indiana 5/14 1600, 1607

Gary-Wheaton Bank, Wheaton, Illinois 6/16 2020, 2041

Glasford State Bank, Glasford, Illinois 12/17 4244, 4262

Hamilton Bank, Hamilton, Missouri 3/3 738, 757

Industrial State Bank of Kalamazoo, Michigan 7/23 2432, 2446

Mazon State Bank, Mazon, Illinois 5/10 1506, 1516

Metropolitan State Bank, Chicago, Illinois, this bank designated as a problem bank because of its poor asset condition 12/9 4090, 4110

Nashville State Bank, Nashville, Indiana 5/6 1493, 1499

Park State Bank, Milwaukee, Wisconsin 1/19 202, 223

State Bank of Florence, Wisconsin 1/6 37, 53
Federal Deposit Insurance Corporation: (continued)

Deposit insurance coverage:

H.R. 108, an omnibus bill that would among other things increase deposit and share account insurance coverage, understood that Board's views on legislation re deposit interest rates would be conveyed to Treasury Department along with a memorandum suggesting certain changes in the language of Report to Budget Bureau re, approved Deposits upon which excessive rates of interest are paid, to be considered as borrowings and deprived of insurance by:

SEE: Deposits:

Excessive interest paid on

Deposits:

Time, open account, question raised by a national bank, whether interest could be paid at the rate of 4-1/2 per cent when the deposit contract provided for a written notice of 90 days or more prior to withdrawal, memorandum re, to be sent to, for inter-agency discussion and to the Comptroller of the Currency and Chairman of the Home Loan Bank Board for comments

Time certificates and savings bonds, interest rates paid on, pointed out that Chairman Randall of, appeared to be concerned that the large banks would begin to weed out their poorer credits, with the result that these credits would trickle down to the smaller banks, thus increasing their risk exposure
Federal Deposit Insurance Corporation: (continued)

Money orders, letter to, approved, question
whether the appointment of an
agent to sell a bank's money
orders, at a location other
than the premises of the bank,
would constitute the establish-
ment of a branch office, a
question about which the views
of FDIC previously had been
requested by the Board

Regulation F:
Amendments to Form F-1 (Registration State-
ment) and Form F-5 (Proxy
Statement), suggestion adopted
that the Board authorize pub-
lication of proposed, in the
Federal Register with the
understanding that if FDIC
did not authorize similar ac-
tion re the Corporation's reg-
ulation, proposed amendments
would be withheld and an effort
made to work out problems in-
volved on an interpretative
basis

Similar action not authorized by, Board's
amendments withheld, inter-
pretation published in the Fed-
eral Register

Regulation Q proposals, discussion re possibility
of having the Board's staff
consult with the staff of, pro-
posals submitted by Mr. Hackley,
in view of the fact that the
FDIC had a parallel regulation
applicable to nonmember banks,
decision to defer consultation

(Individual banks)
Five Points National Bank of Miami, Florida,
FRBank of Atlanta, authorized
to comply with request of the
District Supervising Examiner
of FDIC for information and
data re reserve position, bor-
rowings, and flow of return
items of, FDIC to issue a no-
tice terminating status of, as
an insured bank
Federal Deposit Insurance Corporation: (continued)

Frontier Bank, Covelo, California, telegram to FRBank of San Francisco, authorizing compliance by the Bank with California State Banking Department's request for certain correspondence and documents in the Reserve Bank's files re, a nonmember insured bank that was placed in receivership in July 1964, understood that FDIC would be informed that an FDIC letter was among correspondence furnished 6/22 2116, 2121

San Francisco National Bank of San Francisco, California:

Contemplated that the liquidation of the loan by the FRBank of San Francisco to, in light of insolvency of, would be taken over by the FDIC 1/26 270

Definite that it now appeared that FDIC proposed to act as liquidating agent for the FRBank of San Francisco without charge, question whether FRBank should preferably not liquidate its own loan unless the loan was taken over by FDIC 1/27 320

Request made of FRBank of San Francisco by Bronson, Bronson & McKinnon, a law firm representing FDIC re litigation between FDIC and A. M. R., Inc., et al, for access to certain records pertaining to, letter to law firm approved, stating availability of documents sought, letter sent to FRBank of San Francisco 10/27 3399,3418-20

Telegram to FRBank of San Francisco, approved, re request for authorization to employ outside counsel to represent the Bank and its officers in litigation between the Federal Deposit Insurance Corporation and A. M. R., Inc., et al, involving 11/5 3575
Federal Deposit Insurance Corporation: (continued)
San Francisco National Bank of San Francisco, California: (continued)
Telegram to FRBank of San Francisco re employment of outside counsel: (continued)
Approval given to letter to FRBank of San Francisco authorizing retention of law firm of Brobeck, Phleger & Harrison re FDIC v. A. M. R., Inc., et al
Board to be kept informed re litigation
Summit State Bank of Richfield-Bloomington, Richfield, Minnesota:
Application of, a newly-organized bank for admission to membership in FRSystem, FDIC had reported unfavorably on factors of financial history, condition, adequacy of capital structure, and general character of management, and had recommended denial of the application, FRBank of Minneapolis and Board's Division of Examinations concluded factors questioned by FDIC could be resolved favorably, understanding that Governor Mitchell would discuss membership application with Chairman Randall of FDIC and report back to the Board
Adverse conclusion by FDIC re adequacy of capital structure and general character of management, report on interagency meeting between Governor Mitchell and Chairman Randall of FDIC

Federal funds:
Study of statistics re, memorandum from Division of Research and Statistics and Administrative Services re proposed publication of a, prepared by Dorothy Nichols of the FRBank of Chicago, approved, provision for publication made in 1965 budget of Div. of Administrative Services, book re, to be furnished to FRBanks
Federal funds market:
Expectation re near-term developments with respect to extent of participation in this market by medium- and small-size banks and likely rate levels, topic for discussion with FAC

Belief that rates in Federal funds market are likely to stay above the current discount rate because of reluctance of borrowing directly from the Federal Reserve, in these circumstances, view expressed at joint meeting with FAC

Float, effect on, approval given to letter to Chairman Fascell of House Legal and Monetary Affairs Subcommittee responding to request for information re relationship between float and

Federal Home Loan Bank Board:
Bank regulation, letter from Secretary of the Treasury Fowler on proposed establishment of a Coordinating Committee on, an elaboration of procedure established by former Secretary of Treasury Dillon, new plan to cover, new proposal would conform closely to recommendation of President's Committee on Financial Institutions, understood that revised draft of reply to Secretary Fowler would be distributed

Approval given to letter to Secretary Fowler, decision re service of Governor Robertson on Coordinating Committee deferred

Crimes, preventive measures in connection with crimes against banks and savings and loan associations, approval given to reply letter to Chairman Barr of FDIC re formation of an interagency committee to study and develop means of combating external crimes against banking institutions
Federal Home Loan Bank Board: (continued)

Deposits, time, open account, question whether interest could be paid at the rate of 4-1/2 per cent when the contract provided that the depositor was required to give a written notice of 90 days or more prior to any withdrawal, memorandum sent to FDIC, Comptroller of the Currency and to Chairman of, for comments.

Interest rates on time deposits paid by banks, indication that Chairman of, might request consideration of some modification of the newly-established ceiling rate on time deposits to moderate the impact of the savings and loan associations of more aggressive competition from banks for small time deposits.

Interest rates paid on savings "bonds" and "certificates" issued by banks, in discussion re arguments for and against limiting the issuance by banks of savings "bonds" and "certificates," it was pointed out that, suggested that Board might prescribe a maximum rate of less than 5-1/2 per cent for certificates of less than a specified amount, such as $5,000 or $10,000.

Federal Register:

Annapolis Banking and Trust Company, Annapolis, Maryland, notice of application for exemption from stock registration requirements of Regulation F, to be published in

Bank Holding Company Act of 1956, section 2(c), interpretation re applicability of, to industrial banks, approved for publication in, due to request for a determination by Zions Utah Bancorporation, Salt Lake City, Utah, re proposed acquisition of assets of Lockhart Corporation, which controls four industrial banks.
Federal Register: (continued)

Commingled Investment Account proposed by First National City Bank, New York, New York, interpretation submitted to counsel for First National City Bank, approved for publication in 9/29 3176, 3191

Discount rates, increase to 4-1/2 per cent:
FRBanks of New York and Chicago, approved, to be published in 12/3 3975
FRBanks of Boston, Atlanta, Philadelphia, Cleveland, Richmond, St. Louis, Minneapolis, Dallas, San Francisco, and Kansas City, approved, to be published in 12/7 4062

First National Corporation, Appleton, Wisconsin, application to become a bank holding company through acquisition of shares of First National Bank of Appleton and Valley National Bank, Appleton, Wisconsin, requirement that Valley National Bank be opened for business within six months, notice of Board action to be published in 2/24 677

Mobile branch facilities, applications by Manufacturers and Traders Trust Company, Buffalo, New York, for establishment of four branches in the Towns of Porter, Lewiston, and Newfane, Niagara County, and in the Town of Clarence, Erie County, to be operated two days a week, with each two mobile units serving two of the locations, approved, action to be published in 10/29 3454

Money orders, question as to whether the issuance of money orders by an authorized agent of a State member bank would involve the operation of a branch, letter to all FRBank Presidents, approved, interpretation to be published in 3/10 841
Promissory notes:

Definition of deposits, suggestion by Governor Balderston that an insertion to include unsubordinated, be placed in, and published in the Federal Register.

Proposed amendments to Regulations Q and D that would define promissory notes as deposits:

Legal Division to prepare, presumed they would be published in.

Chairman Martin to meet with the Comptroller of the Currency before publishing amendments in.

Members of Interagency Coordinating Committee on Bank Regulation requested opportunity to study, understood that publication of, would be withheld for ten business days.

Pueblo, Colorado, designation of, as a reserve city terminated, effective November 25, 1965, notice published in, letter sent to FRBank of Kansas City.

Regulation A, proposed interpretation on the eligibility of consumer loans and finance company paper for discount with the FRBanks pursuant to section 13 of FRAAct and Board's Regulation A, approved for publication in.

Regulation F:

Interpretation of Section 206.2(o), memorandum recommending that Board issue an, relating to the definition of the term "officer" as used in, approved for publication in.
Federal Register: (continued)
Regulation F: (continued)

Loans made by a bank to its officers, directors, principal stockholders, and their associates, suggestion adopted that the Board authorize publication in, of proposed amendments to, Form F-1 (Registration Statement) and Form F-5 (Proxy Statement) with the understanding that if FDIC did not authorize similar action on Corporation's regulation, Board's proposed amendments would be withheld and an effort made to work out problems involved on an interpretative basis

Amendments to Forms F-1 and F-5, withheld because FDIC did not authorize similar action with respect to its parallel regulation, interpretation embodying the substance of, published in

Proposed Form F-20, to advise State member banks clearly of the correct method of filing amendments to Regulation F approved, understanding that Form F-20 would be published in

Reports, annual, to security holders re financial statements, recommendation approved that interpretation be published in, to clear inconsistencies re call report requirements and those of Regulation F, approved

Regulation M, amendment of, to permit overseas branches to pay preferential rates of interest on deposits of their officers and employees, to be published in

Regulation O, loans made by a member bank to executive officers from funds held in trust by the bank under an employee-profit sharing plan, modified interpretation proposed by Legal Division, approved, interpretation published in
Federal Register: (continued)

Regulation Q:
Interest rate on loans secured by time deposits, letter to FRBank of St. Louis, re a question raised by the Kentucky Bankers Association with respect to, understanding that substance of letter would be published in Supplement of, amendment approved, increasing the maximum rates to 5-1/2 per cent on all time deposits and certificates of deposit having a maturity of 30 days or more, effective December 6, 1965, notice to be published in 4/2 1070, 1074

Regulation R, amendment of, to permit interlocking relationships between member banks and securities firms dealing in or underwriting accepted securities, notice to be published in 12/3 3980

Regulation U, question whether the New England Merchants National Bank of Boston, Massachusetts, could accept within meaning of section 221.3(a) of, nonpurpose statements by mail under an advertised plan offering to make installment loans up to 70 per cent of the redemption value of any acceptable mutual fund shares pledged by the borrower as collateral, letter to FRBank of Boston, approved, Governor Mitchell dissenting, interpretation to be published in 11/17 3734

Rules of Procedure of Board of Governors, applications involving public hearings or oral presentations, requested by Chairman Celler of the House Judiciary Committee, made available, amendment re, to be published in 3/10 839, 840

4/22 1349
Federal Register: (continued)

Stock registration requirements, application from Annapolis Banking and Trust Company, Annapolis, Md., for exemption from, publication in, authorized

Stock registration statement, proposed Form F-20 to advise State member banks clearly of the correct method of filing amendments to Regulation F, understanding that Form F-20 would be published in

Toledo, termination of designation as a reserve city, notice published in

Unlisted trading privileges, in regard to stock of Chase Manhattan Bank, New York, New York, applications of Boston and Philadelphia-Baltimore-Washington Stock Exchanges for, draft notice and opportunity for hearing approved for transmittal to interested organizations and for publication in, similar procedure to be followed re future applications for, without specific authorization by the Board

FRAct:

H.R. 7133, a bill to amend the FDIAct, Section 5155 of Revised Statutes, and, relating to placing of authority to approve, and the establishment of national bank and State member bank branches, organization of new national banks and admission of noninsured State banks to membership in Federal Reserve System, letter to Chairman Patman of House Banking and Currency Committee re, approved

4/12 1145, 1173
11/24 3811
4/29 1428, 1449-50
5/6 1493, 1503
4/27 1389, 1408
FRAct: (continued)

Section 11:
Authority of Board, proposed legislation to amend, to delegate functions other than those relating to rulemaking, monetary and credit policy, and supervision of the FRBanks with certain provisions for review by Board, understood Board favored, Governor Mills dissenting

Section 13:
Advances by FRBanks to member banks, under provisions of, with the enactment of recommended legislation, such notes reflecting loans by banks and guaranteed by Small Business Administration would be considered eligible as collateral under, for advances at primary discount rate, letter to Small Business Administration with copies to Federal Reserve Banks

Section 14(e):
Amendment proposed to, that would specifically authorize an FRBank to buy and sell securities with maturities not exceeding 12 months that are issued or guaranteed by foreign governments, letter to Chairman Robertson of Senate Banking and Currency Committee recommending

Section 16:
FRNotes, H.R. 5305, a bill which would change the provisions of, permitting local destruction of, and eliminating the need for sorting unfit notes, letter to Chairman Fascell of the Legal and Monetary Affairs Subcommittee reporting favorably on the proposed legislation
FRAct: (continued)

Section 19:
Amendment re, to be prepared by the staff in connection with legislative proposal by FDIC re problem of excessive rates of interest paid on deposits, letter to FDIC supporting proposal with certain pertinent changes, approved

Discussion of problems of draftmanship of, with certain editorial changes suggested by Governor Daane agreed upon, draft of letter to Bureau of the Budget, approved

Section 22(g):
Amendments to provisions of, in connection with possible legislative proposal to liberalize loans by member banks to their executive officers, agreed that Board should recommend

Letter to Chairman Robertson of Senate Banking and Currency Committee recommending

Loans to executive officers from a trust fund, question raised through Federal Reserve Bank of Dallas by Victoria Bank and Trust Company, Victoria, Texas, as to whether the restrictions of, and Regulation O applied to, modified interpretation proposed by Legal Division, approved, letter to FRBank of Dallas, copy of interpretation published in Federal Register

Section 23A:
Extension of credit, proposed amendment to provide that section 23A of the FRAct shall not apply to "any extension of credit by a member bank to a bank holding company of which such bank is a subsidiary or to another subsidiary of such bank holding company" under certain time limitations outlined, no action taken on proposal
FRAct: (continued)

Section 23A: (continued)
Foreign banking corporations, request from Chase Manhattan Bank, New York City, that Board recommend legislation that would exempt from the limitations of, loans or extensions of credit by a member bank to any subsidiary of an Edge Act or agreement corporation subsidiary of the bank, letter to Chairman Robertson of the Senate Banking and Currency Committee, and letter to Chase Manhattan Bank

Section 24A:
Banking premises, revision of procedure for handling violations of, letter to FRBanks, approved

Section 25:
"Agreement corporations" proposed amendment to correct a defect in present law by specifically excluding, operating under, recommended for inclusion in legislative proposals, no action taken on recommendations

FRAgents:
Status of FRAgents' Departments at FRBanks prior to transfer of nonstatutory duties of the FRBanks in 1936, question re credit in the Civil Service Retirement for service by employees in FRAgents' Departments at that time, letter to Civil Service Commission and FRBanks, approved

FRAgents, Assistant:
Allen, Ethan W., Alternate, FRBank of New York, appointment approved
Anderson, Morris G., FRBank of Minneapolis, succeeded by Raynold W. Anderson
Anderson, Raynold W., FRBank of Minneapolis, appointment approved, to succeed Morris G. Anderson
FRAgents, Assistant: (continued)
Blake, Carroll D., Alternate, FRBank of Dallas, appointment approved, to succeed J. Lero Griffin 12/23 4383, 4418
Groe, Robert V., Alternate, FRBank of Minneapolis, appointment approved, to succeed Richard C. Heiber 12/30 4442, 4455
Heiber, Richard C., Alternate, and Department Head of Personnel, FRBank of Minneapolis, change in title to Assistant Cashier 12/6 4029, 4053
Oltman, James H., FRBank of New York, appointment approved, to succeed John P. Ringen who will retire 8/19 2739, 2746
Phillips, James E., FRBank of Dallas, appointment approved, to succeed Jesse D. Sanders 12/23 4383, 4418
Schuette, Leonard H., Alternate, FRBank of Minneapolis, appointment approved, to succeed Raynold W. Anderson 12/30 4442, 4455
FRAgent’s Representatives:
Armstrong, B. F., Assistant Cashier, of the Baltimore Branch to succeed A. C. Wienert, appointment approved 12/23 4383, 4416
Bowlin, Arpy B., Oklahoma City Branch, appointment approved 3/30 994, 1021
Crider, Maxine M., Helena Branch, appointment approved 1/19 203, 227
Mr. Johnson commented in response to question re relatively low salary classification of, not too many people at the Helena Branch qualified to serve as, and that Mrs. Crider’s services probably would be needed only sparingly 1/19 203
Davis, James M., Los Angeles Branch, to succeed Reid E. Newton, appointment as, approved 7/16 2351, 2371
Davis, Joseph William, Oklahoma City Branch, to succeed Jay C. Waldroup, appointment approved 8/30 2811, 2816
FRAgent's Representatives: (continued)

Deuser, Donald R., Louisville Branch, to succeed James E. Conrad, appointment approved

Fishburne, S. P., Charlotte Branch, to succeed S. A. Ligon, appointment approved

Groppe, John D., Cincinnati Branch, to succeed Richard P. Gettinger, appointment approved

Hennes, Elmer F., Omaha Branch, appointment approved

Henning, Sydney L., Buffalo Branch, appointment approved

Johnston, William A., Jr., Jacksonville Branch, appointment approved, to succeed Allford J. Shaw

Jones, Beryl F., FRBranch Bank of Memphis, to succeed Leslie H. Fowler, appointment approved

Krieger, Richard C., Denver Branch, appointment approved

Lease, James J., Denver Branch, appointment approved, to succeed Clare T. Roeder

Manning, Walter J., New Orleans Branch, to succeed Nicholas J. Bandi, appointment approved

Perry, Robert A., Baltimore Branch, appointment approved

Ruby, James S., Jr., Memphis Branch, to succeed Michael E. Moriarty, appointment approved

Seeley, Warren A., Jr., Nashville Branch, to succeed Miss Anna Lou Cullom, appointment approved

Waldroup, Jay C., Oklahoma City Branch, appointment approved

Watson, Jessie T., Jacksonville Branch, appointment approved, to succeed M. J. Swilley

Wyatt, J. H., Assistant Cashier, Bank and Public Relations Department, FRBank of Richmond, appointment approved, to succeed J. Lander Allin, Jr., as

Young, Edward C., Buffalo Branch, to succeed Arthur A. Randall, appointment approved
FRBank of Atlanta:
Discount window, current statistical data prepared by Division of Bank Operations revealed substantial continued borrowing by certain banks in the Sixth District in relation to required reserves, decision that a letter be sent to all FRBanks in which Board would ask for data re borrowing by member banks

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Examinations, report reviewed, agreed that President Bryan would be advised by telephone that Atlanta Bank should conform to prescribed procedure for vault storage envelopes for securities left with the Bank for safekeeping, letter confirming conversation

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<td>7/20</td>
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FRnotes, supplemental printing order for fiscal year 1965 placed with Bureau of Engraving and Printing, letter to Comptroller of the Currency, approved

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Safekeeping of securities, agreed that President Bryan would be advised by telephone that Atlanta Bank should conform to prescribed procedure for vault storage envelopes for, letter confirming conversation approved

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<td>7/20</td>
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Salaries:
Employees, request approved for certain changes in salary structures applicable to employees of head office and branches, including a special grade 16 maximum of $19,500

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<td>9/29</td>
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Officers, other than Presidents and First Vice Presidents, minimum ranges in Groups A, B, and C approved, no changes requested in current ranges for Group D nor in the current maximums of Groups A, B, and C

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<td>12/9</td>
<td>4096, 4127</td>
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Staff:

Examiners, special assistant:
Designation of Donald L. Charles, approved 4/27 1400, 1424
Designation of Henry G. Glover and Kenneth G. Reece, approved 8/25 2777, 2786

(Individual names)

Adams, DeWitt, General Auditor, salary approved 12/9 4096, 4128
Belflower, Joseph N., Examiner, appointment approved 2/3 380, 388
Branan, N. Carson, Assistant Vice President, salary approved 6/1 1833, 1838
Brandt, Harry, Vice President, Research, salary approved 12/9 4096, 4128

Bryan, Malcolm, President, resignation effective October 1, 1965, to be succeeded by Harold T. Patterson 8/18 2727, 2736

Davis, W. M., Assistant Vice President:
Salary approved 3/31 1041, 1052
Salary approved 12/9 4096, 4128

Forbes, James B., Assistant Cashier:
Salary approved, noted that Mr. Forbes is being assigned to Data Processing Department 2/1 354, 371
Salary approved 12/9 4096, 4128

Ford, C. Mason, Assistant Vice President, salary approved 12/9 4096, 4128

Hardin, J. Lyle, Assistant Chief Examiner, salary approved 12/9 4096, 4128

Harris, J. T., Assistant Vice President, salary approved 12/9 4096, 4128

Hibbert, George, Assistant Counsel, salary approved 12/9 4096, 4128

Hingst, Eric, Assistant Cashier, salary approved 12/9 4096, 4128

Hoover, Duane, Assistant Vice President:
Salary approved for 1966 12/6 4029, 4051
Salary approved 12/9 4096, 4128

Howard, Beyrl E., Assistant Vice President, salary approved 12/9 4096, 4128

Kantner, Arthur, Assistant Cashier, salary approved 12/9 4096, 4128
FRBank of Atlanta: (continued)
Staff: (continued)

Kimbrel, M. Monroe:
Senior Vice President, appointment effective June 2, 1965, with annual salary subject to approval of Board, reported by Chairman Tarver of
Suggested that Chairman Tarver give details of disposition of bank stock of, question whether matter should be discussed more fully with Presidents' Conference

First Vice President:
Appointment and salary approved, effective October 1, 1965, to succeed Harold T. Patterson, whose appointment as President of, was approved, effective October 1, 1965
Salary approved, effective January 1, 1966
Martin, F. H., Assistant Vice President, salary approved, to reach retirement age during 1966, noted
McCorvey, J. E., Vice President and Cashier, salary approved
Millsaps, Fred, Vice President, salary approved
Patterson, Harold T.:
First Vice President:
Appointment as President with salary approved, effective October 1, 1965, to succeed Malcolm Bryan
Attended Board meeting for discussion on coin situation
President:
Interim election of committee members to Federal Open Market Committee in event of resignation, retirement, or death, need for definite understanding of procedure to be followed, discussed in connection with possible election of, to fill vacancy left by Mr. Malcolm Bryan
Salary approved, effective January 1, 1966
FRBank of Atlanta: (continued)
Staff: (continued)

Rawlings, Brown R., Vice President, salary approved 12/9 4096, 4128
Roberson, G. Gale, Jr., Assistant Counsel:  
  Salary approved 3/31 1041, 1053  
  Salary approved 12/9 4096, 4128
Sanders, Richard A., Associate General Auditor, salary approved 12/9 4096, 4128
Sheffer, George W., Jr., Chief Examiner and Assistant Vice President:  
  Requested to testify in case of United States v. Jules B. Hernandez et al and, to produce the April 1961 condition report to Metairie Savings Bank and Trust Company, Metairie, La., authorized to comply 5/10 1507, 1518  
  Salary approved 12/9 4096, 4128
Stephenson, R. M., Vice President, salary approved 12/9 4096, 4128
Taylor, Charles T., Vice President and Director of Research, salary approved 12/9 4096, 4128
Vallette, Edgar M., Vice President:  
  Salary approved 12/6 4029, 4051  
  Salary approved 12/9 4096, 4128
Wapensky, Basil A., Assistant Cashier, salary approved 12/9 4096, 4128
Wells, Jeffrey, Assistant Cashier, salary approved 12/9 4096, 4128
Woodside, Harvey Rush, Jr., Assistant Examiner, appointment approved 5/5 1482, 1489
Territory, proposal to extend territory of Birmingham Branch to include portion of State of Alabama now served by FRBank of Atlanta head office, approved 6/10 1938, 1950

FRBank of Boston:
Examinations:
Report reviewed:
  Noted that Mrs. Noor of staff of, reported indebtedness of stock transactions, understood letter to be prepared for Board's consideration to President Ellis re, minor holdings of Vice President Angney in bank holding company stock, noted 3/9 824
FRBank of Boston: (continued)
Examinations: (continued)

Report reviewed, no comments

Power failure over substantial portion of Northeastern part of the United States affecting the cities of New York and Boston, understood that New York and Boston Federal Reserve Banks would be advised by telephone that they could waive penalties for reserve deficiencies that were incurred by member banks in their Districts and would be permitted to carry over any excess of reserves into the next statement period, confirming telegram sent to

Salaries:
Employees, increase in structure approved

Staff:
Examiners, special assistant:
Designation of David A. Robbins, approved
Designation of 32 persons as, approved
Designation of four individuals, approved
Designation of Maurice P. Shea, 3rd, approved

(Individual names)
Anderson, Paul S., Financial Economist, salary approved
Angney, D. Harry, Vice President:
Minor shares of bank holding companies held by, Board indicated that it would not raise any question on matter
Salary approved
Aquilino, Daniel, Assistant Cashier, salary approved
Arena, John J., Senior Economist, to serve as senior member of the staff of the Council of Economic Advisers, for a period not to exceed twelve months beginning in July 1965
Aubrey, Lee J., Assistant Vice President, salary approved
FRBank of Boston: (continued)
Staff: (continued)

Barrett, John J., Assistant Cashier, salary approved 12/9 4096, 4117
Berge, Ansgar R., Vice President, salary approved 12/9 4096, 4117
Brady, Charles H., Assistant Vice President, salary approved 12/9 4096, 4117
Deck, Margaret A., Assistant Examiner, appointment approved 8/23 2756, 2761
Dickson, Wallace, Assistant Vice President, salary approved 12/9 4096, 4117
Eisenmenger, Robert W., Vice President and Director of Research, salary approved 12/9 4096, 4117

Ellis, George H., President:
Designated to serve as Chairman of ad hoc committee established by Conference of Presidents to study System-wide needs in area of data processing 6/16 2026
Attended Board meeting for discussion on coin situation 9/1 2821
Salary approved 12/1 3895, 3922
Hargens, William G., Assistant Examiner, appointment and salary approved 7/26 2456, 2464
Hoyle, Luther M., Jr., Vice President, salary approved 12/9 4096, 4117
Keating, Ripley M., Assistant Cashier, salary approved 12/9 4096, 4117
Kulesza, Kenneth H., Assistant Examiner, appointment approved 8/12 2675, 2677
Lacks, Stanley B., General Auditor, salary approved 12/9 4096, 4117
Latham, Earle O., First Vice President, salary approved 12/1 3895, 3922
Mitiguy, Harry R., Assistant Vice President, salary approved 12/9 4096, 4117

Norr, Ruth B., Editor, Research and Statistics:
Indebtedness of, over stock transactions, understood that a letter would be prepared for Board's consideration to President Ellis re activities of 3/9 824
FRBank of Boston: (continued)
Staff: (continued)
Norr, Ruth B., Editor, Research and Statistics: (continued)
Further review of securities transactions engaged in by, and her indebtedness to Brown Brothers, Harriman and Company, secured by listed stocks, letter to President Ellis, FRBank of Boston suggesting further review of matter, approved
Nye, Loring C., Assistant Vice President, salary approved
Pelletier, Donald A., Assistant General Auditor:
Salary approved
Salary approved
Radford, Richard H., Assistant Cashier, salary approved
Reboul, Edward L., Assistant Examiner, appointment approved
Schlaikjer, Oscar A., Vice President and General Counsel, salary approved
Scott, James M., Assistant Examiner, appointment approved
Stone, Laurence H., Secretary and Associate General Counsel, salary approved
Tangney, Eugene M., Assistant Vice President:
Salary approved
Request of FRBank of Boston for approval of payment of salary to, indication of approval contained in letter to Boston Bank dated December 10, 1965, copy attached to Board minutes of December 9, 1965
Salary at current rate to date of termination of services, approved, rescinding previous authorization to raise salary of, it having been ascertained that, had decided to accept a position outside of the Federal Reserve System
4/21 1331, 1335
12/9 4096, 4117
10/4 3221, 3228
12/9 4096, 4117
12/9 4096, 4117
3/9 826, 833
12/9 4096, 4117
11/24 3812, 3833
12/9 4096, 4117
12/9 4096, 4117
12/10 4151
12/22 4341, 4371
FRBank of Boston: (continued)  
Staff: (continued)  
Thayer, Jarvis M., Jr., Cashier:  
Requested to assist Central Bank of the Philippines in a study re systems and procedures, and manpower requirements and utilization, recommendation approved along with arrangements re travel, salary, and living expenses  
Salary approved  
Salary approved
Turner, Charles E., Vice President, salary approved  
Walker, Richard A., Assistant Vice President, salary approved  
Watts, G. Gordon, Vice President, salary approved  
Willis, Parker B., Vice President and Economic Adviser, salary approved  
FRBank of Chicago:  
Banking quarters:  
Vault doors and other construction work, approval given to proceed with necessary work to complete unfinished vault in head office addition, with necessary expenditure authorized  
Condition and earnings data from individual banks in Illinois, requested for use by Mrs. Lucille Mayne in doctoral dissertation, approved, with the understanding that other requests would be weighed against Reserve Bank's experience  
Examinations:  
Report reviewed, agreed there were no matters requiring Board action except Governor Mitchell was to seek more information re circumstances surrounding recent borrowing record of Bank of the Commonwealth, Detroit, Mich.  
Governor Mitchell talked with President Scanlon, understood material would be furnished and circulated to Board members  
Report reviewed
FRBank of Chicago: (continued)
FRnotes, supplemental printing order for fiscal year 1965 placed with Bureau of Engraving and Printing, letter to Comptroller of the Currency re

Salaries:

Nonclerical employees:
Payment of salaries to Head Painter and Painter above the maximum of the grades in which the positions are classified 4/14 1193, 1211
Payment of salary to the Marble Maintenance man at the rate approved for time spent in performing Marble Setter duties, effective retroactive to June 1, 1965 6/21 2095, 2107
Payment of salaries to Head Carpenter, Carpenters, and Plumbers above maximum of the grades in which the positions are classified, approved 6/17 2046, 2067
Payment of salaries to Head Electrician and Electrician above the maximum of the grades in which the positions are classified, approved 11/22 3771, 3788

Staff:
Examiners, special assistant:
Designation of eight employees, approved 1/14 149, 151
Designation of James M. Rudny, approved 3/30 1014, 1039
Designation of William J. Hocter, approved 4/27 1400, 1423
Designation of John E. Rooney, approved 11/3 3538, 3568

(Individual names)
Anschutz, A. J., Assistant Cashier, salary approved 12/9 4096, 4131
Baughman, E. T., Vice President, salary approved 12/9 4096, 4131
Bierbauer, C. E., Cashier: Salary approved 12/6 4029, 4051
Salary approved 12/9 4096, 4131
Bokios, George, Assistant Examiner, appointment approved 1/8 86
Buell, H. C., Assistant Chief Examiner, salary approved 12/9 4096, 4131
FRBank of Chicago: (continued)
Staff: (continued)

Capouch, J. J., Assistant Cashier, salary approved

Cloos, G. W., Senior Economist, salary approved

Davis, L. A., Assistant Vice President, salary approved

Dawson, L. W., Assistant Vice President, salary approved

Dons, F. A., Assistant General Auditor, salary approved

Doyle, D. M., Assistant Vice President, salary approved

Dybeck, Rudolph W., Assistant Cashier:
Appointment and salary approved
Salary approved

Edler, F. C., Assistant Cashier, salary approved

Egeland, Ralph L., Examiner, appointment approved

Endres, J. J., General Auditor, salary approved

Ford, Harold E., Assistant Examiner, appointment approved

Fults, E. O., Assistant Vice President, salary approved

Gohr, L. A., Assistant Cashier, salary approved, noted that, will reach retirement age during 1966

Gustavson, A. M., Vice President, salary approved

Hansen, V. A., Assistant Vice President, salary approved

Heath, E. A., Assistant Vice President and Assistant Secretary, salary approved

Helmer, Hugh J., First Vice President, salary approved

Hickey, Edward J., Jr., Assistant Examiner, appointment approved

Hochstatter, Robert, Senior Examiner, to be assigned to assist in the investigation and audit of Banco Industrial of Venezuela, letter to Ambassador Enrique Tejara Paris from Venezuela, approved
FRBank of Chicago: (continued)
Staff: (continued)

Hodge, P. C., Vice President, General Counsel and Secretary, salary approved 12/9 4096, 4131

Hume, W. O., Assistant Vice President:
  Salary approved for 1966 12/6 4029, 4051
  Salary approved 12/9 4096, 4131

Jones, L. H., Vice President, salary approved 12/9 4096, 4131

Kroll, E. K., Assistant Cashier, salary approved 12/9 4096, 4131

Laibly, C. T., Vice President, salary approved 12/9 4096, 4131

Larson, W. J., Assistant General Counsel and Assistant Secretary:
  Salary approved 12/6 4029, 4051
  Salary approved 12/9 4096, 4131

Lawrence, Andrew, Assistant Examiner, reappointment approved 6/14 1996, 2018

McConnell, Gordon L., Assistant Examiner, appointment approved 2/25 703, 707

Moffatt, R. A., Vice President, salary approved 12/9 4096, 4131

Morrison, J. R., Chief Examiner, salary approved 12/9 4096, 4131

Newman, H. J., Vice President, salary approved 12/9 4096, 4131

Nichols, Dorothy, author of revised series of Federal funds, publication, approved 5/10 1512, 1523

Peterson, Elisabeth B., Mrs., Assistant Examiner, appointment approved 5/26 1742, 1767

Ross, L. M., Vice President:
  Expected to be designated to testify concerning Southgate Bank in the suit, Southgate Bank v. Commissioner of Banking, Board authorizes appearance of, to give such testimony as may be related to or in support of action taken by the Commissioner 3/24 966, 990
  Salary approved 12/9 4096, 4131

Ruddy, William E., Examiner, appointment approved 12/15 4181, 4225
Scanlon, Charles J., President:
To represent FRSystem along with Chairman Martin, Governor Robertson and President Hayes at meeting at the White House, President Johnson to discuss with business and financial leaders the balance of payments problem and the objectives of the voluntary credit restraint program, noted in minutes of joint meeting of Board with Presidents' Conference
Steering Committee re study of discount mechanism, Governor Mitchell, Chairman, to ascertain whether, would serve as member on
Attended Board meeting for discussion on coin situation
Salary approved
Scheider, R. M., Assistant Cashier, salary approved
Scheld, K. A., Assistant Vice President, salary approved
Schultz, H. S., Vice President, salary approved
Smyth, B. L., Vice President, salary approved
Sorg, R. E., Assistant Vice President, salary approved
Srp, J. J., Assistant Vice President, salary approved
Stasiak, Jacqueline E., Assistant Examiner, appointment approved
Stiles, L. A., Senior Economist, salary approved
Taylor, William, Examiner, appointment approved
Teachout, Edward C., Assistant Examiner, appointment approved
Trinklein, John P.:
Assistant Examiner, owns stock in a particular insured nonmember bank, letter to, re ownership of bank stock of
Examiner, appointment approved
FRBank of Chicago: (continued)

Staff: (continued)

Weiskopf, C. W., Assistant Chief Examiner, salary approved
Wright, C. G., Assistant Vice President, salary approved

FRBank of Cleveland:

Counsel, special, payment not to exceed $6,000 for legal fees to, for services rendered in connection with Bank's acquisition of real estate in Cincinnati, Ohio, to be used as the site for the new Cincinnati branch, approved

Examinations, report reviewed
FRnotes, supplemental printing order for fiscal year 1965 placed with Bureau of Engraving and Printing, letter to Comptroller of the Currency re

Payroll procedure proposed by:
Protest by staff representative of House Banking and Currency Committee re, understood FRBank of Cleveland would be advised of Board members' reaction to, suggestion that letter be sent to all FRBanks on principles to be observed in connection with payroll distribution
Objection by Board to plan re, reported that President Hickman was investigating possibility of modifying plan, understood that the Board would advise by telephone their views re

Staff:
Examiners, special assistant:
Designation of William F. Krech, Dennis E. Murray and Richard Nicoloff, approved, with the understanding that Mr. Nicoloff will not participate in the examination of a certain state member bank
Designation of three individuals, approved
Designation of eleven individuals, approved
Designation of Robert Lord, approved
Designation of Mary Louise Kelly, approved
FRBank of Cleveland: (continued)

Staff: (continued)

(Individual names)

Aalto, Reino L., Examiner, appointment approved
Salary approved
12/30 4446, 4459

Beach, Oscar H., Assistant Cashier:
Salary approved
7/30 2494, 2508
Salary approved
12/9 4096, 4124

Benjamin, Donald G., Assistant Cashier, salary approved
12/9 4096, 4124

Booth, George E., Jr., Vice President and Cashier, salary approved
12/9 4096, 4124

Breidenbach, Paul, Vice President and General Counsel:
Salary approved
12/6 4029, 4051
Salary approved
12/9 4096, 4124

Campbell, James H., Assistant General Auditor, salary approved
12/9 4096, 4124

Clouse, Roger R., Vice President and Secretary, salary approved
12/9 4096, 4124

Cutler, Addison T., Assistant Vice President and Economist, salary approved
12/9 4096, 4124

Didham, Phillip B., Vice President:
Salary approved
7/30 2494, 2508
Salary approved
12/9 4096, 4124

Duggan, Robert D., Assistant Cashier, salary approved
12/9 4096, 4124

Erste, Anne J., Assistant Cashier, salary approved
12/9 4096, 4124

Fink, Edward A., First Vice President, salary approved
12/1 3895, 3925

Frank, Gerald W., appointment as Assistant Examiner, approved
8/17 2711, 2720

Fricek, Elmer F., Vice President, salary approved
12/9 4096, 4124

Ginnane, R. Joseph, Assistant Vice President, salary approved
12/9 4096, 4124

Gossett, E. R., Examiner, letter to Reserve Bank re ownership of bank stock by
10/27 3401, 3422

Hendricks, William H., Assistant Vice President, salary approved
12/9 4096, 4124

Hickman, W. Braddock, President:
Designated to serve as a member of ad hoc committee established by Conference of Presidents to study System-wide needs in area of data processing
6/16 2026
FRBank of Cleveland: (continued)
Staff: (continued)

Hickman, W. Braddock, President: (continued)
Reference to request for approval of an increase in the annual salary of, made in memorandum of Board's Committee on Organization, Compensation, and Building Plans
Salary approved, effective January 1, 1966, 446

Salary approved, effective January 1, 1966, directors of Cleveland Bank had advised of reappointment of, Board action with respect to appointment of Presidents and First Vice Presidents for five year term has been deferred until early in 1966 11/3 3491

Hoover, Robert G., Assistant Vice President, salary approved 12/1 3895, 3925

Hoy, John J., Vice President:
Letter to the Chairman of the Cleveland Bank's Board of Directors stating grounds on which the Board had decided not to approve Mr. Hoy's appointment as First Vice President of 10/13 3294, 3307
Salary approved 12/9 4096, 4124

Huning, Harry W., Vice President, salary approved 12/9 4096, 4124

Kelly, Frederick S., Vice President, salary approved 12/9 4096, 4124

Landis, Laird, to retire during January 1966, to be hired as a Consultant to the Research Department on various matters, letter to 9/15 3014, 3033

Leonard, Richard L., Examiner, appointment approved 12/30 4446, 4459

Mann, Maurice, Vice President and General Economist:
Salary approved 4/22 1361, 1381
Salary approved 12/9 4096, 4124

Marowsky, Horst K., Assistant Examiner, appointment approved 2/26 715, 726

Miller, Clifford G., Vice President, salary approved 12/9 4096, 4124
FRBank of Cleveland: (continued)
Staff: (continued)

Miller, Elfer B., General Auditor, salary approved

Morrison, W. Martin, to retire during October 1965, to be hired as a Consultant to President Hickman, FRBank of Cleveland on matters pertaining to the Cincinnati Branch building

Ormiston, Thomas E., Jr., Assistant Cashier, salary approved

Pugh, H. Milton, Chief Examiner:
   Salary approved
   Salary approved

Selby, Lester M., Assistant Secretary, salary approved

Stephenson, Wilson A., Examiner, appointment approved

Thauburn, Bruce E., Examiner, appointment approved

Thompson, Donald S., recently retired from, was an employee of the Agents' Department at San Francisco from 1923 to 1929, letter to Civil Service Commission approved re status of FRAgents' Departments at several FRBanks prior to 1936, action of Civil Service Commission could affect creditability for Civil Service retirement purposes for

FRBank of Dallas:
Deposit of funds of deceased father of Albert Sidney Lackey in, request from Congressman Wright asking that disinterested third party be permitted to examine records of, to ascertain truth of charge, letter to Congressman Wright, approved

Board agreed that a review of Bank's account books would be made at the time of the next examination, in view of Mr. Lackey's claim

1/21 247

6/10 1938, 1951

6/10 1940
FRBank of Dallas: (continued)

Direct verification program as a part of the examination procedure, to be inaugurated on a test basis by, reply to President Irons approving, if plan is successful Division of Examinations probably will recommend to Board that a similar program be placed in effect at all FRBanks

Examinations:

Report reviewed, no matters requiring action by Board noted, borrowing record of two member banks mentioned, one in San Antonio and Republic National of Dallas

Review of the Bank's account books should be made at time of next examination to ascertain truth of charge that deceased father of Albert Sidney Lackey had deposited funds in, letter to Congressman Wright re

Management consultant survey, noted in budget for first half of 1966 that the savings that had been indicated from implementing the recommendations of, were not reflected in the budget of, suggested that inquiry might be made of President Irons regarding this matter

Staff:

Examiners, special assistant:

Designation of Gerald B. Garrett, approved
Designation of Carroll D. Blake, approved
Designation of David M. Harzmann and Tommy C. Sartin, approved
Designation of Sammie C. Clay, approved

(Individual names)

Adams, David W., Senior Security Files Clerk, payment of salary to, while serving at the Bank's record storage center at Denton, Texas, approved
FRBank of Dallas: (continued)
Staff: (continued)

Alexander, Sydney J., Assistant Cashier:
  Appointment and salary approved 12/6 4029, 4051
  Salary approved 12/9 4096, 4139

Blake, Carroll D.:
  Assistant Examiner, appointment approved, not to participate in the examinations of a member bank and a nonmember bank 1/19 216, 230
  FRAgents' Alternate Assistant, to succeed J. Lero Griffin 12/23 4383, 4418

Bohne, Roy E., Vice President, salary approved 12/9 4096, 4139

Boykin, Robert H., Assistant Vice President and Assistant Secretary, salary approved 12/9 4096, 4139

Brown, Robert A., Assistant Cashier:
  Appointment and salary approved 12/6 4029, 4051
  Salary approved 12/9 4096, 4139

Carlson, Richard F., Assistant Examiner, appointment approved 7/9 2265, 2272

Cauthen, James L., Vice President, salary approved 12/9 4096, 4139

Cochran, George C., III, Assistant Counsel:
  Appointment and salary approved 12/6 4029, 4051
  Salary approved 12/9 4096, 4139

Coldwell, Philip E., First Vice President:
  Suggested for membership on the Secretariat, an eleven-man group comprised of senior FRBank and Board officials plus one senior economist from the Board's staff, Secretariat to serve on the Steering Committee in the study of the discount mechanism 8/5 2615
  Salary approved, effective January 1, 1966, directors of Dallas Bank had advised of reappointment of, for five-year term, Board action with respect to appointment of Presidents and First Vice Presidents has been deferred until early in 1966 12/1 3895, 3931

Cowan, Leon W., Assistant Vice President, salary approved 12/9 4096, 4139
FRBank of Dallas: (continued)
Staff: (continued)

Giddens, Charles H., Assistant Examiner, appointment approved

Green, Ralph T., Vice President, salary approved

Ingram, Richard D., Assistant Cashier:
Appointment and salary approved
Salary approved

Irons, Watrous H., President:
Attended Board meeting for discussion on coin situation
Salary approved, effective January 1, 1966, directors of Dallas Bank had advised of reappointment of, for five year term, Mr. Irons will reach age 65 on January 18, 1968, and the Dallas Bank stated that his reappointment was "subject to appropriate retirement provisions," Board action with respect to appointment of Presidents and First Vice Presidents has been deferred until early in 1966

Lang, Arthur H., General Auditor, salary approved

Murff, G. R., Vice President and Secretary, salary approved

Parker, James A., Vice President, salary approved

Phillips, James E., FRAgents' Alternate Assistant, to succeed Jesse D. Sanders

Plant, T. W., Vice President, salary approved
Pritchett, W. M., Vice President, salary approved

Robinson, Harry E., Assistant Cashier:
Appointment and salary approved
Salary approved

Rowe, J. Z., Director of Research:
To present a paper at the Workshop on Agricultural Financing in Latin America, to be held in Vina del Mar, Chile, March 18-25, 1965, no objection interposed
Salary approved
FRBank of Dallas: (continued)

Staff: (continued)

Rudy, George F., General Counsel, salary approved
Russell, James O., Chief Examiner, salary approved
Salvaggio, Tony J., Assistant Vice President: Salary approved
Salvaggio, Tony J., Assistant Vice President: Salary approved
Sanders, Jesse D., Assistant Cashier: Appointment and salary approved
Scott, James F., Assistant Examiner, appointment approved
Simpson, Jerry A., Examiner, appointment approved
Sullivan, Thomas R., Vice President, salary approved
Thaxton, E. A., Jr., Assistant Vice President: Salary approved for 1966
Thaxton, E. A., Jr., Assistant Vice President: Salary approved
Vorlop, E. W., Jr., Assistant Vice President: Salary approved

FRBank of Kansas City:

Banking quarters:

Building program:

Request for authorization to proceed with preparation of detailed plans and specifications for addition to Bank's building, approved, subject to suggestions re vault space, fallout shelter and future expansion of garage area

No objection to Bank proceeding with necessary arrangements for excavating and relocation of underground facilities, expenditure authorized

Modification of proposed addition to head office building, approved, and completion of final plans and specifications in accordance with modifications, authorized, noted that matter of fallout shelter specifications could be misleading
FRBank of Kansas City: (continued)
Banking quarters: (continued)
Building program: (continued)

Proposed arrangements for necessary street widening to accommodate trucks exiting from alley near proposed new addition, approved, along with necessary costs involved

Mentioned in reviewing examination report of Telegram authorizing the Bank to call for bids for the construction of an addition to the head office building, approved

Counsel, special, request for payment of $1,125 to, in connection with recovery of damages incurred during construction of the Oklahoma City Branch Bank building, approved

Discount window, use of, by member banks in Tenth FRDistrict, mentioned in reviewing examination report of Examinations, report reviewed, building plans for Reserve Bank and its Denver Branch, certain personnel matters, and the discount activity of the Tenth Federal Reserve District, discussed

FRnotes, supplemental printing order for fiscal year 1965 placed with Bureau of Engraving and Printing, letter to Comptroller of the Currency re

Salaries:

Employees:

Special Grade 16 maximum of $19,500 in the salary structure applicable to the head office of the Bank, effective January 1, 1965, approved

Changes in salary structure approved for Grades 1 through 11, Grades 12 through 16, at, to be discussed with Committee on Organization, Compensation, and Building Plans, which meets on October 12, 1965
Staff:

Examiners, special assistant, designation of 52 employees, approved

(Individual names)

Andrews, S. J., Cashier, salary approved

Billington, Wilbur T., Vice President and Senior Economist, salary approved

Blair, John N., Assistant Vice President, salary approved

Boysen, John T., Vice President, salary approved

Brauninger, Theodore F., Assistant Cashier, salary approved

Clay, George H., President:

Steering Committee re study of discount mechanism, Governor Mitchell, Chairman, to ascertain whether, would serve as a member

Attended Board meeting for discussion on coin situation

No salary increase proposed for, although he was eligible for increase, matter to be brought to attention of Chairman Scott of, when he was in Washington

Salary approved

Craig, J. C., Assistant Vice President, salary approved

Doll, Raymond J., Vice President and Senior Economist, salary approved

Donovan, Harold E., Senior Trust Examiner, no objection to the retention of, in active service through November 30, 1966, one year beyond his normal retirement date

Eagle, Elliott L., Assistant Examiner, appointment approved

Euans, J. R., Vice President, salary approved

Fairley, W. F., General Auditor, salary approved

Griswold, Carl F., Vice President:

Salary approved, effective January 14, 1965 through December 31, 1965

Salary approved
FRBank of Kansas City: (continued)
Staff: (continued)

Hamilton, James D., Assistant Cashier:
  Appointment and salary approved 12/6 4029, 4051
  Salary approved 12/9 4096, 4137

Hopper, Grady R., Assistant Cashier:
  Appointment and salary approved 12/6 4029, 4051
  Salary approved 12/9 4096, 4137

Hueftle, Hugh Gordon, Assistant Examiner, appointment approved, not to participate in the examination of a member bank 3/12 857, 884

Koppang, Henry O., First Vice President, salary approved 12/22 4341, 4369

Laman, Norman F., Assistant Examiner, appointment approved 2/1 358, 373

Martin, Wayne W., Assistant Vice President:
  Salary approved 1/26 261, 277
  Salary approved 12/9 4096, 4137

Mathews, F. J., Assistant Cashier, salary approved 12/9 4096, 4137

Mothersead, Marvin L., Vice President:
  Salary approved 1/26 261, 277
  Salary approved 12/9 4096, 4137

Riggs, John L., Examiner, appointment approved with understanding that he dispose of stock of a certain national bank and that he sever connections with a particular building and loan association 1/26 273, 312

Royer, George D., Jr., Vice President, salary approved 12/9 4096, 4137

Schmidt, Philip Edgar, Assistant Examiner, appointment approved 5/12 1543, 1597

Shikles, Davis L., Assistant Examiner, appointment approved 5/26 1741, 1766

Smith, Lewis W., Assistant Cashier, salary approved 12/9 4096, 4137

Swenson, Kenneth Lee, Assistant Examiner, appointment approved 5/26 1742, 1768

Swords, Maurice J., Assistant Chief Examiner:
  Salary approved 6/21 2095, 2108
  Salary approved 12/9 4096, 4137

Talbot, Marshall Edwin, Assistant Examiner, appointment approved 2/19 612, 618
FRBank of Kansas City: (continued)
Staff: (continued)

Thomas, R. E., Vice President:
Salary approved
Salary approved
1/26 261, 277
12/9 4096, 4137

Tow, Clarence W., Senior Vice President-
Economic Research, salary
approved
12/9 4096, 4137

White, D. I., Assistant Cashier, salary
approved
12/9 4096, 4137

Wilkinson, George R., Chief Examiner, salary
approved, noted that he will reach retirement age during
1966
12/9 4096, 4137

Willock, Edwin S., Assistant General Auditor:
Salary approved
Salary approved
1/26 261, 277
12/9 4096, 4137

FRBank of Minneapolis:
FRNotes:

Supplemental printing order for fiscal year 1965 placed with Bureau of
Engraving and Printing, letter to Comptroller of the Currency re
2/4 390, 397

Supplemental printing order for fiscal year 1965, placed with Bureau of
Engraving and Printing for printing notes of $1 denomina-
tion of, approved
4/27 1400, 1422

Salaries:
Employees, upward adjustment of employees' salary structure at head of-
office, approved
4/29 1430, 1451

Staff:
Examiners, special assistant, designation of James U. Brooks, approved
9/8 2890

President:
Board authorized Chairman Bean of, to ten-
der position of President of FRBank of Minneapolis to Paul W. McCracken, Professor of Economics at University of Michigan, and would approve the appointment if found that he would accept
1/18 184
FRBank of Minneapolis: (continued)
Staff: (continued)
President: (continued)
Board agreed that if advice should be received that directors of FRBank had appointed Hugh D. Galusha, Jr., as President, the Board would approve the appointment
Board approved appointment as President, as outlined, effective May 1, 1965, letter to FRBank of Minneapolis
(Individual names)
Anderson, Morris G., Assistant FRAgent, succeeded by Raynold W. Anderson
Anderson, Raynold W., Assistant FRAgent, appointment approved, effective immediately, to succeed Morris G. Anderson
Beeth, E. O., Assistant Vice President, salary approved
Berquist, C. E., Assistant Cashier, salary approved
Bjork, C. E., Assistant General Auditor, salary approved
Bronner, William G., Vice President:
Change in title from Assistant Vice President, salary approved
Salary approved
Cramer, F. J., Vice President:
Salary approved
Salary approved
Deming, Frederick L., formerly President of, agreeing that service of, as Under Secretary of the Treasury for Monetary Affairs is for a purpose deemed in the public interest within the meaning of section 5A of the Rules and Regulations of the Retirement System of FRBanks
Governors Mitchell and Daane abstained from participating in action re
Dreitzler, R. J., General Auditor, salary approved
FRBank of Minneapolis: (continued)
Staff: (continued)

Fischer, William V., Examiner, appointment approved, with change from Assistant Examiner

Fossum, K. K., Vice President, salary approved

Gable, L. G., Chief Examiner, salary approved

Galusha, Hugh D., Jr., President:
Agreed that if advice should be received that directors of FRBank had appointed, for unexpired portion of the five year term ending February 28, 1966, the Board would approve appointment

Board approved appointment as President, as outlined, effective May 1, 1965 through December 31, 1965, letter to

To be in Washington for FOMC meeting and luncheon for Governor Maisel and to attend coin problem meeting which Assistant Secretary of the Treasury Wallace had requested

Attended Board meeting for discussion on coin situation

Attended Board meeting
Salary approved, effective January 1, 1966

Gillette, J. J., Vice President, salary approved

Graham, Roland D.:
General Counsel and Assistant Secretary:
Salary approved
Salary approved

Assistant Counsel:
Requested to act as Board counsel for purposes of the proceeding re Otto Bremer Company, St. Paul, Minnesota, for a determination under section 4(c)(6) of the Bank Holding Company Act, arrangements approved

Grobel, R. K., Vice President, salary approved
FRBank of Minneapolis: (continued)
Staff: (continued)

Groe, Robert V., Alternate Assistant, appointment approved, to succeed Richard C. Heiber

Groth, C. W., Vice President, salary approved

Hallin, H. O., Assistant Cashier, salary approved

Heiber, Richard C., Assistant Cashier, change in title from Department Head of Personnel and Alternate Assistant FRAgent, salary approved

Hellweg, Douglas R., Assistant Vice President: Salary approved

Holmgren, Melvin B., Vice President in charge of Fiscal Agency activities, application for retirement noted

Kareken, John, Consultant and Professor at University of Minnesota:
Request to serve as Associate Economist of Federal Open Market Committee, Board concurs, Governor Shepardson to relate views to President Galusha
Understood that Secretary of Board would advise President Galusha that Board appreciated being informed re completion of arrangements for continuing services of

Present at Board meeting for Economic review

Knoff, Marvin L., Assistant Examiner, appointment approved

Knous, H. L., Assistant Vice President, salary approved

Litterer, O. F., Assistant Vice President, salary approved

MacDonald, J. A., Cashier:
Salary approved for 1966
Salary approved
FRBank of Minneapolis: (continued)
Staff: (continued)

McCracken, Paul W., Professor of Economics at University of Michigan, Board of Directors of, favors approaching Mr. McCracken re possible acceptance of the position of President of the FRBank of Minneapolis, Board authorized Chairman Bean to offer position to, and if found he would accept, the Board would approve his appointment

Nelson, Clarence W., Director of Research:
Salary approved, effective September 1, 1965
Salary approved 1/18 184

O'Brien, W. A., Assistant Vice President:
Salary approved 9/3 2838, 2856
Salary approved 12/6 4029, 4051
Salary approved 12/9 4096, 4135

Olin, J. P., Assistant Vice President and Secretary, salary approved 12/9 4096, 4135

Parsons, F. L., Vice President, salary approved 12/9 4096, 4135

Schuette, Leonard H., Alternate Assistant, appointment approved, to succeed Raynold W. Anderson 12/30 4442, 4455

Strothman, Maurice H., First Vice President:
Advice to be given to, re membership on the Secretariat, an 11-man group comprised of senior FRBank and Board officials plus one senior economist from Board's staff, Secretariat to serve the Steering Committee in the study of the discount mechanism 8/5 2615
Salary approved 12/1 3895, 3930
Salary approved 12/22 4341, 4370

Swedean, Richard H., Assistant Examiner, appointment approved 9/24 3163, 3166

Worcester, Robert W., Assistant Vice President:
Change in title from Assistant Cashier, salary approved for 1966 12/6 4029, 4053
Salary approved 12/9 4096, 4135
FRBank of New York:
Banking quarters:
Building program:

Discussion re letter from Vice President Treiber re authorization to arrange for termination or shortening of tenancies in recently acquired buildings or for any other action that would reduce cost of ultimately obtaining possession of the buildings in connection with, Board concurred with Chairman Martin's view that it should not attempt to pass judgement on what action should be taken re leases, suggestion that representative from FRBank of New York meet with Board to discuss whole program re

Messrs. Treiber, First Vice President and Bilby, Vice President, FRBank of New York, attended Board meeting to discuss circumstances re reasonable flexibility given by Board to the FRBank to move ahead in terminating leases, later the Board and Bank would concentrate on resolving construction question

Letter to, requesting that the Board be informed in advance if termination or shortening of leases involved more than $25,000, also re each expenditure made in the termination of a lease in connection with

Vault, gold storage facilities at, Mr. Bilby, Vice President of, reviewed difficulty re proposed renovation and expansion of, due to financial weakness on the part of the firm to which the job was to have been contracted, bids being requested from three other contractors
FRBank of New York: (continued)

Civil rights:
Report by Governor Balderston re letter from lawyer for Congress of Racial Equality (CORE) setting forth certain allegations of discriminatory employment practices by, agreed to obtain all available information prior to consideration of reply

Agreed that letter making interim acknowledgment should be sent, letter sent on August 17, 1965

Understood that a revised draft of reply would be submitted for Board's consideration

Approval given to letter

Clearing and Collection:
Bergen County and Nassau County clearing bureaus, 1964 operations reported by FRBank of New York, with Board agreeing that no changes in basic arrangements are desirable at this time, possibility of change in policy discussed, letter to Federal Reserve Bank of New York, approved

Equipment:
Check processing, budget decrease for first half of 1966 reflected a lowering of the cost of check operations through accelerated conversion to highspeed processing

Computer, mention made of purchase plans for replacement computer at, in connection with discussion of FRBank budgets for second half of 1965

Mention of study of workload conducted at FRNotes, supplemental printing order for fiscal year 1965 placed with Bureau of Engraving and Printing, letter to Comptroller of the Currency re
FRBank of New York: (continued)

Fiscal agency operations:

International Bank for Reconstruction and Development:

Amendment to Fiscal Agency Agreement authorizing FRBank of New York to act as fiscal agent re proposed issuance of Twenty-Five Year Bonds of 1965, approved

Amendment to Fiscal Agency Agreement authorizing FRBank of New York to act as fiscal agent re proposed issuance of Two Year Bonds of 1965, approved

Foreign accounts:

Bank Negara Indonesia, opening approved

Bank of Sierra Leone, opening approved

Banque du Liban (central bank of Republic of Lebanon), opening approved

Central Bank of Jordan, opening approved

Foreign travel program for personnel of Bank for current year noted without objection

Walter H. Rozell, Jr., Vice President, to make a trip to Ethiopia as an extension of the Bank's foreign travel program for 1965

Gold, FRBank directed to act as depository for gold under arrangements of the Bretton Woods Agreement Act, to serve as fiscal agent of the International Monetary Fund, letter to, approved

Loans:

Banco de la Republica (Colombia), request for loan on gold of $21 million for three months, approved, telegram to FRBank of New York

Bank of Guatemala, application to FRBank of New York, for 90 day loan on gold, approved

Bank of International Settlements, extension of the $25 million standby gold loan arrangement to, approved
FRBank of New York: (continued)

Loans: (continued)

Central Bank of Costa Rica, application to FRBank of New York for 90 day loan on gold, approved

Central Bank of the Philippines:
Telegram to, approving renewal of a loan on gold to
Application to, for $20 million loan on gold, approved

Treasury Department had wanted to delay loan until after beginning of 1966 to put balance of payments figures for fourth quarter in more favorable light, but it was determined that there was some urgency as to need for loan

Power failure over substantial portion of Northeastern part of the United States, understood that New York and Boston FRBanks would be advised by telephone that they could waive penalties for reserve deficiencies that were incurred by member banks in the statement period ending Nov. 10, 1965, and would be permitted to carry over any excess of reserves into the next statement period, telegram sent later, confirming this authority

Salaries:

Employees, payment of salary below minimum to eighteen employees, approved, with understanding that appropriate action will be taken effective no later than June 24, 1965

Officers, other than Presidents and First Vice Presidents, Board approved letter to, indicating Board would not be receptive to formal request for revision of, Board's Committee on Organization, Compensation, and Building Plans that proposed salary increases for three officers for 1966 be eliminated
FRBank of New York: (continued)
Salaries: (continued)
Study of salaries paid in the New York community for positions comparable to those of Reserve Bank officers supervising eight designated functions, appointment of firm of McKinsey & Co., Inc., Washington, D. C., to assist in developing guidelines for determining appropriate, authorization of expenditure of $15,000 for fees and expenses

Staff:
Examiners:
Designation of three or four examiners to accompany Mr. Goodman, Assistant Director, Division of Examinations, to London, Paris, and Frankfurt in order to conduct examinations of branches of State member banks located in those cities, designation as FRExaminers for the purpose of the examinations, approved

Special assistant:
Designation of Benjamin Stackhouse, approved
Designation of Terry D. Barnett and Robert S. Heidler, approved

(Individual names)
Allen, Ethan W., Alternate Assistant FRAgent, appointment approved on March 17, 1965, and ratified by Board on March 22, 1965
Anderson, Robert L., Assistant Examiner, appointment approved
Anttila, William A., Examiner, reappointment approved
Armstrong, Gene O., Assistant Examiner, appointment approved
Beach, Gerald E., Manager, salary approved
Bennetts, Leonard I., Manager:
Salary approved
Salary approved
FRBank of New York: (continued)
Staff: (continued)
Bergin, Martin W., Manager, salary approved 12/9 4096, 4120
Bilby, Harold A., Vice President:
Attended Board meeting with First Vice President Treiber to discuss termination or substantial shortening of any of the tenancies in certain buildings across Maiden Lane and FRBank of New York that had been acquired in connection with Bank's building program 4/13 1181
Advice to, re membership on the Secretariat, an 11-man group comprised of senior FRBank and Board officials, to serve the Steering Committee in the study of the discount mechanism 8/5 2615
Salary approved
Blanchette, Ernest E., Manager and Assistant Secretary:
Salary approved 10/20 3334, 3346
Salary approved 12/9 4096, 4120
Bodner, David E., Manager:
Assigned to Foreign Department of, salary approved 4/14 1193, 1210
Salary approved 12/9 4096, 4119
Bossy, George, Economist, to be made available to Bank for International Settlements on the basis of a six-month leave of absence without pay 10/20 3338
Braun, William H., Jr.:
Examiner, appointment approved 10/25 3370, 3379
Assistant Vice President, salary approved 12/9 4096, 4119
Brendel, Louis J., Manager:
Salary approved 1/21 232, 246
Salary approved 12/9 4096, 4120
Castellanos, Julio J., Examiner, appointment approved 12/30 4447, 4458
Clarke, John J., Vice President and General Counsel, salary approved 12/9 4096, 4119
FRBank of New York: (continued)

Staff: (continued)

Combader, A. Thomas, Manager, salary approved

Coombs, Charles A., Vice President:
To work with Board's staff to effect changes in the draft review of open market operations in foreign currencies proposed for inclusion in Annual Report for 1964
Salary approved

Cooper, Robert L., Manager, salary approved

Crowley, Robert J., Manager:
Salary approved
Salary approved

Davis, Felix T., Assistant Vice President, salary approved

Davis, Richard G., Senior Economist:
Salary approved
Salary approved

Debs, Richard A.:
Assistant Counsel and Assistant Secretary, salary approved
Secretary and Assistant Counsel:
Salary approved
Salary approved

Desmond, Edward T., Examiner, appointment approved

Ege, Karl L., Manager, salary approved

Fousek, Peter, Assistant Vice President:
Board has noted changes in duties for Letter to, approved, interposing no objection to proposed travel by, involving visits to the central banks in Australia and New Zealand, in connection with an assignment to lecture at the Sixth SEANZA Central Banking Course to be held in Wellington, New Zealand, this fall
Salary approved

French, Martin, Manager, salary approved

Garvy, George, Economic Adviser, salary approved
FRBank of New York: (continued)
Staff: (continued)

Geng, Edward J., Manager, Securities Department:
- Attended Board meeting for economic review 5/10 1505
- Attended Board meeting for money market review 5/14 1598
- Present at Board meeting for economic and money market review 5/21 1705
- Salary approved 12/9 4096, 4119

Goodman, Sheldon L., Assistant Examiner, appointment approved 2/24 654, 690

Gordon, Clifton R., Director, Relocation Center for FRBank of New York, further retention of, beyond normal retirement age for duty at Bank's relocation center 8/19 2739, 2748

Gutowski, Joseph F., Jr., Assistant Examiner, appointment approved 11/17 3737, 3753

Guy, Edward G., Assistant General Counsel, salary approved 12/9 4096, 4119

Harris, Marcus A., Vice President, salary approved 12/9 4096, 4119

Hauff, Robert P., Examiner, appointment from Assistant Examiner, approved 7/26 2456, 2465

Hayes, Alfred, President:
- Proposal by, that the System launch a program of moral suasion by amendment of statement of general principles of Regulation A, Advances and Discounts by FRBanks, re discussion on foreign lending by U.S. banks 1/18 180
- To represent FRSystem along with Chairman Martin, Governor Robertson and President Scanlon at a meeting at the White House where President Johnson will discuss with business and financial leaders the balance of payments problem, and the objectives of the voluntary credit restraint program, noted in minutes of joint meeting of Board with Presidents' Conference 2/18 598
- Present at Board meeting for economic review 3/1 727
- Salary approved 12/1 3895, 3923
Holmes, Alan R., Vice President:
Bank for International Settlements advised that FRSystem would be represented by, at a meeting of central bank economists to be held in Basle on March 8-10, 1965, to review the current and prospective economic situation

Attendance at Board meeting to discuss curtailing foreign lending by U.S. banks

Attended Board meeting

Attended Board meeting

Attended Board meeting

Salary approved, to serve as Manager of the System Open Market Account, effective March 24, 1965

Jenkins, Francis P., Jr., Assistant Examiner, appointment approved

Jensen, John P., General Auditor, salary approved

Kappler, Theodore W., Jr., appointment as Assistant Examiner, approved

Klarberg, Joseph E., Assistant Examiner, appointment approved

Klopstock, Fred H., Manager, salary approved

LaBar, Bruce D., Assistant Examiner, appointment approved

Lang, Peter, Adviser (Foreign), salary approved

Lapidus, Leonard, Manager:
Salary approved

Salary approved

Link, Robert G., Vice President:
Promoted from Adviser, salary approved

Salary approved

Love, Franklin R., Assistant Examiner, appointment approved

MacInnes, Angus A., Jr., Assistant Vice President, salary approved

MacLaury, Bruce K., Assistant Vice President:
Salary approved

Salary approved
FRBank of New York: (continued)
Staff: (continued)

Marple, William E., Manager, salary approved 12/9 4096, 4119
Marsh, Spencer S., Jr., Assistant Vice President, salary approved 12/9 4096, 4119
Mayer, William L., Assistant Examiner, appointment approved 12/7 4068, 4080
McAninch, Maurice M., Examiner, appointment approved 8/18 2729, 2737
McGuiness, James J., Examiner, appointment approved 1/18 185, 200
McIndoe, Robert A., Assistant Examiner, appointment approved 7/8 2259, 2260
McQueeney, Thomas P., Examiner, appointment approved 1/18 185, 200
McQuilkin, William T., Assistant Examiner, appointment approved 6/9 1931
McWhinney, Madeline H., Manager:
  Designated as a member of the special ad hoc committee of the Conference of Presidents to study further sampling techniques in allocating redemption credit for all denominations of unfit FRnotes 1/6 47
  Salary approved 12/9 4096, 4120
Meek, Paul, Manager, salary approved 12/9 4096, 4119
Meyer, Robert, Assistant Counsel:
  Salary approved 1/21 232, 246
  Salary approved 12/9 4096, 4120
Niles, Donald C., Assistant Vice President:
  Salary approved 1/21 232, 246
  Recommendation that, undertake a three months assignment with Da Afghanistan Bank, beginning August 15, 1965, as requested by International Monetary Fund, consensus that if arrangements were fairly advanced, Board would approve request 7/30 2496, 2511
  Determined that arrangements were well advanced, letter to FRBank of New York, approving request for three months leave without pay, plus travel time 7/30 2497, 2511
  Salary approved 12/9 4096, 4119
FRBank of New York: (continued)
Staff: (continued)
Noa, Arthur, Manager, salary approved 12/9 4096, 4120
Oltman, James H.:
Assistant Federal Reserve Agent, appointment approved, effective September 1, 1965, to succeed Mr. John P. Ringen who will retire 8/19 2739, 2746
Manager, salary approved 12/9 4096, 4119
Piderit, Fred W., Vice President:
Appointment and salary approved, effective July 1, 1965 6/17 2046, 2068
Salary approved 12/1 4096, 4119
Post, Everett B., Manager:
Change in duties noted 1/21 232, 246
Request to assist Central Bank of the Philippines for a few weeks, recommendation approved along with arrangements re travel, salary and living expenses 2/11 487, 492
Salary approved 12/9 4096, 4119
Pricher, Charles R., Manager:
Change in duties, noted 1/21 232, 246
Salary approved 12/9 4096, 4120
Quackenbush, Lawrence E., Assistant Vice President, salary approved 12/9 4096, 4119
Roche, Thomas J., Senior Foreign Exchange Officer, salary approved 12/9 4096, 4119
Roosa, Robert V., formerly Vice President of letter to, approved, agreeing that service as Under Secretary of the Treasury for Monetary Affairs beginning January 31, 1961, was for a purpose deemed in the public interest within the meaning of section 5A of the Rules and Regulations of the Retirement System of the Federal Reserve Banks 2/1 354, 369
Rothman, Edwin S., Manager, salary approved 12/9 4096, 4119
Rozell, Walter H., Jr., Vice President:
Noting without objection an extension of the Bank's foreign travel program for 1965 to include a trip by to Ethiopia. Salary approved.
Rushmore, Walter S., Manager, salary approved.
Sanford, Horace L., Vice President, salary approved, will reach retirement age during 1966.
Schiff, Frank W., Assistant Vice President:
Draft of letter re an extension for one year of leave of absence granted to, in order to continue to serve on staff of Council of Economic Advisers, agreement with suggestion by Governor Daane that the matter be deferred pending the obtaining of certain additional information. Letter to FRBank of New York, approved, granting extension of leave of absence to
Request from Governor of National Bank of Vietnam for the services of a senior economist for a period of one or two months to advise him on economic and financial problems, agreed to explore availability of, for assignment. Board approved sending of a letter to the Reserve Bank indicating that the Board's Committee on Organization, Compensation, and Building Plans eliminate an increase proposed for, who is on leave of absence until late in 1966. Salary approved.
FRBank of New York: (continued)
Staff: (continued)

Schlough, Charles A., Assistant Examiner, appointment approved

Schmid, Donald E., Assistant Examiner, appointment approved

Schott, Francis H., Manager, salary approved

Schultz, William M., Assistant General Auditor:
  Salary approved
  Salary approved

Scola, Vincent A., Assistant Examiner, appointment approved, not to participate in the examination of certain State and national member banks

Shea, Betty Jean, Assistant Counsel:
  Salary approved
  Salary approved

Sloane, Thomas C., Assistant General Counsel, salary approved

Small, Kenneth E., Assistant Vice President:
  Salary approved
  Salary approved

Smedley, Frederick L., Assistant Vice President, salary approved

Smith, Franklin E., Examiner, appointment approved, not to participate in examination of a certain nonmember bank to which he is indebted and in a certain State member bank as long as he owns stock of that bank

Smith, George C., Manager, salary approved

Spaulding, William S., Jr., Examiner, appointment approved

Spensieri, Anthony G., Jr., Assistant Examiner, appointment approved

Stanton, Aloysius J., Manager, salary approved

Sternlight, Peter D., formerly Assistant Vice President at, letter approved to, re service of, with the Treasury Department as Deputy Under Secretary for Monetary Affairs, Board agrees that Mr. Sternlight's service with Treasury Department is deemed to be in the public interest within meaning of Rules and Regulations of Retirement System of the FRBanks
FRBank of New York: (continued)
Staff: (continued)

Stone, Robert W., Vice President and Manager of the System Open Market Account, resigned to become an officer of a national bank

Straub, Warren C., Examiner, arrangements for the assignment to the Board's Division of Examinations of, for a period of approximately three months beginning January 10, 1966, approved

Sullivan, Alan C., Assistant Examiner, appointment approved

Sykurski, Marian E., Assistant Examiner, appointment approved

Thoman, Robert C., Manager:
Salary approved
Salary approved

Timlen, Thomas M., Jr., Assistant Vice President:
Salary approved
Salary approved

Treiber, William F., First Vice President:
Attended Board meeting to discuss termination or substantial shortening of any of the tenancies in certain buildings across Maiden Lane and FRBank of New York that had been acquired in connection with Bank's building programs

Travel to a meeting in Mexico City of a working group appointed by the recent meeting of central bank governors at Punta del Este to study proposals for establishing a Latin American reserve pool, meeting noted

Attended Board meeting for discussion on coin situation
Salary approved
FRBank of New York: (continued)
Staff: (continued)
Waage, Thomas O., Vice President:
Letter to, interposing no objection to a leave of absence with pay for, to act as a consultant to the Bank Markazi Iran (central bank of Iran), in accordance with request of Agency for International Development which will defray transportation and other direct costs of assignment
Attended Board meeting for discussion on coin situation
Salary approved
Wessel, Harold M., Assistant Vice President, Board noted pending special service retirement of
White, John G., Jr., Assistant Examiner, appointment approved
Young, Robert, Jr., Assistant Counsel, salary approved
Zappulla, Raymond P., Examiner, appointment approved

FRBank of Philadelphia:
Examinations, report reviewed
FRnotes, supplemental printing order for fiscal year 1965 placed with Bureau of Engraving and Printing, letter to Comptroller of the Currency re
Salaries:
Employees, revision of salary structure, approved
Staff:
Examiners, special assistant:
Designation of twelve individuals, approved, two of whom are not to participate in examinations of certain banks
Designation of Joseph R. Joyce, approved
Designation of six individuals, approved
Medical Director, salary approved on a regular part-time basis
Staff: (continued)

Aff, Edward A., Assistant Vice President, salary approved 12/9 4096, 4122
Agnew, James A., Jr., Assistant Cashier, salary approved 12/9 4096, 4122
Alderfer, Evan B., Economic Adviser, salary approved 12/9 4096, 4122
Anderson, Clay J., Economic Adviser, salary approved 12/9 4096, 4122
Barrie, Hugh, Vice President, salary approved 12/9 4096, 4122
Besse, Jack P., Assistant Vice President, salary approved 12/9 4096, 4122
Bopp, Karl R., President:
Steering Committee re study of discount mechanism, Governor Mitchell to request service of 8/5 2613
Attended Board meeting for discussion on coin situation 9/1 2821
Salary approved, effective January 1, 1966, directors of Philadelphia Reserve Bank had advised of reappointment for five year term, Board action re appointments deferred until early in 1966 12/1 3895, 3924
Brobyn, Walter J., Assistant Counsel:
Salary approved 2/1 354, 370
Salary approved 12/9 4096, 4122
Campbell, Joseph R., Vice President:
Letter to Reserve Bank re ownership of bank stock in two member banks 10/27 3401, 3421
Salary approved 12/9 4096, 4122
Case, Joseph M., Assistant Vice President:
Need for disposal of stock in a national bank indicated in letter to the Reserve Bank 10/27 3401, 3421
Salary approved 12/9 4096, 4122
Dash, Norman G., Vice President, salary approved 12/9 4096, 4122
Desch, T. K., Examining Officer, salary approved 12/9 4096, 4122
Eastburn, James V., Vice President and General Counsel, salary approved 12/9 4096, 4122
Ensor, William L., Examining Officer, salary approved 12/9 4096, 4122
FRBank of Philadelphia: (continued)
Staff: (continued)

Giacobello, James P., Chief Examining Officer:
Loan to Permanent Subcommittee on Investigations of the Senate Committee on Government Operations for a period of 60 days to review "closed banks", re possible tie-in with underworld elements, noted
Salary approved 12/9 4096, 4122

Goodwin, Murdoch K., Vice President, General Counsel, and Assistant Secretary, resigned to resume private practice of law 2/1 354, 370

Haas, Ralph E., Assistant Vice President, salary approved 12/9 4096, 4122

Hilkert, Robert N., First Vice President, salary approved, effective January 1, 1966, directors of Philadelphia Reserve Bank had advised for reappointment for five year term, suggestion that Reserve Bank be reminded that age of 65 will be reached while in office, Board action re appointments deferred until early in 1966 12/1 3895, 3924

James, Jack H., Examining Officer, salary approved 12/9 4096, 4122

James, William A., Assistant Vice President, salary approved 12/9 4096, 4122

Magee, A. Lamont, Assistant General Auditor, salary approved 12/9 4096, 4122

Manning, Frederick M., Assistant Examiner, to be made available for a period of approximately three months beginning May 24, 1965, to the foreign banking section of the Division of Examinations, and designated as an FREXaminer, FRBank of Philadelphia to pay salary and travel expenses 5/19 1677

Markford, Leonard E., Examining Officer, salary approved 12/9 4096, 4122
FRBank of Philadelphia: (continued)

Staff: (continued)

McCuen, William J., Examiner, arrangement made to be loaned to the Permanent Subcommittee on Investigations of the Senate Committee on Government Operations for a period of about 60 days to review closed banks to see about the possibility of a tie-in with the underworld elements

2/15 547

Melnicoff, David C., Vice President:
Present at Board meeting for economic review

4/12 1142

Attended Board meeting for money market review

4/16 1255

Present at Board meeting for money market review

4/23 1382

Present at Board meeting for money market review

5/3 1460

Advice to be given to, re membership on the Secretariat, an 11-man group comprised of senior FRBank and Board officials, plus one senior economist from the Board's staff, Secretariat to serve the Steering Committee in the study of the discount mechanism

8/5 2615

Salary approved

12/9 4096, 4122

Metz, G. William, Vice President and General Auditor:
Question re approval of salary for, agreement that designation as Vice President and General Auditor did not place him in line of command from the President and that he would continue to be responsible to the Reserve Bank's Board of Directors

12/6 4029

Salary approved for 1966

12/6 4029, 4051

Change in title from General Auditor to, noted, with the understanding that no responsibilities will be assumed except in the administration of his own Department, and that his responsibility to be directly to Board of Directors through the Audit Committee and Chairman of the Board, salary approved

12/9 4096, 4121-22
FRBank of Philadelphia: (continued)
Staff: (continued)
Moll, Warren R., Assistant Vice President, salary approved
Murdoch, Lawrence C., Assistant Vice President and Assistant Secretary, salary approved
Murray, Fred A., Director of Plant, salary approved
Nelson, Henry J., Assistant Vice President, salary approved
Roeder, Harry W., Vice President:
Designated as a member of the special ad hoc committee of the Presidents' Conference to study further sampling techniques in allocating redemption credit for all denominations of unfit FRnotes
Salary approved
Rothwell, Jack C., Economist, salary approved
Rutizer, Edward G., Assistant Examiner, appointment approved
Sanders, John M., Assistant Examiner, appointment approved, not to participate in the examination of a certain nonmember bank
Snader, Kenneth M., Assistant Vice President, salary approved
Sudders, Russell P., Assistant Vice President, salary approved
Vergari, James V.:
Vice President and Cashier, salary approved, Governor Robertson dissented from the Board's action because he did not think it appropriate for the salary of a lower-ranking officer to be fixed at the same level as that of the First Vice President of the Bank
Vice President and General Counsel:
Salary approved
Salary approved
Wilgus, Richard C., Vice President and Secretary, salary approved
Zumeta, Bertram W., Economist, salary approved
FRBank of Richmond:
Banking quarters:
Depreciation of building at Ninth and Franklin Streets at the rate of 10 per cent per annum, approved
Relocation facility, discussion re meeting both needs of emergency operations, to which security would be of paramount importance, and of continuous non-emergency functions, for which quality of day-to-day working conditions deserve serious consideration, staff requested to revise draft of letter to
Further discussion of the problems involved in blending the needs envisaged for emergency facilities and alternatively for continuing operations, understood letter would be sent to
Emergency plans:
Relocation facility for the joint use of Board and:
Attendance at Board meeting of Vice President Dickerson of, and Mr. Strange-Boston of architectural firm of Marcellus Wright & Partners re, Board indicated that it would give consideration to certain suggestions made re
Discussion re meeting both needs for emergency operations, to which security would be of paramount importance, and of continuous non-emergency functions, for which quality of day-to-day working conditions deserve serious consideration, consensus that the emphasis has not been so substantially shifted that the architects could not be expected to realign their plans to accommodate desired modifications, staff requested to revise draft of letter to
FRBank of Richmond: (continued)

Emergency plans: (continued)

Relocation facility for the joint use of Board and: (continued)

Letter sent to FRBank of Richmond 12/10 4151, 4157
No final decision had yet been made as to the functions that would be performed at the proposed relocation site at Culpeper, Virginia, mentioned in connection with Board's budget for 1966 12/15 4176

Equipment:

Computer for relocation facility, memorandum from Mr. Schwartz re, to be shared by Board and FRBank of Richmond, Data Processing Division to provide answers to questions Board members might pose, Board authorized moving ahead according to understanding reached at meeting 6/11 1972

Ad hoc committee consisting of Messrs. Ellis, as Chairman, Swan, Hickman, and Wayne to study System-wide need, Governor Robertson designated as Board representative 6/16 2026

Recommendation approved that a contract be entered into with Communications Systems Incorporated, Paramus, New Jersey, at a cost of $19,700 for a detailed study of the feasibility of a shared on-line remote computer operation at the proposed relocation site of Board and FRBank of Richmond 11/29 3865, 3870

Examinations:

Report reviewed, noted that Bank's management was giving renewed attention to report of indebtedness to two brokerage firms by an employee of the Money Department 2/11 487

Report reviewed 12/9 4098
FRBank of Richmond: (continued)

Salaries:
Employees, increase in salary structure, approved 11/15 3663, 3679

Staff:
Examiners, special assistant:
Designation of six individuals, approved, one of whom is not to participate in examination of Wachovia Bank & Trust Company, Winston-Salem, North Carolina 1/22 256, 258

Designation of Charles S. Gray and David A. Savedge, approved, with the understanding that Mr. Savedge will not participate in the examination of a certain State member bank 2/17 584, 596

Designation of Michael V. Maxson, approved 4/19 1294, 1306
Designation of five individuals, approved 5/26 1741, 1765
Designation of Everett M. Samford, approved 8/12 2675, 2680
Designation of G. Dwight Hearn, approved 9/17 3056, 3064
Designation of Antoon M. Arkesteyn, Jr., approved 12/3 3983

(Individual names)
Allin, J. L., Jr., Assistant Cashier, salary approved 12/9 4096, 4126
Bagwell, Fred L., Assistant Examiner, appointment approved 9/16 3046, 3052
Beavers, C. B., Assistant Vice President:
Salary approved for 1966 12/6 4029, 4051
Salary approved 12/9 4096, 4126
Beazley, Donald E., Assistant Examiner, appointment approved 9/3 2846, 2874
Bennett, E. L., Examining Officer, salary approved 12/9 4096, 4126

Black, R. P., Vice President:
Salary approved 12/9 4096, 4126

Davis, Wyatt F., Examiner, appointment approved 9/23 3144, 3152
Deitrick, J. G., Assistant Vice President, salary approved 12/9 4096, 4126

Dickerson, J. G., Jr., Vice President:
Attended Board meeting for discussion re joint relocation facility for Board and the Richmond Bank 11/24 3804
Salary approved 12/9 4096, 4126

Eaves, Burrie E., III, Assistant Examiner, appointment approved 11/22 3781, 3803
FRBank of Richmond: (continued)

Staff: (continued)

Farmer, W. S., Vice President and General Counsel, salary approved 12/9 4096, 4126

Fishburne, Stuart P., Assistant Vice President, promoted to Vice President and Cashier at Charlotte Branch, with salary increase approved, effective September 1, 1965 7/26 2454, 2463

Ford, H. E., Assistant Vice President, salary approved 12/9 4096, 4126

Friend, J. E., Assistant Cashier, salary approved 12/9 4096, 4126

Gee, Lloyd B., Money Department employee, noted in connection with review of report of examination of FRBank, that Mr. Gee was indebted to two brokerage firms 2/11 487

Glover, William C., Assistant Vice President: Salary increase and promotion to officer status approved, effective September 1, 1965 7/26 2454, 2463

Salary approved 12/9 4096, 4126

Harrison, W. B., III, Assistant Vice President, salary approved 12/9 4096, 4126

Hastings, James E., Examiner, appointment approved 9/23 3144, 3152

Heflin, Aubrey N., First Vice President, salary approved for the year 1966 12/1 3895, 3926

Higgenson, Richard J., Assistant Examiner, appointment approved 6/17 2062, 2093

Horigan, J. C., Chief Examiner, salary approved 12/9 4096, 4126

Lewis, Ronald E., Assistant Examiner, appointment approved 9/1 2825, 2834

Martin, U. S., Vice President, salary approved 12/9 4096, 4126

Miller, R. L., Assistant Cashier, salary approved 12/9 4096, 4126

Monhollon, Jimmie R., Assistant Vice President: Salary approved 6/1 1833, 1837

Salary approved 12/9 4096, 4126

Myers, A. V., Jr., Assistant Vice President, salary approved 12/9 4096, 4126

Nosker, J. L., Vice President, salary approved 12/9 4096, 4126

Nowlan, J. M., Vice President and Cashier, salary approved, noted that Mr. Nowlan will reach retirement age during 1966 12/9 4096, 4126
Page, James W., Assistant Examiner, appointment approved
Parthemos, James, Vice President:
  Salary approved
  Salary approved
Paynter, George W., Assistant Examiner, appointment approved
Porter, C. D., Jr., Examining Officer, salary approved
Pregeant, V. E., III, Assistant Vice President and Secretary, salary approved
Ratchford, B. U., Vice President and Senior Adviser, salary approved
Sanders, R. E., Jr., Vice President, salary approved
Schad, R. P., Assistant General Auditor, salary approved
Sexton, James T., Assistant Examiner, reappointment approved
Smart, R. H., Examining Officer, salary approved
Snead, G. H., General Auditor, salary approved
Viverette, Joseph F., Vice President:
  Salary approved (was Assistant Vice President)
  Salary approved
Wayne, Edward A., President:
  Designated to serve as member of ad hoc committee established by Conference of Presidents to study System-wide needs in area of data processing
  Salary approved for the year 1966
Whitlock, Edward T., Jr., Assistant Examiner, appointment approved
Wyatt, J. H., Assistant Cashier, Bank and Public Relations Department:
  Appointment as FRAgent's Representative, approved
  Salary approved
Examination reports of certain member bank or banks in St. Louis District, Board authorized Mr. O. O. Wyrick, Vice President of, to permit FBI access to, including confidential sections and related documents of reports of examinations

FRBank of St. Louis:

FRnotes, supplemental printing order for fiscal year 1965 placed with Bureau of Engraving and Printing, letter to Comptroller of the Currency re

Records, letter to, indicating that Board had no objection to making certain records available to Professor Lester V. Chandler of Princeton University, relevant to his study of American monetary policy during the years 1928-1940

Salaries:
Employees in Grades 1 to 16 inclusive, minimum and maximum ranges for employees, salary structure approved for head office and branches

Staff:
Examiners, special assistant, designation of Richard Quinn Fox, approved (Individual names)
Bennett, Marvin L., Vice President, salary approved
Bowsher, Norman N., Assistant Vice President, salary approved
Chapin, Earl H., Assistant Chief Examiner, salary approved
Crist, Edgar H., Assistant Chief Examiner: Salary approved
Salary approved
Dennison, George W., Assistant Vice President, salary approved
Dunne, Gerald T., General Counsel and Assistant Secretary, salary approved
Francis, Darryl R., First Vice President, salary approved, effective January 1, 1966
FRBank of St. Louis: (continued)
Staff: (continued)

Geiger, James M., Assistant Vice President, salary approved 12/9 4096, 4133
Gilmore, Woodrow W., Planning Officer, salary approved 12/9 4096, 4133
Hirshman, George W., General Auditor, salary approved 12/9 4096, 4133
Hofer, John J., Assistant Vice President, salary approved 12/9 4096, 4133
Isbell, Wilbur H., Chief Examiner, salary approved 12/9 4096, 4133
Johns, Willis L., Assistant Vice President, salary approved 12/9 4096, 4133
Jones, Homer, Vice President, salary approved 12/9 4096, 4133
Kaley, Richard O., Assistant Vice President, salary approved 12/9 4096, 4133
Koptis, Stephen, Assistant Vice President, salary approved 12/9 4096, 4133
Lewis, Dale M., Vice President, salary approved 12/9 4096, 4133
Mueller, William R., Assistant General Auditor: Salary approved 5/27 1783, 1795 Salary approved 12/9 4096, 4133
Page, Robert W., Examiner, appointment approved 11/29 3868, 3877
Rogers, Jerome Robert, Assistant Examiner, appointment approved 8/30 2812, 2820
Russell, F. Garland, Jr., Assistant Counsel, salary approved 12/9 4096, 4133
Salzman, Paul, Assistant Vice President, salary approved 12/9 4096, 4133
Shuford, Harry A., President:
Possible appointment as member of Steering Committee re study of discount mechanism, Governor Mitchell, Chairman of Steering Committee to ascertain whether he would serve 8/5 2613 Salary approved effective January 1, 1966 12/1 3895, 3929
Walker, William E., Assistant Vice President, salary approved 12/9 4096, 4133
Weigel, Howard H., Vice President and Secretary, salary approved 12/9 4096, 4133
Weisz, Delmer D., Examiner, appointment approved 11/29 3868, 3877
Wotawa, Joseph C., Vice President, salary approved 12/9 4096, 4133
Wyrick, Orville O., Vice President, salary approved 12/9 4096, 4133
FRBank of San Francisco:

Banking quarters:

Parking facilities, letter to, approved, concerning the possible enlargement of the Bank's parking lot 9/7 2876, 2880

Counsel, special, telegram to, approved, request for authorization to employ outside counsel to represent the Bank and its officers in litigation (involving the San Francisco National Bank) between the Federal Deposit Insurance Corporation and A.M.R. Inc., et al 11/5 3575

Discount window, use of:

Developments related to San Francisco National Bank, San Francisco, Calif., report included possible merger situation with another bank and comments re additional assistance to bank through, should the merger not materialize, agreed that the FRBank had been taking all steps that could reasonably be taken to cope with situation 1/11 106

Noted that negotiations for merger of San Francisco National Bank, San Francisco, California, into Central Valley National Bank of Oakland, had been terminated, need for current and continued assistance through, discussed 1/22 254

Examinations, report reviewed 7/26 2455

FRnotes:

Supplemental printing order for fiscal year 1965 placed with Bureau of Engraving and Printing, letter to Comptroller of the Currency 2/4 390, 397

Supplemental printing order for fiscal year 1965, for $1 denomination, placed with Bureau of Engraving and Printing, approved 4/27 1400, 1422
FRBank of San Francisco: (continued)
Hospitalization, letter to, approved re, interposing no objection to adoption of a uniform program of Blue Cross Hospital and Surgical benefits for the head office and branches, and approving payment of two-thirds of the premium costs for officers and employees of the Twelfth District

Salaries:
Employees, revision of salary structure, approved

San Francisco National Bank, San Francisco, Calif.:
Report re telephone call from Mr. Galvin, Vice President of, re condition of San Francisco National Bank, understood memorandum re matter would be placed in Board's files

Request by Bronson, Bronson & McKinnon, a law firm representing FDIC re litigation between FDIC and A.M.R., Inc., et al, for access to certain records pertaining to, letter to law firm approved, indicating availability of documents sought

Retention of law firm of Brobeck, Phleger & Harrison re FDIC v. A.M.R., Inc., et al, authorized, understanding that at year-end 1965, and at regularly fixed intervals thereafter a statement of costs will be rendered by law firm to the Bank and forwarded to the Board, Board also authorizes disclosure of unpublished information relating to transactions between the FRBank and

8/2 2525, 2540

11/24 3807, 3817

1/4 11

10/27 3399, 3418-20

11/15 3663, 3680
FRBank of San Francisco: (continued)
San Francisco National Bank, San Francisco, California: (continued)

Suit filed by certain depositors of, against the FRBank of San Francisco, the national bank and its directors, and the FDIC, understood that the Board would be kept informed of further developments in regard to the litigation

Staff:

Examiners, special assistant:
Designation of eighteen employees, approved 1/14 149, 152
Designation of O. A. Strand, approved 7/9 2266, 2274
(Individual names)
Barbonchielli, J. L., Vice President, salary approved 12/9 4096, 4141
Barrett, T. W., Assistant Cashier, salary approved 12/9 4096, 4141
Beckman, Ira Kent, Assistant Examiner, appointment approved 10/4 3224, 3233
Bernstein, E. E., Assistant Cashier, salary approved 12/9 4096, 4141
Burke, W. M., Senior Economist, salary approved 12/9 4096, 4141
Cavan, Paul W., Vice President, to be transferred from head office to Los Angeles Branch as second ranking officer and as potential successor to Vice President in charge of the Branch, who was scheduled to retire in August of 1966, approval given for payment of salary to 4/20 1315
Christenson, David Roland, Assistant Examiner, appointment approved with the understanding that he will not participate in the examination of a certain member bank 3/1 731, 734
Cooper, W. L., Assistant General Counsel, salary approved 12/9 4096, 4141
Craven, J. Howard, Vice President:
Salary approved 6/21 2095, 2109
Salary approved 12/9 4096, 4141
FRBank of San Francisco: (continued)
Staff: (continued)

Cutter, Charles P., Assistant Examiner, appointment approved, not to participate in examination of a certain State member bank

Davenport, Donald M., Vice President:
Currently assigned to Los Angeles Branch, to be transferred to head office with responsibility for administration of a personnel function, salary approved

Salary approved

Denson, James E., Assistant Examiner, appointment approved

DePizzol, Armando L., Assistant Examiner, appointment approved

Fox, Robert B., Examiner, appointment approved

Galvin, E. H., Vice President, salary approved

Hartlin, G. D., General Auditor, salary approved

Haws, Raymond V., Assistant Examiner, appointment approved

Hemmings, H. E., First Vice President, salary approved, effective January 1, 1966

Jamison, H. B., Chief Examiner, salary approved

LeBlanc, Gerald W., Assistant Examiner, appointment approved

Linebarger, Jimmie L., Assistant Examiner, appointment approved

Livingston, E. E., Assistant Cashier, salary approved

Lord, Gilbert A., Examiner, appointment approved

Lynn, Gault W., Director of Research:
Requested as a witness in pending anti-trust suit (United States v. Crocker-Anglo National Bank) involving a 1955 survey on business loans by the Justice Department, approval given to letters to Justice Department and FRBank of San Francisco

Salary approved
FRBank of San Francisco: (continued)

Staff: (continued)

Martens, E. J., Vice President and Cashier:
  Salary approved
  Salary approved
Masten, D. V., Assistant Cashier, salary approved
Maurer, Rix, Jr., Assistant Vice President, salary approved
McKendry, R. E., Assistant General Auditor, salary approved
Merritt, A. B., Vice President:
  Reported to Board in some detail on developments re San Francisco National Bank, San Francisco, Calif., particularly insofar as bank's difficulties had caused it to borrow extensively from the discount window of the Federal Reserve Bank
  Advised re membership on the Secretariat, an 11-man group comprised of senior FRBank and Board officials plus one senior economist from the Board staff, Secretariat to serve the Steering Committee in the study of the discount mechanism
  Salary approved

Pascual, Armand, Systems Analyst, request from State Department for technical assistance by Spanish speaking Federal Reserve expert for a period of one week, beginning June 22, 1965, to help set up check clearing procedure in the Dominican Republic, Mr. Pascual available to serve, Bank to pay salary, with State Department paying cost of travel, no objection to arrangements

Ray, Richard, Assistant Examiner, appointment approved, not to participate in the examination of a certain member bank
FRBank of San Francisco: (continued)
Staff: (continued)

Reeves, Lewis A., Jr., Assistant Examiner, appointment approved 10/20 3347
Remedios, Roy A., Assistant Examiner, appointment approved, with understanding that he dispose of certain bank stock of national bank 10/14 3315, 3325
Retallick, R. G., Assistant Cashier, salary approved 12/9 4096, 4141
Rickards, Wayne L., Assistant Examiner, appointment approved 10/18 3327, 3332
Scott, Jon L., Assistant Examiner, appointment approved 11/9 3614, 3622
Scott, W. F., Vice President and General Counsel:
Salary approved 12/6 4029, 4051
Salary approved 12/9 4096, 4141
Swan, Eliot J., President:
Reported to Board in some detail on developments re San Francisco National Bank, San Francisco, California, particularly insofar as bank's difficulties had caused it to borrow extensively from the FRBank 1/11 105, 106
Designated to serve as a member of the ad hoc committee established by Conference of Presidents to study System-wide needs in area of data processing 6/16 2026
Proposal by Mr. Wallace, Assistant Secretary of Treasury, that a letter be sent to Presidents of all commercial banks re coin situation, understood that Governor Balderston and, would discuss matter further with Mr. Wallace about transmitting Treasury letter with a covering letter over signature of FRBank Presidents, content of letter and format of questionnaire also to be discussed 9/29 3185
Salary approved, effective January 1, 1966 12/1 3895, 3932
FRBank of San Francisco: (continued)

Staff: (continued)

Thompson, Donald W., Assistant Examiner, appointment declined, for reasons stated in letter to 10/13 3293, 3306
Tvedt, Leslie E., Assistant Examiner, appointment approved 9/23 3144, 3153
Vilchinsky, Robert J., Examiner, reappointment approved 5/19 1677
Well, E. A., Assistant Vice President, salary approved 12/9 4096, 4141
Williams, J. B., Assistant Vice President, salary approved 12/9 4096, 4141

FRBanks:

Assessments:

Expenses of Board for first half of 1965, approved 1/7 65, 76
Expenses of Board for second half of 1965, approved 7/9 2265

Civil Rights Act of 1964, nondiscrimination in Federally assisted programs:

Applicability to FRBanks, agreement with suggestion of Chairman Martin that matter be held over for another meeting when time would permit exploring problem fully 3/30 1010
Understood Board would consider matter more comprehensively at another meeting 4/1 1057

Discussion re Title VI of, understood that a new draft of letter to the Budget Bureau taking the position that Title VI was not applicable to FRBanks but reflecting changes along lines suggested at this meeting would be submitted for Board's consideration 5/26 1728
Understood that additional work would be done on draft letter to Budget Bureau 5/28 1815
Understood additional work would be done on letter to Budget Bureau re Title VI and to FRBank Presidents re Title VII 6/2 1839
FRBanks: (continued)

Civil Rights Act of 1964, nondiscrimination in Federally assisted programs: (continued)

Further discussion and additional changes made in letter to Budget Bureau re Title VI, understanding that a further revised draft of letter to Presidents of FRBanks on Title VII would be distributed.

Letter to Bureau of the Budget approved, Governor Robertson dissenting, re applicability to FRBanks of Title VI, letter sent to all FRBanks, approval also given to transmission of letter to FRBanks re Title VII of the Civil Rights Act of 1964, with letter to FRBank of Atlanta re alleged violation of Title VII, approved.

Condition statement:

Weekly, noted that Board's weekly condition statement of FRBanks included a textual reference that the gold certificate reserve requirements of FRBanks were amended to apply to FRnote liability alone, rather than to both note and deposit liabilities, telegram sent to FRBanks in this regard.

Consultants, request by President Galusha, FRBank of Minneapolis, that Professor John Kareken, now Consultant to FRBank of Minneapolis, and Professor at University of Minnesota, be allowed to serve as Associate Economist to Federal Open Market Committee, Board gives its consent, understood that Governor Shepardson would relate Board's views to President Galusha.

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http://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis
FRBanks: (continued)

Counsel, special:
SEE: Counsel, special

Department store sales reports:
Memorandum from Mr. Sherman recommending withdrawal by FRBanks from preparation of, with proposal that the System underwrite cost for certain cities which eventually Census would include in budget from appropriated funds, general agreement with program as outlined, with further consideration at next meeting 6/16 2028

Program described in memorandum for discontinuing, approved, along with letter to FRBanks 6/17 2050,2070-90

National Retail Merchants Association, letter to, concerning details of withdrawal of, approved, letter to FRBanks, approved 7/30 2498,2512-21

Discount officers, memorandum from Mr. Holland of the Board's staff proposed that President Hayes of FRBank of New York as Chairman of the Committee on Discounts and Credits of the Conference of Presidents of FRBanks, be requested to call a conference of Federal Reserve discount officers to consider uniform procedures for handling certain types of emergency borrowing, agreement with Mr. Holland's suggestion, Mr. Holland to attend conference as Board's regularly designated representative 5/10 1507

Earnings and expenses:
SEE: Earnings and expenses:
FRBanks

Examinations:
Procedures:
SEE: Examinations:
FRBanks:
Procedures
FRBanks: (continued)

Examiners:
Federal Reserve Loose-Leaf Service letters re, revision of, advice to all FRBanks

Government security subscriptions by FRBank directors, officers, and employees, letter approved to Chairmen and Presidents of all FRBanks, modifying Board's instructions in letter of April 12, 1933 and May 18, 1944 to permit respective General Auditors to use their discretion in determining the scope of post-audit of Membership dues and contributions:

SEE: Membership dues and contributions: FRBanks

Officers:
Civic affairs, activity in, complaints from Mr. Hewitt Cochran re activities of Vice President Snider of the Denver Branch with Downtown Denver Improvement Association's liaison committee formed to work with Denver Urban Renewal Authority, discussion re activities of a FRBank officer in civic affairs, Mr. Farrell to discuss matter with President Clay

Planning Departments, discussion re, as it affects the responsibilities for examination and supervision of FRBanks, it appeared that no division of the Board's staff had thought specifically in terms of its having responsibility with respect to, agreement with suggestion made by staff committee that Division of Bank Operations be directed to give continuing attention to this function
FRBanks: (continued)

Presidents:

Length of service for, Governor Maisel said that while he had no specific question at this time, reference to the term of office for a Board member might suggest a maximum of three five-year terms for a Reserve Bank President.

Presidents and First Vice Presidents:

Age 65, suggestion that letter be sent to Chairmen of FRBanks to the effect that a person appointed as President or First Vice President would be expected to resign upon reaching age 65 unless requested to stay.

FRBank of Atlanta, appointment and salary approved for Harold T. Patterson as President of, to succeed Malcolm Bryan, appointment and salary approved for M. Monroe Kimbrel as First Vice President of, both appointments effective October 1, 1965.

Unapproved appointments, letter to the Chairman of Cleveland Bank's Board of Directors stating grounds on which the Board had decided not to approve Mr. John J. Hoy, Vice President, FRBank of Cleveland, as First Vice President.

Protection Departments:

SEE: FRBanks:

Safekeeping of securities

Protection Departments, surveys re:

SEE: Surveys:

Safekeeping of securities
FRBanks: (continued)
Purchasing by:

Discussion re, as it affects the responsibilities of examination and supervision of FRBanks, Chairman Martin expressed the view that whole matter of, should be referred to Conference of Presidents for a report, Governor Robertson agreed that this would be appropriate, but he felt that a list of questions should first be developed that could be submitted to the Conference, agreed that Mr. Farrell would prepare a list of questions

Letter to Chairman of Conference of Presidents of FRBanks, approved, re a proposed study of System purchasing procedures

Letter approved to J. M. Thayer, Jr., Cashier, FRBank of Boston, advising that Joseph E. Kelleher, Director, Division of Administrative Services, would serve as an associate of the ad hoc subcommittee of the Committee on Systems and Procedures of the Conference of Presidents that had been requested to make a study of System purchasing procedures

Reserves:

Gold reserve requirements
SEE: Reserves:
FRBanks

Gold reserve requirements

Safekeeping of securities:

Discussion re Protection Departments of, as it affects the responsibilities for examination and supervision of FRBanks, plans for Divisions of Examinations and Bank Operations to participate with the FBI surveys
FRBanks: (continued)
Safekeeping of securities: (continued)
Letter to FRBank of San Francisco, re question posed by First National Bank and Trust Company of Ontario, California, whether FRBanks should assume responsibility for safekeeping of securities for member banks, agreed that question be submitted to Conference of Presidents for consideration

Letter to FRBank Presidents endorsing general standards recommended by Ad Hoc Subcommittee in study on custody control standards, recommended broad approach with adherence to necessary safeguards, unresolved matters to be brought to the attention of Divisions of Examinations or Bank Operations prior to submission to Board, letter approved

Letter approved to Presidents of all FRBanks re proposed survey of Protection Departments in the FRBanks, probable that Secret Service would be willing to assist in project

Foregoing grew out of January 15, 1965, report of a staff committee that had been requested by Board to consider staff assignments re examination and supervision of FRBanks, FBI could not undertake project, request addressed to Secret Service to be acted upon favorably

Letter sent to Secret Service on conducting surveys re

Salaries:
Officers

SEE: Salaries:
FRBanks
Officers
FRBanks: (continued)

Service to the public, memorandum from President Johnson to the heads of departments and agencies dated November 1, 1965, relating to a program aimed at improving further the quality of, matter to be pursued through Conference of Presidents, letter to FRBank of Boston re, similar letters sent to other FRBanks

Staff:

Foreign missions, review of procedure to be followed in satisfying request for technical assistance by System personnel

Surplus accounts:

SEE: Surplus: FRBanks

Youth Opportunity Program, question whether Federal Reserve Banks should participate in, matter for each Bank to decide, with Board sympathetic with effort, where productive or potentially productive

FRBulletin:

Bank Holding Company Act of 1956, interpretation under section of 2(c) of, re a bank holding company acquiring stock of a corporation controlling four industrial banks, to be published in

Commingled Investment Account proposed by First National City Bank, New York, New York, approval given to publication in Federal Register and, of an interpretation in Board's letter of July 22, 1965, to counsel for First National City Bank of New York, New York, interpretation to include reference to section 21 of the Banking Act of 1933

Mobile branch facilities, applications by Manufacturers and Traders Trust Company, Buffalo, New York, for establishment of four branches at specified locations, to be operated two days a week, with each two mobile units serving two of the locations, pointed out that this was the first time the Board had been asked to approve establishment of mobile banking offices, applications approved, interpretation to be published in

Money orders, question as to whether the issuance of money orders by an authorized agent of a State member bank would involve the operation of a branch, letter to all FRBank Presidents, approved, interpretation to be published in

Pueblo, Colorado, designation as a reserve city terminated, effective November 25, 1965, notice to be published in

Regulation A, memorandum from the Legal Division submitting a proposed interpretation on the eligibility of consumer loans and finance company paper for discount with the FRBanks pursuant to section 13 of FRAct and Board's Regulation A, interpretation approved for publication in
FRBulletin: (continued)

Regulation Q, interest rate on loans, letter to FRBank of St. Louis, approved, re a question raised by Kentucky Bankers Association with respect to rate of interest on loans by a member bank secured by time deposits in such bank, understanding substance of letter to be published in 4/2 1070, 1074

Regulation U, purpose and nonpurpose loans, question presented by FRBank of Boston as to whether New England Merchants National Bank of Boston, Massachusetts, could accept in good faith, within meaning of section 221.3(a) of, nonpurpose statements submitted by mail under a plan the bank was advertising whereby it offered to make installment loans up to 70 percent of the redemption value of any acceptable mutual fund shares pledged by borrower as collateral, letter to FRBank of Boston, approved, Governor Mitchell dissenting, interpretation to be published in 3/10 839, 840

"Staff Economic Studies", recommendation of Editorial Committee re procedures and policies for publishing and distributing research papers, approved as basis for experimentation with the establishment of a new section in FRBulletin to be called 6/24 2138, 2152

Toledo, termination of designation as a reserve city, notice published in 4/29 1428, 1449-50

FRDistricts:

Sixth District, proposal to extend territory of Birmingham Branch to include portion of State of Alabama now served by FRBank of Atlanta head office, approved, effective at the close of business June 23, 1965 6/10 1938, 1950
FRDistricts: (continued)
Thirteenth District, letter to Senator Allott, re request for information re possible creation of a new Federal Reserve District in the Mountain States' area, approved

FRLoose Leaf Service:
Examiners, FRBanks, revision of letters re, advice to all FRBanks

FRnotes:
Denominations of $500 and over:
Agreement with suggestion that question re continued availability of $500 to $1,000 FRnotes be tabled pending answers to an inquiry to Presidents of FRBanks as to any information they might have re use of, letter sent to FRBank Presidents

Discussion re, agreed to request that Conference of Presidents discuss the possibility of having Reserve Banks that wished to have large denomination bills available, but lacked the necessary stocks, purchase such stocks from other FRBanks that had sufficient supplies, letter sent to Chairman Bopp of Conference of Presidents re

Destruction of unfit:
Board approved, (1) proposal by Conference of Presidents that redemption of unfit $1 FRnotes be allocated on basis of previous year's issues, and (2) recommendation that Conference of Presidents be requested to have a special ad hoc committee study further application of sampling techniques for allocating redemption credit for higher denomination notes with view toward developing procedure which would permit calculating amount of FRnotes outstanding which would never be presented for redemption, letter to Chairman of Presidents' Conference, approved
FRnotes: (continued)

Destruction of unfit: (continued)
Governor Mitchell designated to discuss local destruction of unfit, with Treasury Department, provided such legislative authority should be obtained re

H. R. 5305, a bill to permit local destruction and eliminate sort of unfit FRnotes, upon destruction of such FRnotes credit would be apportioned among twelve FRBanks by Board of Governors, Board favors, letter to Chairman Fascell of the House Legal and Monetary Affairs Subcommittee, approved

One dollar FRnotes:
Alternatives discussed for, until passage of pending legislation to relieve problem, agreed that a letter to Secretary of the Treasury would be drafted reflecting a preference for each FRBank to ship its own notes to Washington for destruction, in a form in which they would be cancelled by preforation but not cut

Letter approved to FRBanks implementing with appropriate instructions the Board’s decision that, as an interim procedure, shipments should be made to Washington, letter approved to Secretary of the Treasury authorizing a 5 per cent verification count of $1 FRnotes sent to Washington, and a rider approved to present contract with Brink's Inc., re return of unfit FRnotes of any denomination to Washington
FRnotes: (continued)

Destruction of unfit: (continued)

One dollar FRnotes: (continued)

Procedure whereby verification count of lower halves of unfit $1 FRnotes received by Treasurer of the United States would be on a 5 per cent basis, with a package count of the upper halves by the Comptroller of the Currency, agreeable to Treasury, but not to the Comptroller of the Currency, consensus that it might be indicated that Board continued to be willing to ask the Reserve Banks to make such a certification, otherwise it would stand on the original procedures to which the Secretary of the Treasury had agreed

S. 1308, a bill to authorize revised procedures re:

Letter to Chairman Robertson of Senate Banking and Currency Committee, approved

Consideration of draft of testimony to be presented by Chairman Martin before Subcommittee on Financial Institutions of Senate Banking and Currency Committee on, understood statement would be revised in light of suggestions and presented in final form satisfactory to Chairman

Treasury Department to be allowed access to portions of reports of examination of FRBanks re currency destruction function, Treasury had been requested by Chairman Patman of House Banking and Currency Committee to furnish information on recommendations made by the Treasury to the FRBanks for use in connection with consideration of proposed legislation providing for destruction of unfit FRnotes at FRBanks
FRnotes: (continued)

Exhibits, new specimens obtained from Bureau of Engraving and Printing without charge to replace notes in Board's currency exhibit, recommendations approved that $1 FRnotes be placed in separate panel, that specimens be obtained of 1957 Series $1 silver certificates, and, as they are available, 1963 Series $2 and $5 U.S. notes and 1963 Series $5-$100 FRnotes, and that a suitable method of lighting the exhibit be devised.

Gold reserves against FRnotes held by FRBanks other than Bank of original issue:

Change in procedure under which notes of one FRBank held by another require a gold reserve even though they are not in circulation, question referred to Legal Division for study and report to Board.

Memorandum from Legal Division discussing legal aspects of certain suggestions that had been made re possible means of eliminating requirements for the Federal Reserve permitted use of a formula by FRBanks to determine gold reserve requirements and the FRBanks had used such a formula for many years, general concurrence not to make any changes at this point re formula for estimating.

H.R. 7601, a bill introduced by Congressman Patman requiring FRBanks to transfer to Secretary of Treasury interest-bearing obligations of the U.S., in the amount of $30 billion relieving each FRBank re carrying an amount of FRnotes equal to valuation at which the obligations were carried on its books, Board members opposed to, statement made by Chairman Martin to be redrafted.
FRnotes: (continued)

One-dollar denomination:

Board approved proposal by Presidents' Conference that redemption of unfit $1 FRnotes be allocated on basis of previous year's issues, letter to Chairman of Presidents' Conference, approved

Currency exhibit, recommendation approved that $1 FRnotes be placed in separate panel in currency exhibit in Board's building, low numbered $1 FRnotes are only genuine currency on display

Destruction of, three alternatives discussed, until passage of pending legislation to relieve the problem, agreed that a letter to Secretary of the Treasury would be drafted reflecting a preference for each Federal Reserve Bank to ship its own notes to Washington for destruction, in a form in which they would be cancelled by perforation but not cut

Letter approved to FRBanks implementing with appropriate instructions, the Board's decision re shipments of unfit $1 FRnotes to Washington for destruction, letter approved to Secretary of the Treasury authorizing a 5 per cent verification count of $1 FRnotes sent to Washington

Procedure whereby verification count of lower halves of unfit, received by the Treasurer of the U. S. would be on a 5 per cent basis, with package count of upper halves by Comptroller of Currency, agreeable to Treasury, but not to Comptroller of Currency, consensus that Board would be willing to ask Reserve Banks to make such a certification, otherwise it would stand on original procedures to which Secretary of Treasury had agreed
FRNotes: (continued)

Printing order, supplemental, for fiscal year 1965:

Placed with Bureau of Engraving and Printing, letter to Comptroller of the Currency re 2/5 390, 397

Placed with Bureau of Engraving and Printing for printing notes of $1 denomination of FRBank of Minneapolis and FRBank of San Francisco, approved 4/27 1400, 1422

Printing order for fiscal year ending June 30, 1966:

Placed with Bureau of Engraving and Printing 6/29 2180, 2186

Revised order placed with Bureau of Engraving and Printing 8/4 2594, 2604

Redemption credit for higher denominations, recommendation that the Presidents' Conference be requested to have a special ad hoc committee study further the application of sampling techniques for allocating, approved, including the possibility of developing a procedure that would permit calculating the amount of FRNotes outstanding that would never be presented for redemption 1/6 49

Shipment of:

Revision of subparagraph (A) of section 7 (Limitation of Shipments) of Loss Sharing Agreement, Mr. Farrell of Board's staff reported on initial deliveries to FRBanks of new Federal Reserve notes under the contract recently executed with Brink's Inc., his remarks indicating that the operations had proceeded satisfactorily 1/5 31

Letter to Brink's Inc., Chicago, Illinois, with rider amending service schedule attached to contract, between Brink's and Board covering the transportation of new FRNotes between Washington and FRBanks and branches, which would provide shipments to the Baltimore Branch on any Wednesday and Friday instead of on any Wednesday 4/29 1434
FRnotes: (continued)

Shipment of: (continued)

Board concurred with action of Presidents' Conference in approving recommendation of Subcommittee on Cash, Leased Wire and Sundry Operations, that canvas pouches and wire hasp padlock seals be purchased and used in connection with shipments of new Federal Reserve currency from Washington to various FRBanks and branches, letter to Mr. Bopp, Chairman of the Conference of Presidents informing him of Board's action, approved

Unfit $1 FRnotes:

Letter approved to FRBanks implementing with appropriate instructions the Board's decision re, to Washington for destruction, letter approved to Secretary of the Treasury authorizing a 5 per cent verification count for, and a rider approved to the contract with Brink's, Inc., re return of unfit FRnotes of any denomination to Washington

Procedure whereby verification count of lower halves of unfit $1 FRNotes received by Treasurer of the United States would be on a 5 per cent basis, with a package count of the upper halves by the Comptroller of the Currency agreeable to Treasury, but not to the Comptroller of the Currency, consensus that the Board would be willing to ask the Reserve Banks to make such a certification, otherwise it would stand on the original procedures to which the Secretary of the Treasury had agreed
Single issue of, question re this being an appropriate time to seek to substitute a single issue of, discussed in connection with consideration of alternate proposals for settling Inter-district Settlement Fund clearings through security holdings rather than gold certificates, understood that the question would be renewed with Conference of Presidents

Sorting of unfit, H.R. 5305, letter approved to Chairman Fascell of House Legal and Monetary Affairs Subcommittee re status of plans for (1) eliminating sort of unfit, and (2) local destruction of unfit, a bill introduced by Mr. Patman, credit would be apportioned among twelve FRBanks by Board of Governors, Board favors

Verification count of unfit $1 FRNotes:

SEE: FRNotes:

Shipment of unfit $1 FRNotes:

Image of, discussion re a memorandum by Governor Mitchell, captioned "The Federal Reserve Image" which proposes consideration of a package of policy actions, agreed that problems presented should be explored, staff to investigate and present for additional consideration by Board

Memorandum from Governor Balderston suggesting steps as possible components of a package of actions

Federal Trade Commission Act:

Advertising, false, by member banks, letter approved to all FRBanks concerning complaints re constituting unsafe and unsound banking practices and violating provision of, matter is of concern to the Board and to the FRBanks from a bank supervisory standpoint
Fees:

Chapman, Frederic D., Dr., Washington, D.C., letters to, confirming arrangements for the annual physical examinations of all employees in the Board's cafeteria at a fee of $125, and the annual physical examinations of the Board's chauffeurs and messenger-drivers at a fee of $28 for each examination

Consultants, establishment of procedure for payment of fees and reimbursement for travel expenses incurred in connection with System committee activities, approved

Counsel, special:

FRBank of Cleveland, payment of fee not to exceed $6,000 for, in connection with acquisition of real estate in Cincinnati, Ohio, for site of the new Cincinnati branch, approved

FRBank of Kansas City, request for approval of payment of $1,125 representing 25 per cent of Bank's share of settlement made by Oklahoma City with Kay Engineering Company in connection with recovery of damages incurred during construction of the Oklahoma City Branch building, approved

FRBank of San Francisco, employment of, with fee likely in excess of $2,500, to represent the Bank and its officers in litigation (involving the San Francisco National Bank) between the Federal Deposit Insurance Corporation and A.M.R., Inc. et al, approved
Fees: (continued)

Employee training and development program:

French, Conversational:

Letters to Mrs. Renee Mikus and Mr. Joseph Mikus of Washington, D.C., confirming arrangements for them to give instruction in, with payment at the rate of $10 for each session conducted, (it developed that Mr. Mikus would not be available, accordingly Governor Shepardson approved a letter to Mr. Jean Jacques Lesceuex of Washington, D.C., containing same terms) 3/3 748

Letter to Mrs. Jacqueline M. Dockery, Arlington, Virginia, approved, confirming arrangements for her to conduct a course in Intermediate French for members of the Board's staff, with payment of a fee of $4 for each session conducted 6/2 1848

Letter to Mrs. Jacqueline M. Dockery, confirming arrangements for continuation of a course in Intermediate French for members of the Board's staff, at a fee of $4 for each session conducted 11/15 3668

Letter approved to Mrs. Renee Mikus of Washington, D.C., confirming arrangements for her to conduct a course in, for members of the Board's staff at a fee of $10 to be paid for each session conducted 11/17 3737

Oral Communication, Effective, letter to Professor Edwin L. Stevens, Washington, D.C., approved, confirming arrangements to conduct a 24-hour course in, for members of Board's staff, a fee of $900 to be paid upon completion of the course 3/30 1013
Fees: (continued)

Employees training and development program: (continued)

Reading Improvement, letter to Mr. George L. Stevens, approved, confirming arrangements to conduct a 24-hour course in, for members of the Board's staff, a fee of $40 to be paid for each participant in the course 9/22 3139

Writing, Effective, letter to Dr. Calvin D. Linton, approved, confirming arrangements for him to conduct a 20-hour course in, for members of Board's staff as an activity of the Board's Employee Training and Development Program, with compensation in amount of $500 to be paid at completion of the course 1/26 273

National Association of Supervisors of State Banks, payment of registration fees for Mr. Solomon and two other officers of Division of Examinations, approved, held in Detroit, Michigan, October 1, 1965 8/6 2642

Salaries of FRBank officers:

Appointment of firm of McKinsey & Co., Inc., Washington, D. C., to assist in developing guidelines for determining appropriate, with specific objective to obtain factual information re salaries paid in the New York community, payment of fees and expenses not to exceed $15,000, authorized 6/21 2098

Appointment of Booz, Allen, & Hamilton, Inc., Cleveland, Ohio, to assist in developing guidelines for determining appropriate salary ranges for, understood fees would not exceed $7,000 and that reimbursable expenses would be between $1,500 and $2,000 with payment upon receipt of final report 6/30 2205
Fiduciary powers:
Glenns Ferry Bank, Limited, Glenns Ferry, Idaho, granted permission under condition of membership numbered 1, to exercise, Governors Mills and Robertson dissenting

Finance companies:
Survey, letter approved to Chairman Patman of the House Banking and Currency Committee, in response to a telephone request by the Committee's staff for a list of major finance companies included in the sample being used in the current quinquennial survey of

First Oklahoma Baninsurance, Inc.:
Determination under section 4(c)(6) of the Bank Holding Company Act of 1956, as requested by First Oklahoma Bancorporation, Inc., Oklahoma City, Oklahoma, concerning activities of, issuance of order authorized

First Wisconsin Company:
Determination under section 4(c)(6) of the Bank Holding Company Act of 1956, as requested by First Wisconsin Bankshares Corporation, Milwaukee, Wisconsin, concerning activities of, issuance of order authorized

Fiscal agency operations:
FRBank of New York:
International Bank for Reconstruction and Development:
Amendment to the fiscal agency agreement to cover a proposed issue of the International Bank's twenty-five year bonds of 1965, authorized
Amendment to the fiscal agency agreement to cover a proposed issue of the International Bank's two-year bonds of 1965, authorized
Fiscal agency operations: (continued)
FRBank of New York: (continued)
International Monetary Fund, letter to, directing that under arrangements of the Bretton Woods Agreement Act, the FRBank serve as fiscal agents of, acting as a depository for gold

Flechsig, Theodore G., recommendation that Board publish monograph, "Banking Market Structure and Performance in Metropolitan Area," by, in the Board's shop with out-of-pocket expenses of $680 provided in the 1965 budget, approved, with announcement in the FRBulletin and listed in Board's publications, policy re repricing of such publications to be held in abeyance pending further consideration by Board

Float:
Reduction of, approval given to letter to Chairman Fascell of House Legal and Monetary Affairs Subcommittee, re his request for updating of previous comments with regard to, in light of increased uses of automatic data processing equipment in check clearings

Foreign accounts:
Bank Negara Indonesia, opening by FRBank of New York, approved
Bank of Sierra Leone, opening by FRBank of New York, approved
Banque du Liban (central bank of Republic of Lebanon), opening by FRBank of New York, approved
Central Bank of Jordan, opening by FRBank of New York, approved
Foreign banking corporations:
"Agreement corporations," proposed amendment to correct a defect in present law by specifically excluding, operating under section 25 of the FRAct, recommended for inclusion in legislative proposals, no action taken on recommendations 1/18 174

Condition reports:
Call as of December 31, 1964 1/4 11, 19-25
Call as of June 30, 1965 7/1 2225, 2242-48
Call as of December 31, 1965 12/30 4446, 4460-68

Edge Act Corporations:
Balance of payments:
Consent requested by Bank of America, New York, New York, to acquire stock of Banco Soler y Torra, S.A., a commercial bank of Madrid, Spain, and stock of a proposed investment bank to be named Banco Intercontinental Espanol, with head office in Madrid and a branch in Barcelona, decided to defer action until after release of President's balance of payments message 2/9 447

Question re Board's views toward approval of foreign investment by, in light of effort to curtail outflow of U.S. dollars to improve, views expressed by Governor Robertson at joint meeting with FAC 2/16 576

Debentures, request on behalf of Company for Investing Abroad, an Edge Act subsidiary of Fidelity-Philadelphia Trust Company, for an advisory opinion re an investment in debentures of Tubos de Acero de Mexico, S.A., reply to FRBank of Philadelphia with reference to voluntary credit restraint program, approved 3/8 796, 811
Foreign banking corporations: (continued)

Examination reports of, letter to Comptroller of the Currency, approved, re request for full reports of examination of all Edge Act and agreement corporation subsidiaries of member banks, discussion brought out that Comptroller of the Currency Saxon had made only one request, eighteen months ago, for an examination report of a national bank subsidiary, and it was agreed that the reply should make reference to that fact

Foreign subsidiaries of, request from Mr. George Champion, Chairman of Chase Manhattan Bank, New York City, that Board recommend legislation that would exempt from the limitations of section 23A of the FRAct, loans or extensions of credit by a member bank to any subsidiary of the bank, letter to Chairman Robertson of Senate Banking and Currency Committee, approved, with similar letter to Chairman of House Banking and Currency Committee, and letter also sent to Mr. Champion

General consent, investments permissible under, to fall within the guidelines of the voluntary foreign credit restraint effort, called to the attention of the Edge Act and agreement corporations

Voluntary credit restraint program, recommendations of Governor Robertson for approach to be taken by Board in regard to investments and establishment of foreign branches by member banks and, agreed Governor Robertson's recommendations should be followed, letter sent to all Edge Act and agreement corporations, and FRBanks
Foreign banking corporations: (continued)
(Individual corporations)
Bamerical International Financial Corporation, New York, New York, request by, to amend Article Fifth of its Articles of Association, approved 2/8 418, 441

Bank of America, New York, New York:
Consent requested to acquire stock of Banco Soler y Torra, S.A., Madrid, Spain, and stock of a proposed investment bank to be named Banco Intercontinental Espanol, with head office in Madrid and a branch in Barcelona, decided to defer action until after release of President's balance of payments message 2/9 447
Consent granted 3/8 795, 805
Consent granted to purchase additional shares of Banca d'America e d'Italia, Milan, Italy 7/21 2399, 2408
Consent granted to purchase additional shares of Sahara Bank, Tripoli, Libya 8/3 2574, 2586
Consent granted to purchase additional stock of Banco Intercontinental Espanol, Madrid, Spain 9/7 2876, 2879

Bank of Boston International, Boston, Massachusetts, letter to Boston Overseas Financial Corporation, Boston, Massachusetts, approving acquisition of additional shares of Banco Europeo de Negocios, Madrid, Spain 5/5 1477, 1484

Bank of California International Corporation, San Francisco, California:
Letters to Bank of California, National Association, San Francisco, California, approved, granting permission to organize a corporation under section 25 (a) of FRAct, to be known as, and discussing the relationship of this proposal to the voluntary foreign credit restraint effort 4/5 1077, 1103-05
Foreign banking corporations: (continued)

Bank of California International Corporation, San Francisco, California: (continued)

Bank of California granted permission to organize a corporation under Section 25(a) of FRAct: (continued)

Decided that Bank of California International Corporation should be entitled to advantage referred to in guidelines for banks under the voluntary foreign credit restraint effort

Final permit to commence business transmitted to, on April 30, 1965

Consent granted to purchase shares of China Trade & Development Corporation Ltd.

Bankers International Corporation, New York, New York:

Consent granted to purchase additional shares of Fabrica Espanola Magnetos, S.A., Madrid, Spain, in excess of ten per cent of the Corporation's capital and surplus

Governor Robertson noted that investment would be made in Swiss Francs which the Corporation had borrowed through its parent, Bankers Trust Company, who had stated that the proposed investment would not have a detrimental effect on the restraint program

Consent granted to purchase shares of a company to be organized under the laws of Luxembourg, to be called Bankers International (Luxembourg), S.A., or a similar name, in exchange for shares of l'Union des Mines-la Henin, Inter-Africa (Liberia) Ltd., and Nigerian Acceptance, Ltd., and to purchase shares of company to be organized under laws of France to be called Bankers International Corp. Management, S.A., or similar name, approved
Foreign banking corporations: (continued)

Bankers International (Luxembourg), S.A.P.F., Luxembourg, letter to Bankers International Corporation, New York, New York, approved, granting permission for, to purchase shares of Banque G. & C. Kreglinger S.A., Antwerp, Belgium

Boston Overseas Financial Corporation, Boston, Massachusetts:

Acquisition of additional shares of Banco Europeo de Negocios, Madrid, Spain, approved
Letter approved in reply to question whether proposed investment in shares of Union Financiere de Paris, Paris, France, required prior approval of the Board, determined that investment could be made under clause B of Section 211.8(a)
Discussion re method used in classifying assets reflecting depreciation in appraised value of Boston Overseas' stock holdings
Letter to, approved, granting consent to purchase additional shares of International Factors A. G., Chur, Switzerland, and shares of International Factors (Australia) Proprietary Ltd., Melbourne, Australia
Letter to, granting an extension of time to acquire additional shares of International Factors A. G., Chur, Switzerland
Request by, to amend Article Seventh of its Articles of Association, approved

Chase International Investment Corporation, New York, New York:

Consent granted to Arcturus Investment & Development, Ltd., Montreal, Canada, or, to purchase shares of Beton Service de France, Paris, France
Foreign banking corporations: (continued)

Chase International Investment Corporation, New York, New York: (continued)

Consent granted to Arcturus Investment & Development, Ltd., Montreal, Canada, or, to purchase shares of Beton Service de France, Paris, France: (continued)

Governor Robertson suggested putting Edge corporations and their parent corporations on notice that Board would intend to review proposed investment from balance of payments point of view, agreement procedure should be considered

Consent granted to an extension of time to make further investment in its wholly-owned subsidiary, Arcturus Investment & Development, Ltd., Montreal, Canada

Consent granted to purchase shares of a non-registered investment company to be incorporated under the laws of Spain, and Peruano-Suiza de Fomento e Inversiones Sociedad Anonima, Lima, Peru

Understanding its foreign loans and investments were separate from foreign loans and investments of its parent bank for purposes of establishing a base under guidelines of voluntary foreign credit restraint effort

Consent granted to purchase additional shares of National Investment Bank for Industrial Development, S.A., Athens, Greece

Consent granted to the acquisition of shares of a Western Hemisphere trade corporation to be known as Estano Aluvial, S.A.

Consent granted to purchase shares of Interamericana de Arrendamientos, S.A., Mexico, D.F.
Foreign banking corporations: (continued)

Chase Manhattan Overseas Banking Corporation, New York, New York:


Board interposes no objection to Brasilar Administracao e Participacoes Limitada, Rio de Janeiro, a wholly-owned subsidiary of, utilizing cruzeiros paid as dividends by Banco Lar Brasileiro S.A., Rio de Janeiro, Brazil, to purchase certain shares of Banco Lar 5/3 1462, 1468

Letter to, approving an amendment to Article Seventh of its Articles of Association 5/14 1600, 1608

Noted that Chase Manhattan objected to restriction re activities of Standard Bank Limited, London, England, re consent to Chase Manhattan to acquire shares of bank resulting from merger of Standard Bank and Bank of West Africa Limited, question being deferred pending visit of Chairman of Standard Bank to the United States 5/14 1600

Letter granting consent to purchase shares of a nominee corporation to be organized under the laws of Singapore, Malaysia, to act as nominee for the registration of securities acquired or held by the Singapore branch of the Chase Manhattan Bank 5/21 1706, 1711
Foreign banking corporations: (continued)

Chase Manhattan Overseas Banking Corporation,
New York, New York: (continued)

Letter to, interposing no objection to Brasilar-
Administracao e Participacoes
Limitada Rio de Janeiro, Brazil,
acquiring shares of Banco Lar
Brasileiro S.A., Rio de Janeiro

Objection of Chase Manhattan Bank (National
Association), New York, New
York, re granting consent to,
in order to acquire shares of
a bank resulting from the
merger of Standard Bank Limit-
ed, and Bank of West Africa
Limited, both of London, Eng-
land, reply approved

Citizens and Southern International Corporation,
Atlanta, Georgia:

Letter to The Citizens and Southern National
Bank, Savannah, Georgia, approv-
ed, granting permission to
organize a corporation under
section 25(a) of the FRAct, to
be known as, and transmitting
a preliminary permit

Requirement completed, letter transmitting
a final permit to commence
business, approved

Letter to, granting consent to acquire shares
of Corporacion Financiera del
Valle, Cali, Colombia, approv-
ed, with understanding that
total amount of foreign loans
and investments of, combined
with those of Citizens and
Southern National Bank and its
affiliates will not be affect-
ed by this transaction

Company for Investing Abroad, Philadelphia, Pa.,
request for an advisory opinion
re investment by, in an issue
of convertible debentures of
Tubos de Acero de Mexico, S.A.,
advice to FRBank of Philadel-
phia, approved
Foreign banking corporations: (continued)

Continental International Finance Corporation, Chicago, Illinois:
Consent granted to purchase shares of Commercial Bank of Zambia Limited, Lusaka, Zambia
Letter to, granting permission to purchase shares of Banca Privata Finanziaria, Milan, Italy, and to maintain a limited partnership interest in Moizzi & C., Milan, understanding that not only foreign credits would not exceed the guidelines established under voluntary restraint effort but also that due consideration was being given to the priorities contained in the guidelines, discussion re fact that banks were concentrating their credits in developed countries rather than less developed countries
Letter to, granting its request to purchase additional shares of Banca Privata Finanziaria, Milan, Italy
Letter to, approving request by, to amend Article Seventh of its Articles of Association
Letter to, approving request by, to amend Article Second of its Articles of Association
Permission granted to acquire shares of Union Industrial Bancaria, Barcelona, Spain
Permission granted to acquire shares of Continental and Overseas Investments, N.V., Amsterdam, The Netherlands
Crocker-Citizens International Corporation, San Francisco, California, letter granting consent to the acquisition of shares of House of Investments, Inc., Makati, Rizal, Philippines, approved
Foreign banking corporations: (continued)

First Chicago International Banking Corporation, New York, New York, request by, to amend Article Seventh of its Articles of Association, approved 10/1 3213, 3217


First National City Overseas Investment Corporation, New York, New York, consent granted to purchase stock of Financiera Comercial, S.A., Mexico, D.F., Mexico 7/9 2263, 2268

First Pennsylvania Overseas Finance Corporation, Philadelphia, Pennsylvania, consent granted to purchase stock of Corporacion Financiera Colombiana de Desarrollo Industrial, Bogota, Colombia, and to acquire additional shares of ADELA Investment Company, S.A., Luxembourg 4/14 1192, 1206

International Banking Corporation, New York, New York:

Letter to, acknowledging receipt of advice that Mercantile Bank of Canada, Montreal, Canada, intended to establish an additional branch in Canada, to be located in Halifax, Nova Scotia 1/11 106

Letter to, approved, granting consent to purchase additional stock of First National City Bank of New York (South Africa) Limited, Johannesburg, South Africa 3/8 795, 807


Letter to, approved, granting an extension of time within which Bank of Monrovia, Liberia, may purchase stock of Liberian Bank for Industrial Development and Investment, Monrovia, Liberia 3/8 795, 809
Foreign banking corporations: (continued)

International Banking Corporation, New York, New York: (continued)

Letter to First National City Bank, New York, New York, approved, granting permission to increase its investment in stock of

Letter to, granting permission to make additional investments in Mercantile Bank of Canada, Montreal, in excess of 15 per cent of corporation's capital and surplus, and to make additional investments in International Trust Company, Montreal, advice to FRBank of New York

Letter to, approved, granting an extension of time to purchase stock of a proposed Spanish finance company

Letter to, granting permission for its wholly-owned subsidiary, International Trust Company, Montreal, Canada, to purchase shares of H.C. Andreae & Company Limited, Toronto, Canada, and Andreae Equity Investment Fund Limited, Toronto, Canada

Letter to, granting permission to purchase stock of Banco de Honduras, S.A., Tegucigalpa, Honduras

Letter to First National City Bank, New York, New York, granting permission to purchase additional stock of

Letter approved to, acknowledging receipt of advice that Mercantile Bank of Canada, Montreal, Canada, intended to establish an additional branch in Canada, to be located in the City of Quebec, at 580 Grande Allee East, discussion re Board's rules concerning establishment of this branch and the State Department's interest in the matter
Foreign banking corporations: (continued)

Irving International Financing Corporation, New York, New York, consent granted to purchase shares of China Trade & Development Corporation Ltd., Taipei, Taiwan

Manufacturers-Detroit International Corporation, Detroit, Michigan, consent granted to purchase shares of Kent Trust and Savings Company, Chatham, Ontario, Canada, such investments resulting in foreign investments in excess of guidelines established under voluntary credit restraint program, corporation urged to bring down loans and investments to guideline level within reasonable time, Governor Robertson to contact, prior to transmittal of letter

Manufacturers Hanover International Banking Corporation, New York, New York, consent granted to acquire additional shares of National Investment Bank for Industrial Development, S.A., Athens, Greece

Manufacturers Hanover International Finance Corporation, New York, New York, consent granted to purchase shares of ADELA Investment Company, S.A., Luxembourg

Governor Robertson suggested putting Edge corporations and their parent corporations on notice that Board would intend to review proposed investment from balance of payments point of view, agreement that procedure should be considered

Marine Midland International Corporation, New York, New York, consent granted to purchase shares of Financiera Espanola de Inversiones, Madrid, Spain
Foreign banking corporations: (continued)


Discussion of purchase of Edge corporations of minority interests in foreign banking corporations engaged in activities in the United States and the amending of section 211.7(b) of Regulation K

Imposed conditions clarified

Morgan Guaranty International Banking Corporation, New York, New York:
Consent granted to purchase additional shares of Credito Bursatil, S.A., Mexico, D.F., Mexico
Consent granted to acquire shares of RoyWest Banking Corporation Limited, Nassau, Bahamas, in exchange for shares of Trust Corporation of Bahamas Limited, currently held by
Consent granted to purchase additional shares of RoyWest Banking Corporation Limited, Nassau, Bahamas

Morgan Guaranty International Finance Corporation, New York, New York:
Consent granted to purchase additional shares of Euramerica-Finanziaria Interzionale S.p.A., Rome, Italy
Consent granted to purchase additional shares of Roberts S.A. de Finanzas, Buenos Aires, Argentina
Consent granted to purchase stock of Banco Brasileiro de Desenvolvimento, S.A., Sao Paulo, Brazil
Foreign banking corporations: (continued)

New England Merchants Bank International, Boston, Massachusetts, letter to New England Merchants National Bank, Boston, Massachusetts, approved, granting permission to organize a corporation under section 25(a) of the FRAct to be known as


Provident International Corporation, Philadelphia, Pennsylvania, request by, to amend Article Seventh of its Articles of Association, approved

State Street Bank Boston International, New York, New York, letter to, transmitting a final permit to commence business

Wachovia International Investment Corporation, Winston-Salem, North Carolina:
Letter to Wachovia Bank and Trust Company, Winston-Salem, North Carolina, approved, granting permission to organize a corporation under section 25(a) of the FRAct to be known as

Requirements having been completed, letter transmitting a final permit to commence business, approved

Wells Fargo Bank International Corporation, San Francisco, California:
Consent granted to purchase shares of Financiera de Desarrollo e Inversion, S.A., San Salvador, El Salvador
Letter approving amendment to Article Fifth of Articles of Association, approved
Foreign banking corporations: (continued)

Western Bancorporation International Bank, New York, New York:

Discussion of possible legislative proposals to amend the Bank Holding Company Act, noted that, was receiving certain deposits from banks controlled by same bank holding company which appeared to be in violation of section 6 of the Bank Holding Company Act of 1956

Letter to Western Bancorporation, Los Angeles, California, approved, re question whether a proposed investment in Deltec Panamerica, S.A., may be made either by, or, alternatively, by Western Bancorporation, a registered bank holding company

Letter to, granting permission to amend Article Seventh of its Articles of Association, and to purchase shares of Philippine Commercial and Industrial Bank, Manila, Philippines

Foreign banks:

Acquisition of stock directly by member banks, question whether to propose legislation that would authorize member banks to invest directly in foreign banks, discussion re, understood that nothing would be done on this matter pending further developments

Balance of payments, cables to central banks advising them of principal features of President's balance of payments message to Congress and voluntary lending restraint effort to be undertaken
Foreign banks: (continued)
Chinese banks in Hong Kong, Governor Robertson reported on information received by State Department regarding difficulties experienced by certain Chinese banks in Hong Kong, agreement that State Department be informed that the Board could not at the present time exempt from the foreign credit restraint program any standby credits extended by U.S. banks to the Hong Kong banks experiencing difficulty

(Individual banks)
Da Afghanistan Bank, request by International Monetary Fund for FRSystem personnel assistance for, recommendation that Donald C. Niles, Assistant Vice President, FRBank of New York, undertake three months assignment, consensus that if arrangements were fairly well advanced, Board would approve

Determined that arrangements were well along, letter to FRBank of New York, approving leave without pay for Mr. Niles for a period of three months plus travel time

Banca d'America e d' Italia, Milan, Italy, letter to Bank of America, New York, New York, granting permission to purchase additional shares of

Banca Privata Finanziaria, Milan, Italy:
- Consent granted to purchase shares and a limited partnership interest in Moizzi & C., Milan, Italy
- Consent granted to Continental International Finance Corporation, Chicago, Illinois, to purchase shares of

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Foreign banks: (continued)

Banco Brasileiro de Desenvolvimento, S.A., Sao Paulo, Brazil, letter to Morgan Guaranty International, New York, New York, granting permission to purchase stock of 7/12 2351, 2368

Banco Central de Costa Rica, application to FRBank of New York for 90 day loan on gold, approved 9/3 2839, 2873

Banco Europeo de Negocios, Madrid, Spain, acquisition of additional stock of, by Boston Overseas Financial Corporation, Boston, Massachusetts, approved 5/5 1477, 1484

Banco de Guatemala, application to FRBank of New York for 90 day loan on gold, approved 9/3 2839, 2872

Banco de Honduras, S.A., Tegucigalpa, Honduras, letter to International Banking Corporation, New York, New York, granting permission to purchase stock of 7/16 2351, 2366

Banco Industrial of Venezuela, Robert Hochstatter, Senior Examiner, FRBank of Chicago, to be assigned to assist in the investigation and audit of, letter approved to Ambassador Enrique Tejara Paris from Venezuela stating that in response for the temporary services of a bank examiner, Robert Hochstatter would be assigned to assist in the investigation and audit of 12/7 4057, 4071

Banco Intercontinental Espanol, Madrid, Spain: Consent requested by Bank of America, New York, New York, to acquire stock of Banco Soler y Torra, S.A., Madrid, Spain, and stock of a proposed investment in bank named, decided to defer action on proposals until after release of President's balance of payments message 2/9 447, 3/8 795, 805

Consent granted
Foreign banks: (continued)

Banco Intercontinental Espanol, Madrid, Spain: (continued)
Consent granted to Bank of America, New York, New York, to purchase additional stock of 

Banco Lar Brasileiro, S.A., Rio de Janeiro, Brazil:
Letter to Chase Manhattan Overseas Banking Corporation, New York, New York, interposing no objection to Brasilar Administracao e Participacoes Limitada, Rio de Janeiro, utilizing cruzeiros paid as dividends by, to purchase certain shares of 

Letter to Chase Manhattan Overseas Banking Corporation, New York, New York, interposing no objection to Brasilar-Administracao e Participacoes Limitada, Rio de Janeiro, Brazil, acquiring shares of 

Banco de la Republica (Colombia), request for loan on gold of $21 million for three months, approved, telegram to FRBank of New York 

Banco Soler y Torra, S.A., Madrid, Spain:
Consent requested by Bank of America, New York, New York, to acquire stock of, and stock of a proposed investment bank to be named Banco Intercontinental Espanol, with head office in Madrid and a branch in Barcelona, action to be deferred on proposals until after release of President's balance of payments message 

Consent granted 

Travel for Mr. Daniel H. Brill, Director, Division of Research and Statistics, to spend one or two days at, discussing aspects of current economic situation and recent developments in their research program, authorized
Foreign banks: (continued)


Travel for Mr. Samuel I. Katz, Adviser, Division of International Finance, to spend the week of April 12 at Treasury, British, and Bank of England representatives, who will be in Washington beginning May 17, 1965, cost of small dinner being arranged for, expense authorized

Treasury Department and Board to share cost of a dinner on May 24, for certain officials of the British Treasury and, who will be in Washington to confer with representatives of various U.S. Government agencies, expense authorized

Bank of Greece, Daniel H. Brill, Director, Division of Research and Statistics, authorized to include a visit to, for purpose of conducting certain seminars


Clarification of imposed conditions, letter sent to Mellon Bank International

Bank Markazi (central bank of Iran), Mr. Thomas W. Waage, Vice President, FRBank of New York, to act as a consultant to, in accordance with request of Agency for International Development, which will defray transportation and other direct costs of assignment, letter to FRBank of New York interposing no objection to a leave of absence with pay for Mr. Waage
Foreign banks: (continued)


Bank Negara Indonesia, opening of an account by FRBank of New York, approved 9/8 2881, 2891

Bank of Sierra Leone:
Opening of an account by FRBank of New York, approved 2/3 376, 382

Request from International Monetary Fund, to recruit a director for the research department of, interest in securing someone from FRSSystem, Division of International Finance, authorized to ascertain availability of persons suggested 11/9 3603

Bank of West Africa Limited, London, England:
Request of Chase Manhattan Overseas Banking Corporation, New York, a wholly-owned subsidiary of Chase Manhattan Bank, to amend Article Seventh of Articles of Association, to hold shares of overseas banking corporation resulting from the merger of Standard Bank Limited, London, and, approved 3/24 957, 982-84

Letter to Chase Manhattan Bank re objection to, approved 11/17 3727, 3743

Banque G. & C. Kreglinger, S.A., Antwerp, Belgium, letter to Bankers International Corporation, New York, New York, granting permission for Bankers International (Luxembourg), S.A.P.F., Luxembourg, to purchase shares of 12/6 4024, 4045

Banque du Liban (central bank of Republic of Lebanon), opening of an account with FRBank of New York, approved 4/6 1115, 1122
Foreign banks: (continued)

Central Bank of Chile:
Letter to Vice President Massad of, approved, re request for technical assistance in field of consumer credit control, suggested that Mr. Fauver, Assistant to the Board, and Mr. Maroni, Senior Economist, Division of International Finance, be considered for this mission. Advice requested re desire for Mr. Fauver's services, no request for reimbursement of Mr. Fauver's services, AID to pay travel and out-of-pocket expenses, services of Yves Maroni, Senior Economist, Division of International Finance, to be entirely at Board expense, understood arrangement for Mr. Maroni to be discussed with Board's delegation at Punta del Este meeting.

Yves Maroni, Senior Economist, Division of International Finance, authorized to remain in Santiago, Chile, until May 27, 1965, foreign travel authorization of Clarke L. Fauver, Assistant to the Board, was extended from June 12 to on or about June 29, 1965, to enable him to visit a number of South American central banks following completion of his assignment at Central Bank of Chile.

Central Bank of England, Mr. Gordon B. Grimwood, Chief, Liaison Office, Office of Defense Planning to visit, detailed travel arrangements to be approved by Governor Shepardson on actual or per diem basis.
Foreign banks: (continued)

Central Bank of France, Mr. Gordon B. Grimwood, Chief, Liaison Office, Office of Defense Planning to visit, to discuss various aspects of voluntary credit restraint program 7/26 2455

Central Bank of Germany, Mr. Gordon B. Grimwood, Chief, Liaison Office, Office of Defense Planning, to visit 7/26 2455

Central Bank of Jordan, opening of an account by FRBank of New York, approved 2/3 376, 381

Central Bank of the Philippines:

Technical assistance to, recommended that Edwin J. Johnson, Board's Director of Personnel Administration, Everett B. Post, Manager, Planning Department, FRBank of New York, and Jarvis M. Thayer, Cashier, FRBank of Boston, be assigned, recommendation approved along with recommendations re travel, living expenses and salary 2/11 487, 492

Agreed that Board would pay transportation and living expenses for Mr. and Mrs. Johnson, with reimbursement to Board by, advance for travel expenses authorized, discussion re possible uniform procedure that Board might adopt, re missions by System personnel, staff to study matter prior to further Board consideration 3/22 939

Telegram to FRBank of New York, approving renewal of a loan on gold to 3/20 994, 1023

Telegram to FRBank of New York, for $20 million loan on gold, approved 11/5 3571, 3581

Central Bank of Trinidad and Tobago, memorandum stating that International Monetary Fund wished to submit to the Government of Trinidad and Tobago names of possible candidates for the governorship of, matter to be deferred in order that Governor Robertson might make a suggestion in executive session 12/7 4057
Foreign banks: (continued)

Central Bank of Trinidad and Tobago: (continued)

Developed that the person Governor Robertson suggested, was not interested, Monetary Fund filled position from a non-U.S. source 12/7 4057

Commercial Bank of Zambia Limited, Lusaka, Zambia, letter to Continental International Finance Corporation, Chicago, Illinois, approved, granting permission to purchase shares of 4/7 1125, 1130


German Federal Bank:

Samuel I. Katz, Adviser, Division of International Finance, authorized to visit 5/26 1741

Special Manager Coombs of the System Open Market Account, proposed to send to Federal Open Market Committee a memorandum requesting authority to negotiate increases in the System's standby swap arrangements with the Bank for International Settlements and 7/28 2488

International Trust Company, Montreal, Canada, permission granted to International Banking Corporation, New York, New York, to make an additional investment in, letters to International Banking Corporation and FRBank of New York, approved 3/24 957, 980-81

Liberian Bank for Industrial Development and Investment, letter to International Banking Corporation, New York, New York, approved, granting an extension of time within which Bank of Monrovia, Liberia, may purchase stock of 3/8 795, 809
Foreign banks: (continued)

Mercantile Bank of Canada, Montreal, Canada:
Letter to International Banking Corporation, New York, New York, acknowledging receipt of advice that, intended to establish an additional branch in Canada, to be located in Halifax, Nova Scotia 1/11 106

Letter granting permission to International Banking Corporation, New York, New York, to make additional investments in, and to make additional investments in International Trust Company, Montreal, approved 3/24 957,980-81

Letter to International Banking Corporation, New York, New York, approved, acknowledging receipt of advice that, intended to establish an additional branch in Canada, to be located in the City of Quebec, at 580 Grande Allee East, discussion re Board's rules concerning establishment of this branch and the State Department's interest in the matter 10/8 3245,3247-57

National Bank of Vietnam:
Governor of, request for the services of a senior economist for a period of one or two months to advise him on economic and financial problems, agreed to explore availability for assignment of Frank Schiff of FRBank of New York, currently on leave of absence serving on the staff of the Council of Economic Advisers 11/15 3666

Professor Arthur Bloomfield, University of Pennsylvania, to be hired as FRSystem Consultant to undertake a short mission to Saigon from December 25 to January 12 to advise the, on monetary matters, Board to pay consultant fee, but would ask Bank to pay travel expenses, cable to, approved 12/1 3890
Foreign banks: (continued)

National Investment Bank for Industrial Development, S.A., Athens, Greece:
Consent granted for Chase International Investment Corporation, New York, New York, to purchase additional shares of

Letter to Manufacturers Hanover International Banking Corporation, New York, New York, granting consent to acquire additional shares of

Philippine Commercial and Industrial Bank, Manila, Philippines, letter to Western Bancorporation International Bank, New York, New York, granting permission to purchase shares of

Sahara Bank, Tripoli, Libya, consent granted to Bank of America, New York, New York, to purchase additional shares of

Standard Bank Limited, London, England:
Request of Chase Manhattan Overseas Banking Corporation, New York, New York, a wholly-owned subsidiary of Chase Manhattan Bank, to amend Article Seventh of Articles of Association, to hold shares of overseas banking corporation resulting from merger of, and Bank of West Africa Limited, London, letters to Chase Manhattan Overseas Banking Corporation and President Hayes, FRBank of New York, approved

Letter to Chase Manhattan Bank re objection to, approved

Foreign claims of U.S. banks:
SEE: Interest Equalization Tax Act:
Inspection of information returns
Foreign currency operations:

FRSystem operations, discussion re memorandum that Mr. Coombs, Special Manager of System Open Market Account, proposed to send to FOMC, requesting authority to negotiate increases in the System's standby swap arrangements with the German Federal Bank and the Bank for International Settlements 7/28 2488

Legislation, amendment to section 14(e) of the FRAct that would specifically authorize an FRBank to buy and sell securities with maturities not exceeding 12 months that are issued or guaranteed by foreign governments, letter to Chairman Robertson of the Senate Banking and Currency Committee recommending 3/15 898, 927

Special Manager of System Open Market Account, draft review of open market operations in foreign currencies prepared by, proposed for inclusion in Board's Annual Report for 1964, agreement that Board's staff work with Mr. Coombs to effect changes suggested in review, and revised draft then would be submitted for further Board consideration 2/10 463

Swap arrangements, papers re, work involved in preparation by Division of International Finance of, Governor Shepardson and Mr. Young had discussed moving to more abbreviated papers, mentioned in connection with Board's budget for 1966 12/15 4172

Foreign exchange situation, international developments, Chairman Martin reported on informal discussions that he had had with Secretary of the Treasury and others, re current developments in the foreign exchange situation, particularly as related to the United Kingdom 8/5 2617
Foreign Missions:

Afghanistan Bank, request by International Monetary Fund for FRSystem personnel assistance for, recommendation that Donald C. Niles, Assistant Vice President, FRBank of New York, undertake three months assignment beginning August 15, 1965, consensus that if arrangements were fairly advanced, Board would approve.

Determined that arrangements were well advanced, letter to FRBank of New York, approving leave without pay for a period of three months, plus travel time for Mr. Niles.

Central American countries, request from Central American Monetary Council for technical assistance in a study of consumer credit in the five, agreed that services of Mr. Maroni, Senior Economist, Division of International Finance be offered, to continue on Board's payroll on a reimbursable basis with transportation and per diem expense reimbursed by the Central American Council. Authorized to remain in Central America until November 24, 1965, to complete his study of consumer credit for the Central American Monetary Council.

Chile:

Letter to Vice President Massad of Central Bank of Chile, approved, request for technical assistance in field of consumer credit control, suggested that Mr. Fauver, Assistant to the Board and Mr. Maroni, Senior Economist, Division of International Finance, be considered for this mission.
Foreign Missions: (continued)

Chile: (continued)

Letter approved to Vice President Massad of Central Bank of Chile requesting advice as soon as possible re desire for Mr. Fauver's services for technical assistance in field of consumer credit, no request for reimbursement of Mr. Fauver's services, AID to pay travel and out-of-pocket expenses for Mr. Fauver, services of Yves Maroni, Senior Economist, Division of International Finance, to be entirely at Board expense, understood arrangement for Mr. Maroni to be discussed with Board's delegation at Punta del Este meeting.

Memorandum from Division of International Finance recommending that Yves Maroni, Senior Economist in that Division be authorized to remain in Santiago, Chile, until May 27, 1965, in connection with assistance to the Central Bank of Chile, foreign travel authorization of Clarke L. Fauver, Assistant to the Board, extended from June 12 to June 29, 1965, to enable him to visit a number of South American central banks following completion of his assignment at the Central Bank of Chile, approved.

Dominican Republic, request by State Department for technical assistance for, by a Spanish speaking Federal Reserve expert for a period of one week beginning June 22, to help set up check clearing procedure, Mr. Armand Pascual, Systems Analyst, FRBank of San Francisco, authorized to serve, with travel expenses to be paid by State Department, and salary by Bank, Board noted no objection to arrangements.
Foreign Missions: (continued)

Expenses of technical assistance missions involving Board personnel, need for uniform procedure in handling of, staff to study matter prior to further Board consideration

Brief discussion re, noted that matter was under study by staff

Philippines, Central Bank of the:

Recommendation that FRSystem furnish assistance to, for study of systems and procedures, and manpower requirements and utilization, services of Mr. E. J. Johnson, Director, Division of Personnel Administration of Board, authorized, assisted by Mr. Everett B. Post, Manager, Planning Department, FRBank of New York, and Mr. Jarvis M. Thayer, Jr., Cashier, FRBank of Boston

Agreed that Board would pay transportation and living expenses of Mr. and Mrs. Johnson, with reimbursement by, advance for travel expenses authorized, discussion re possible uniform procedure Board might adopt re missions by System personnel, staff to study matter prior to further Board consideration

Request for assignments of System personnel for, to be brought to Board's attention prior to submission to a Reserve Bank

Sierra Leone, request from International Monetary Fund which in turn had received request to recruit a director for research department of Bank of Sierra Leone, Governor of this Bank had expressed an interest in securing someone from FRSystem, Division of International Finance authorized to ascertain availability of persons suggested

Suggestion made by Board member that consideration be given to persons from FRBanks other than New York in arranging assignments of this kind
Foreign Missions: (continued)

Staffing, review of procedure to be followed in satisfying requests for technical assistance by System personnel

Venezuela, Robert Hochstatter, Senior Examiner, FRBank of Chicago, to be assigned to assist in the investigation and audit of Banco Industrial of Venezuela, a Venezuelan development bank, letter to Ambassador Enrique Tejara Paris from Venezuela, approved

Vietnam:

Request from Governor of National Bank of, for the services of a senior economist for a period of one or two months to advise him on economic and financial problems, agreed to explore availability of Frank Schiff of FRBank of New York, currently on leave of absence to serve on staff of Council of Economic Advisers

Request through the Agency for International Development of an economist to go to Vietnam later for a more extended period, understood further thought would be given to possible candidates from within the System or otherwise, for this assignment

Services of Professor Arthur Bloomfield, University of Pennsylvania, as a FRSystem consultant to undertake a short mission to Saigon from December 25 to January 12, to advise the National Bank of Vietnam on monetary matters, approved, Board to pay consultant fee, but would ask the Bank to pay for travel expenses, approval given to sending cable to Governor of National Bank of Vietnam
Foreign Missions: (continued)
Wives accompanying System personnel on technical assistance missions, expenses, discussion of possible uniform Board procedure, staff to study matter prior to further Board consideration, mention of need for policy decision in connection with Mr. E. J. Johnson's mission to the Central Bank of the Philippines

Foreign operations of U.S. banks:
Study re:
Academic consultants, possibility of bringing in, understood that staff could now start to look at the subject more intensively and develop a second memorandum that would point up matter in terms of specific tasks

Memorandum containing recommendations for research project to be undertaken in four stages, agreement with Chairman Martin's suggestion that Governor Mitchell as Chairman and Governors Shepardson and Maisel be asked to explore and recommend framework for the conduct of the project

Committee recommendations presented by Governor Mitchell, approved, with understanding that the Committee would come back to the Board after detailed plan had been prepared, Frederick R. Dahl to direct

Statement on objectives re, by Mr. Dahl of Board's staff to be distributed for Board's consideration

Statement distributed, staff authorized to proceed with detailed planning, statement transmitted to all FRBanks for their information
Foreign relationships of FRSystem:

Bank for International Settlements, letter sent to, advising that FRSystem would be represented by Mr. Noyes, Adviser, Board Members’ Offices, and Mr. Holmes, Vice President, FRBank of New York, at a meeting of central bank economists to be held in Basle on March 8-10, 1965, to review generally the current and prospective economic situation

FRBank of New York, foreign travel program for personnel of Bank of current year noted without objection

Walter H. Rozell, Jr., Vice President, to make a trip to Ethiopia as an extension of the Bank’s foreign travel program for 1965

(Individual names)

Bloomfield, Arthur, Professor, University of Pennsylvania, to be hired as FRSystem Consultant to undertake a short mission to Saigon from December 25 to January 12, to advise the National Bank of Vietnam on monetary matters, Board would pay the consultant fee but would ask Bank to pay for travel expenses, approval given to sending cable to Governor of National Bank of Vietnam

Brill, Daniel H., Director, Division of Research and Statistics:

Invisibles Committee of the OECD, Board authorized Governor Shepardson to approve requests by Mr. Brill and members of the staff that he might desire to accompany him, to undertake foreign travel incident to attendance at meetings of the

Proposed that on return trip, Mr. Brill spend one or two days at the Bank of England re some aspects of the current economic situation
Foreign relationships of FRSystem: (continued)
Brill, Daniel H., Director, Division of Research and Statistics: (continued)
Visit to Bank of Greece, for purpose of conducting certain seminars, authorized in connection with the trip to Europe in June and July re assignment pertaining to study of foreign capital markets being conducted by OECD

Fauver, Clarke L., Assistant to the Board:
Request for technical assistance in field of consumer credit control, suggested that Mr. Maroni, Senior Economist, Division of International Finance, and, be considered for this mission, letter to Vice President Massad of Central Bank of Chile, approved

Letter approved to Vice President Massad of Central Bank of Chile requesting advice as soon as possible re desire of services of, no request for reimbursement of Mr. Fauver's services, AID to pay travel and out-of-pocket expenses

Travel authorization extended from June 12 to June 29, 1965, in order to visit South American central banks

Fousek, Peter, Assistant Vice President, FRBank of New York, no objection interposed to proposed travel by, involving visits to the central banks in Australia and New Zealand, and perhaps one or two other countries, in connection with an assignment to lecture at the Sixth SEANZA Central Banking Course to be held in Wellington, New Zealand, this fall
Foreign relationships of FRSystem: (continued)

Grimwood, Gordon B., Chief, Liaison Office, Office of Defense Planning, to visit central banks in England, France, and Germany, to discuss various aspects of the voluntary credit restraint program, simultaneously with examination of foreign branches of American banks located in these countries.

Hayes, David G., Economist in the Europe and British Commonwealth Section, Division of International Finance, travel authorized, to spend a period of three weeks, from October 25 to November 12, 1965, in London and Cambridge to broaden his technical understanding of British financial institutions and of current financial policies and problems, question raised re curtailing nonessential foreign travel.

Hersey, Arthur B., Adviser, Division of International Finance, travel authorized to attend a meeting of central bank economists at Bank for International Settlements, Basle, Switzerland, November 8-10, 1965, suggested that he be granted a maximum of two weeks travel time to visit such Western European capitals as might at the time seem appropriate, question raised re curtailing nonessential foreign travel.

Understanding that if other visits were requested, his itinerary would be cleared with Governor Shepardson before departure.
Foreign relationships of FRSystem: (continued)

Hochstatter, Robert, Senior Examiner, FRBank of Chicago, to be assigned to assist in the investigation and audit of a Venezuelan development bank (Banco Industrial of Venezuela), letter approved to Ambassador Enrique Tejara Paris, Embassy of Venezuela, Washington, D. C.

Irvine, Reed J., Associate Adviser, Division of International Finance, travel approved for, during period February 4-25, 1965, to attend International Banking Summer School in Melbourne, Australia, with stopovers in Hong Kong and Tokyo

Johnson, Edwin J., Director, Division of Personnel Administration, to assist the Central Bank of the Philippines, in a study of both systems and procedures, and manpower requirements and utilization, approved

Agreed that Board would pay travel and living expenses of Mr. and Mrs. Johnson with reimbursement by the Central Bank of the Philippines to Board, advance for travel expenses authorized, discussion of possible uniform procedure Board might adopt for missions by System personnel, staff to study matter prior to further Board consideration

Junz, Helen B., Economist, Division of International Finance, authorized to travel for purpose of consulting various specialists on labor supply and wage situation in Europe, authorized travel from Amsterdam to Geneva, Paris, and Brussels and return to Amsterdam, with payment of transportation costs plus per diem in lieu of subsistence
Foreign relationships of FRSystem: (continued)
Katz, Samuel I., Adviser, Division of International Finance:
Authorized to attend a meeting on April 9, 1965, organized by the Bank for International Settlements, to explore the question of establishing at the international level an office for the regular centralization of information on short-term credit to nonresidents, and authorization to spend the week of April 12 in London at the Bank of England

Authorized to
attends meeting on the Euro-
currency market to be held at Bank for International Settlements in Basle, Switzerland, beginning Friday, July 9, 1965, and to visit the German Federal Bank

Authorized to
visit the office of Eurofinance in Paris, France, during the course of his trip to Basle, Switzerland, to attend a meeting being arranged by the Bank for International Settlements

Marlin, John A., Economist, Division of International Finance, authorized to travel to various points in Africa during the period July 23 to September 19, 1965, with stopovers in London, Paris, and Rome, with the understanding that he would pay his own transportation costs but that the Board would pay him per diem for the portion of his trip devoted to official business
Foreign relationships of FRSystem: (continued)
Maroni, Yves, Senior Economist, Division of International Finance:
Central Bank of Chile, letter to Vice President Massad of, approved, re request for technical assistance in field of consumer credit control, suggested that Mr. Fauver, Assistant to the Board, and, be considered for this mission
Letter approved to Vice President Massad of, re participation of services of Mr. Fauver of Board's staff and, services of Mr. Maroni to be entirely at Board expense, understood arrangement to be discussed with Board's delegation at Punta del Este meeting
Authorized to remain in Santiago, Chile, until May 27, 1965, in connection with assistance being rendered to Central Bank of Chile in formulation of consumer credit controls
Conference of central bank governors to be held at Punta del Este, Uruguay, during period May 2-5, 1965, with stopover in Rio de Janeiro en route, authorized to accompany Chairman Martin and Governor Mitchell to annual, Board had previously approved travel to Santiago, Chile
Request from Central American Monetary Council, for technical assistance in study of consumer credit in the five Central American countries, agreed services of, would be offered, to continue on Board's payroll on a nonreimbursable basis with transportation and per diem expense to be reimbursed by
Authorized to remain in Central America until November 24, 1965, to complete his study of consumer credit for Central American Monetary Council
Foreign relationships of FRSystem: (continued)

McIntosh, James A., Technical Assistant, Division of Bank Operations, authorized to attend the Sixth SEANZA Central Banking Course, to be held in Wellington, New Zealand, from September 20 to November 26, 1965

Memorandum from, relating to visits to certain central banks in connection with his trip to New Zealand to attend Sixth SEANZA Central Banking course, approved

Nettles, James K., Economist, Division of International Finance:

Authorized to accompany Chairman Martin and Governor Mitchell to annual conference of central bank governors at Punta del Este, Uruguay, during the period May 2-5, 1965, with stop-over in Rio de Janeiro en route, to accompany Governor Mitchell on visit to central banks of Argentina, Chile, and Peru, after the conference

Authorized to travel to Mexico City to deliver certain lectures requested by Center for Latin American Monetary Studies, travel expenses with per diem authorized, assignment to take approximately one week in August

Request by First Vice President Treiber of FRBank of New York for, to accompany him to Mexico City, to a meeting of a working group appointed at the recent meeting of central bank governors at Punta del Este, to study proposals for establishing a Latin American reserve pool, travel and payment of actual expenses of trip, authorized
Foreign relationships of FRSystem: (continued)

Niles, Donald C., Assistant Vice President, FRBank of New York, recommendation to undertake a three months assignment with Da Afghanistan Bank, beginning August 15, 1965, as requested by International Monetary Fund, consensus that if arrangements were fairly well advanced, Board would approve request.

Determined that arrangements were well advanced, letter to FRBank of New York, approving request, three months leave without pay, plus travel time, authorized.

Osborne, Harlow D., Chief, Consumer Credit and Finance Section, Division of Research and Statistics, authorized to travel to Mexico City to deliver certain lectures requested by Center for Latin American Monetary Studies, travel expenses with per diem authorized, assignment to take approximately three weeks.

Partee, J. Charles, Adviser, Division of Research and Statistics, Board authorized the nomination to Treasury and State Department of, as U.S. representative on a working group of OECD's Committee on Invisibles Transactions that was to study and report on proposals to improve the transformation of saving by financial intermediaries, Governor Shepardson to authorize such foreign travel by Mr. Partee.

Pascual, Armand, Systems Analyst, FRBank of San Francisco, request from State Department for a Spanish speaking FRexpert to set up check clearing procedure in Dominican Republic, availability of, determined, Bank to pay salary and State Department to pay cost of travel, no objection by Board.
Foreign relationships of FRSystem: (continued)

Post, Everett B., Manager, Planning Department, FRBank of New York, to assist Central Bank of the Philippines for a few weeks at the beginning of a study of both systems and procedures and manpower requirements and utilization in which Mr. E. J. Johnson, Director of Board's Division of Personnel and Jarvis M. Thayer, Jr., Cashier, FRBank of Boston, would assist, approved

Reynolds, John E., Associate Adviser, Division of International Finance, authorized to attend a meeting of Working Party 2 of OECD in Paris, October 7-8, 1965, suggested that approval cover travel up to two weeks to such Western European capitals as might at the time appear appropriate, understanding that if, visited other than Paris, itinerary would be cleared with Governor Shepardson in advance of departure

Rowe, J. Z., Director of Research, FRBank of Dallas, to present a paper at the Workshop on Agricultural Financing in Latin America to be held in Vina del Mar, Chile, March 18-25, 1965, no objection interposed

Rozell, Walter H., Jr., Vice President, FRBank of New York, letter to the Bank approved, noting without objection an extension of the Bank's travel program for 1965, to include a trip to Ethiopia, by
Foreign relationships of FRSystem: (continued)

Sammons, Robert L., Associate Director, Division of International Finance, authorized to attend a meeting at Ottawa, Canada, November 19, 1965, of a joint committee established by the United States and Canadian Governments to consider problems arising between the two countries in the balance of payments field

Sigel, Stanley J., Assistant to the Director, Division of Research and Statistics:

Authorized to attend a meeting of the International Association for Research in Income and Wealth to be held in Norway, with Governor Shepardson to approve detailed arrangements

Memorandum requesting visits to National Bank of Denmark in Copenhagen, the Bank of Norway in Oslo, and the Bank of Sweden in Stockholm, during his forthcoming trip to Norway to attend the 1965 meeting of the International Association for Research in Income and Wealth, approved, travel authorization would cover period from August 26, 1965 to September 17, 1965

Recent trip to Scandinavia by, undertaken on the basis of per diem prescribed by the standardized Government travel regulations

Thayer, Jarvis M., Cashier, FRBank of Boston, to assist Central Bank of the Philippines, in a study of both systems and procedures, and manpower requirements and utilization, Mr. E. J. Johnson, Director of Board’s Personnel Division and Everett B. Post, Manager, Planning Department, FRBank of New York, to participate
Foreign relationships of FRSystem: (continued)

Treiber, William F., First Vice President, FRBank of New York, to attend a meeting in Mexico City of a working group to study proposals for establishing a Latin American reserve pool, travel approved for Mr. Nettles, Economist, Division of International Finance, to accompany

Waage, Thomas W., Vice President, FRBank of New York, no objection interposed to a leave of absence with pay for, to act as a consultant to the Bank Markazi (central bank of Iran), in accordance with request from the Agency for International Development, which will pay transportation and other direct costs

Young, Ralph A.: Adviser to the Board and Director, Division of International Finance:

Travel by, to attend the Paris meetings of Working Party 3 and OECD, on an actual expense basis including an allowance for official entertainment, approved

Travel with Chairman Martin and Governor Mitchell to the annual conference of the central bank governors to be held at Punta del Este, Uruguay, May 2-5, 1965, approved

Travel authorized to accompany Governor Balderston to the annual meeting of the Bank for International Settlements, to be held in Basle, Switzerland, in June, and to undertake such other official business, including visits to central banks, as might develop in connection with this trip
Foreign relationships of FRSystem: (continued)

Young, Ralph A.: (continued)

Senior Adviser to the Board and Director, Division of International Finance:

Authorized to attend a meeting in Ottawa, Canada, on Friday, November 19, 1965, of a joint committee established by the United States and Canadian Governments to consider problems in the balance of payments field, particularly those created by the current U.S. balance of payments program.

Forms:

F-1 (Registration Statement), and F-5 (Proxy Statement), of Regulation F:

Amendments proposed involving:

Adoption of suggestion that the Board authorize publication of, in the Federal Register, with understanding that if FDIC did not authorize similar action on Corporation's regulation, Board's proposed amendments would be withheld and an effort made to work out problems involved on an interpretative basis.

Agreed to withhold because FDIC did not authorize similar action with respect to its parallel regulation.

Interpretation approved embodying the substance of proposed amendments to, published in Federal Register.

F-20, form for filing amendments of Regulation F, approved, understanding that, would be published in the Federal Register as an addition to Regulation F.
Forms: (continued)

F.R. 105, 195e, 1054-1, forms to be used by State member banks and their affiliates in submitting reports of condition as of next call date:

Letter to Presidents of all FRBanks re 3/15 894, 919
Letter to Presidents of all FRBanks re 6/14 1992, 2009
Letter to Presidents of all FRBanks re 9/14 2988, 3010
Letter to Presidents of all FRBanks re 12/23 4373, 4394

F.R. 107, letter approved to Presidents of all FRBanks transmitting copies of the form to be used by State member banks in submitting reports of income and dividends for the calendar year 1965

12/21 4327, 4330

F.R. 220, 220a, forms to be used by State member banks and their affiliates in submitting reports of condition as of next call date:

Letter to Presidents of all FRBanks re 3/15 894, 919
Letter to Presidents of all FRBanks re 6/14 1992, 2009
Letter to Presidents of all FRBanks re 9/14 2988, 3010
Letter to Presidents of all FRBanks re 12/23 4373, 4394

F.R. 527, 527a, borrowing of member banks from FRBanks, form 527 to be continued at least for the present, form 527a, which contains listing of bank names would continue to be available to Board members, discussed in connection with proposed quarterly reports dealing with current member bank borrowing, letter to Presidents of all FRBanks, approved

6/28 2169, 2178

F.R. 728, "Confidential Report of Securities Credit Extended by Lender Other than a Bank or Banker," filed by the Baird Foundations with the Board through the FRBank of New York, furnished to Securities and Exchange Commission as requested

3/24 957, 979
Forms: (continued)

H. 2, applications received or acted upon by the Board, agreed to include in, the applications by State member banks for exemption from requirements of stock registration under Regulation F

L.5.3 and L.5.4 reports, relating to borrowings from Reserve Banks from member banks, letter approved to the Presidents of all FRBanks re plans for automating

Reconciliation statement, Form 83, letter to Bureau of the Budget approved, requesting clearance of, to collect supplementary condition report statistics from all national banks in connection with June call for report of condition

Schedule FA - Supplementary Information on Time Certificates of Deposit, for use along with spring condition reports for State member banks, approved, letter to all FRBanks

Chairman Martin suggested that the staff proceed with consideration of form most useful to Board, and work out problems on interagency basis

Trust department examination report form, approval given to revised form and trust report manual for use by FRBanks in reporting results of examination of trust departments of State member banks, supplies of new forms to be transmitted as soon as available
Forms: (continued)

Voluntary credit restraint program, foreign lending by nonbank financial institutions, recommendation of Governor Robertson that Board approve the form devised for reports on quarterly basis, requested from nonbank financial institutions holding $500,000 or more in foreign loans, investments or other financial assets, report form approved 6/22 2119

France:

Bankers International Corporation Management, S.A., Paris, France, consent granted to Bankers International Corporation, New York, New York, to purchase shares of company to be organized under laws of, to be called, request approved 8/3 2574, 2584

Beton Service de France, Paris, France, letter to Chase International Investment Corporation or Arcturus Investment & Development, Ltd., Montreal, Canada, approved, granting permission to purchase shares of 1/21 232, 240

Union Financiere de Paris, France, question by Boston Overseas Financial Corporation, Boston, Massachusetts, whether proposed investment in, required prior approval of Board, reply approved 7/30 2493, 2501

"G"

General Accounting Office:

Examination reports of State member banks, possible request for, advice received from FDIC that, might seek to obtain all reports of examination to which FDIC had access, including, Board alerted that requests might come direct from, or FDIC 1/22 255
General Services Administration:
Leased wire system:
Changes in service, Board authorized to proceed with effecting TELPAK application for installation of 4 new circuits and realignment of existing circuits as recommended by Cash, Leased Wire and Sundry Operations Subcommittee, and approved by Presidents' Conference, letter to American Telephone and Telegraph Company with copies sent to Presidents of all FRBanks

Telephone lines between Board and FRBanks of New York and Philadelphia, copies of Board vouchers transmitted to, in connection with a proceeding against American Telephone and Telegraph Company

Gifts:
Regulations re, directive on, indicated that gifts to hostesses at private parties and unusually large gratuities are not to be considered reimbursable expenses

Gold:
Budget, designation of Robert Solomon, Adviser to the Board, to serve on a task force being established by the Bureau of the Budget, to review the so-called "gold budget"

Depository for, FRBank of New York, directed to act as, under arrangements under the Bretton Woods Agreement Act, to serve as fiscal agents of the Monetary Fund, letter to FRBank of New York, approved

Loans on:
Request from Central Bank of the Philippines, for renewal of a loan on gold, approved, telegram to FRBank of New York
Gold: (continued)
Loans on: (continued)

Request from Bank of Guatemala for loan of $10 million for three months, approved, telegram to FRBank of New York
9/3 2839, 2872

Request from Bank of Costa Rica for loan of $2 million for three months, approved, telegram to FRBank of New York
9/3 2839, 2873

Request from Bank of the Republic (Colombia) for loan of $21 million for three months, approved, telegram to FRBank of New York
9/17 3055, 3060

Request for extension of the $25 million standby gold loan arrangement to Bank for International Settlements, approved, telegram to FRBank of New York, understood usual participation offered to other FRBanks
10/6 3235, 3242

Request from Central Bank of the Philippines for loan or loans up to $20 million, approved, telegram to FRBank of New York
11/5 3571, 3581

Treasury Department had wanted to delay loan until after beginning of 1966, to put balance of payments figures for fourth quarter in more favorable light, but it was determined that there was some urgency as to need for a loan
11/5 3572

Reserves against deposits:
Bureau of the Budget requested Board's position in connection with legislative proposal to eliminate, agreed that Mr. Hackley would inform the Bureau by telephone that the majority of the Board interposed no objection to Treasury's proposal to repeal, understood Mr. Hackley would communicate Board's views to Treasury Department, Governor Mills dissented from action on proposal
1/4 3
Gold: (continued)
Reserves against deposits: (continued)
Draft of letter proposed to be sent by Secretary of the Treasury, to the Congress transmitting and commenting on a draft of a proposed bill to eliminate, it was understood that Mr. Hackley of the Board's staff would suggest rephrasing of the paragraph re terms of present gold cover requirements, recognizing that final decision on letter was one for the Secretary of the Treasury to make

H.R. 3818, an enrolled bill to eliminate the requirement that FRBanks maintain certain reserves in gold certificates against deposits, letter to Bureau of the Budget, recommending approval

Law approved March 3, 1965, that gold certificate reserve requirements of FRBanks were amended to apply to FRnote liability alone, rather than to both note and deposit liabilities, noted that Board's weekly condition statement of FRBanks for March 3, 1965, would include textual reference to this fact, telegram sent to FRBanks in this regard

Reserves, deficiencies in, discussion of alternate proposals for settling Interdistrict Settlement Fund clearing through security holdings rather than gold certificates, to minimize frequency of reallocations to avoid deficiencies in reserves, review of FRBanks' comments re proposals
Gold: (continued)

Reserves against FRnotes:
Change in procedure proposed, under which notes of one FRBank held by another require a gold reserve even though they are not in circulation, question referred to Legal Division for study and report to Board

Memorandum from Legal Division re legal aspects of certain suggestions that had been made re possible means of eliminating requirements for maintaining, held by FRBanks other than the Bank of original issue, general concurrence with view not to make any changes at this point re formula for estimating

Vault facilities for gold at FRBank of New York, Mr. Bilby, Vice President, FRBank of New York, reviewed difficulty that Reserve Bank had encountered re proposed renovation and expansion of its, involving, discovery of financial weakness on the part of firm to which job was to have been contracted, bids now open to three other contractors, and in the meantime the Reserve Bank was following temporary procedures to cope with the gold storage problem

Government securities:
Call report form, as revised on September 27, 1965, Comptroller of the Currency reverting to old maturity schedule for reporting, agreement that an alternative be cleared, letter sent to Budget Bureau, requesting clearance on proposed slip sheet for national banks

Form approved by Budget Bureau and transmitted to FRBanks
Government securities: (continued)

Dealers in, report in executive session by Mr. Ralph Young, on affairs of one of the Government securities dealers, noted in minutes

H.R. 7601, a bill introduced by Chairman Patman of the House Banking and Currency Committee, that would require 12 FRBanks to transfer to the Secretary of the Treasury, interest-bearing obligations of the United States in the aggregate principal amount of $30 billion, understood that statement to be made by Chairman Martin before the Committee would be redrafted and presented in final form satisfactory to Chairman Martin

Subscriptions by directors, officers, and employees to, letter approved to Chairmen and Presidents of all FRBanks, modifying Board's instructions of April 12, 1933 and May 18, 1944, to permit respective General Auditors to use their discretion in determining the scope of post-audit of, to ascertain that favored treatment was not given

Systems portfolio of, reference made to request by Congressional Joint Economic Committee to members of American Economic Association, for views re, recipients of letter included staff members of Board and FRBanks, agreed that FRBank Presidents be advised by Joint Economic Committee that those connected with the FRSystem need not comment but acknowledge inquiry

Staff paper exploring certain aspects of System portfolio management to be supplied to Board members for study purposes
Group of Ten Finance Ministers:
Deputies of:
Dinner:

Memorandum approved from Governor Daane, recommending payment by the Board of the cost of a small dinner at the Cosmos Club on July 20, 1965, in honor of the Chairman of 8/13 2685

Suggestion approved that Federal Reserve join the Treasury in tendering a dinner at the State Department on September 24, 1965, for representatives of Working Party 3 and, attending the annual meetings of the International Monetary Fund and the International Bank for Reconstruction and Development, anticipated that approximately 75 persons might attend, payment of cost authorized 8/30 2812

Study Group on Creation of Reserve Assets to report to:

Report by Robert Solomon, Associate Adviser, Division of Research and Statistics re progress made by, Mr. Solomon and Mr. Willis of the Treasury, representatives of the United States on 1/7 69

Report by Mr. Solomon re, made available to certain persons within the United States, but not yet available to the press 6/17 2044

Gunn, Robert F., Vice President, United Funds, Incorporated, Kansas City, Missouri, letter to, approved, re registration of stock of Chase Manhattan Bank, New York, New York, for trading on New York Stock Exchange 1/13 117, 127

Letter approved in a form reflecting certain suggestions by staff of Security Exchange Commission 1/13 117
Guttentage, Jack M., Associate Director, Department of Finance, Wharton School of Finance and Commerce, University of Pennsylvania, transportation expenses and per diem authorized, to attend a meeting at the Board on June 8, 1965, re ways and means of adding to available knowledge on terms of mortgage loans secured by income producing properties.

Hall, George, formerly with the Board, which hopes to get Mr. Hall to return to Board to take an important part in the program of Banking Markets Section of Division of Research and Statistics re bank merger and holding company cases presented to Board.

Harbeson Hough Livingston & Larson, Philadelphia, Pennsylvania, architectural firm:

Amendment approved to agreement of December 7, 1962, with, providing for payment of a fee of 9-3/4 percent for work involving alterations and additions to the Board's existing building.

Report re possible alterations to certain portions of Board's present building, presentation scheduled tentatively for May 27, 1965.

Representatives William Livingston, Sr., William Livingston, Jr., and Gordon Chesser of firm, present at Board meeting to present plans for remodeling dining facility in Federal Reserve building.
Harbeson Hough Livingston & Larson, Philadelphia, Pennsylvania, architectural firm: (continued)

Recommendation by Governor Shepardson re plans for an annex building, payment to, for architectural services rendered to date authorized, letter to proceed with plans for Board's additional building or annex, approved, Governors Mitchell and Daane dissenting

Hartke, Vance, Senator:

International Monetary Fund, S. Res. 142, introduced by, requesting the Administration to study the possibility of increasing international means of payment by making available additional supplies of commercial credit via

Haskins and Sells:

Audit of Board's accounts, for 1964, accepted by Board, copies transmitted to Chairmen of Senate and House Banking and Currency Committees

Audit of Board's accounts, for 1965, recommendation by Governor Shepardson that assignment of auditing the Board's accounts for 1965, be given to, compensation to be on basis of fee customarily charged for audit work of this type, approved

Examination and supervision of FRBanks, recommendation by Governor Shepardson that Haskins & Sells assist the Division of Examinations as outlined in their letter of April 8, 1965, to the Board, approved
Hearings:

Antitrust Subcommittee of Judiciary Committee:

H.R. 5280, a bill to implement recommendation of the President on the balance of payments problem, draft of statement to be presented by Chairman Martin, reviewed, understood revised draft would be distributed to Board for review prior to the Chairman's appearance before the subcommittee.

Antitrust Subcommittee of Senate Judiciary Committee:

H.R. 5280, a bill providing for an exemption from antitrust laws for certain actions taken by bankers and financial institutions in light of the President's balance of payments program, understood that statement to be made by Chairman Martin before, to be revised and presented in form satisfactory to Chairman Martin.

Associated Bancorporation, Milwaukee, Wisconsin, application to become a bank holding company through acquisition of shares of Milwaukee Western Bank, Milwaukee, Wis., and Menomonee Falls Bank, Menomonee Falls, Wisconsin, agreed to order a hearing re

Issuance of order authorized

Bremer, Otto, Company, St. Paul, Minnesota, application for a determination that the activities of certain proposed nonbanking subsidiaries were of a kind described in section 4(c)(6) of the Bank Holding Act, so as to make inapplicable the prohibitions of section 4 of the Act re acquisition or retention of shares in nonbanking companies, arrangements for hearing approved, issuance of notice and order authorized.
Hearings: (continued)

Brighton National Bank of Brighton, Colorado:
Declared insolvent by Comptroller of the Currency and placed in receivership, Chairman Martin requested that Mr. Solomon, Director, Division of Examinations, submit to Board a statement for consideration for possible use if hearings should be called.

Questions by members of Congress re manner in which use of negotiable certificates of deposit apparently had contributed to insolvency of, and San Francisco National Bank of San Francisco, California, Board to prepare statement with expectation that in near future Congressional hearings might be called, understood that revision of draft statement would be revised in light of Governor Daane's comments.

Denver U.S. Bancorporation, Inc., Denver, Colorado:
Application to become a bank holding company through acquisition of shares of Mercantile Bank and Trust Company, Boulder, Colorado, hearing ordered re

Order for a hearing issued
Discount rate and Regulation Q actions, noted that Chairman Patman of the Joint Economic Committee was preparing to call hearings next week on the Board's discount rate and Regulation Q actions.

Hearing examiner:
Smithson, Frederick G., re application of Otto Bremer Company, St. Paul, Minnesota, for a determination that the activities of certain proposed nonbanking subsidiaries were of a kind described in section 4(c)(6) of Bank Holding Company Act, so as to make inapplicable the prohibitions of section 4 of the Act re acquisition or retention of shares in nonbanking companies.
Hearings: (continued)

House Banking and Currency Committee:

Bank supervision:

Noted that Board had been invited to testify before Subcommittee of, re bills introduced by Congressmen Patman and Multer that would reallocate responsibility for, at Federal Government level, understood Board would plan discussion for purpose of determining if it would be feasible to express a Board position at the hearing or if views of individual members should be presented.

Lengthy discussion by Board members, to meet again tomorrow re H.R. 107 and H.R. 6885, bills re

Further discussion re, understood staff would draft testimony, Governor Robertson to present his own views, Chairman Martin to discuss subject with Secretary Fowler and indicate to Subcommittee that Board was not prepared to present definite position.

Chairman Martin did not appear before Subcommittee.

H.R. 7539, a bill permitting banks to underwrite and deal in revenue bonds, understood Vice Chairman Balderston would represent Board and testimony presented would reflect Board position heretofore expressed on such legislation.

H.R. 7601, a bill introduced by Chairman Patman of House Banking and Currency Committee, that would require twelve FRBanks to transfer to Secretary of Treasury interest-bearing obligations of the United States in aggregate principal amount of $30 billion, statement to be made by Chairman Martin before Committee would be redrafted in light of comments and presented in final form satisfactory to Chairman Martin.
Hearings: (continued)

Margin requirements for over-the-counter securities, anticipation by Securities and Exchange Commission that Congressional hearings might be held in near future on recommendations contained in 1963 Report of Special Study of Securities Markets by SEC, and the Commission's Chairman had inquired re Board's position on legislation

Michigan National Bank, Lansing, Michigan, request by Mr. Howard J. Stoddard, Chairman of, for a, re establishment and operation of certain branch offices by, question goes back to whether an error of law was made by Comptroller of the Currency in 1940, in denying, consensus from which Governor Robertson dissented, was that a letter should be sent to Mr. Stoddard, if a hearing was desired a date could be arranged

Letter transmitted to Mr. Stoddard

Mid-Continent Bancorporation, Leadville, Colorado, question of a public hearing on application of, to become a bank holding company through acquisition of shares of two banks, agreed that no public hearing should be ordered at this time on application of

Oral presentation:

Chase Manhattan Bank, New York, N.Y., proposal by, to establish a bank holding company system consisting of, and banks in Syracuse, Rochester, and Buffalo, New York, question whether plan would violate prohibition in section 5136 of Revised Statutes and section 9 of FRAct re prohibition against purchase of corporate stock by member banks, agreed if Chase wished to make oral presentation, opportunity would be afforded
Hearings: (continued)

Oral presentation: (continued)

Chase Manhattan Bank (National Association), New York, New York, and Liberty National Bank and Trust Company, Buffalo, New York, letter approved to, stating that Board would defer its decision for an oral argument, until a memorandum on the voting permit question could be submitted by

Whitney Holding Corporation, New Orleans, La.:
Letters to Counsel for Bank of New Orleans and Trust Company and Guaranty Bank and Trust Company, Counsel for State of Louisiana and State Banking Commissioner, and Counsel for Whitney Holding Corporation, indicating that the Board would receive briefs in light of opinion of Supreme Court in case of Whitney National Bank v. Bank of New Orleans Trust Company and Saxon v. Bank of New Orleans Trust Company, decision re hearing oral argument deferred until briefs have been received

Discussion re, Governor Mitchell's reservations having been noted, the Board approved the issuance of an order affording the applicant, and opposing banks the opportunity to submit briefs re questions enumerated in the order, letters transmitting order to Counsel to indicate that Board would decide re oral argument and prescribe date and scope
Hearings: (continued)

Senate Banking and Currency Committee:

S. 1308, 1309, 1556, 1557, 1558, and 1559, consideration of draft to testimony to be presented by Chairman Martin before Subcommittee on Financial Institutions of, on six bills, understood statement would be revised in light of suggestions and presented in final form satisfactory to the Chairman 7/20 2383

Southgate Bank, Southgate, Michigan, request by Assistant Attorney General of State of Michigan on behalf of Michigan Banking Commission, that personnel of Examinations Department of FRBank of Chicago, testify concerning, agreed to interpose no objection, Board's staff to give assistance in preparation needed, advice to FRBank of Chicago 3/24 965, 990

FRBank of Chicago to designate Vice President Ross in charge of Examinations Department to testify, if authorized by Board, Board so authorized 3/24 966, 990

Stock registration requirements:
Exemption from, development of system for handling requests for, in view of Board's powers under section 12 (h) of Securities Exchange Act, to grant such exemptions following publication of notice and the opportunity for a hearing 4/12 1145, 1173

Holding company affiliates:
Extension of credit, proposed amendment to provide that section 23A of the FRAct shall not apply to "any extension of credit by a member bank to a bank holding company of which such bank is a subsidiary or to another subsidiary of such bank holding company" under certain time limitations outlined, no action taken on proposal 1/18 176
Holding company affiliates: (continued)

Member bank acquisition of another member bank, proposal by Chase Manhattan Bank (National Association), New York, New York, to acquire directly or indirectly, not less than 80 per cent of the outstanding shares of Liberty National Bank and Trust Company, Buffalo, New York, the acquisition to be accomplished through an exchange of Chase Manhattan's shares for those of Liberty National, request by, for a determination that would not cause Chase to be a "holding company affiliate," approval given to letter to

One-bank cases:

Policy re:

Noted that a memorandum was being prepared discussing certain questions which had arisen in connection with request for determinations under section 301, consideration might result in adoption of revised guidelines

Broad discussion and review of Board's policy in handling requests for section 301 determinations based upon several questions in connection with pending requests and future requests that might involve similar circumstances

Discussion re one-bank cases in connection with determination exempting C.I.T. Financial Corporation from all holding company affiliate requirements except for purposes of section 23A of FRAct
Holding company affiliates: (continued)

One-bank cases: (continued)

Policy re: (continued)

Discussion re one-bank cases and chain banking, agreement with suggestion that a memorandums be prepared by Legal and Examinations Divisions analyzing the Board's policy re 301 determinations in light of points raised during Board meeting.

At an opportune time when all Board members could be present policy with respect to, would be reviewed.

Survey authorized of all banks to develop a list of one-bank holding companies that could be furnished to Chairman Robertson of Senate Banking and Currency Committee re his request for a list of such companies that would be brought under the Bank Holding Company Act by S. 2353 and H.R. 7371.

Understood that it would be indicated to the FRBanks that applicants for section 301 determinations whose applications were being held pending a reappraisal of the Board's policy, might apply for voting permits if they desired.

Issuance of temporary section 301 determinations to all corporations whose applications were pending, where there was only one subsidiary bank involved, except in cases where the Comptroller of the Currency had requested that neither a section 301 determination nor a voting permit be granted, understood that Board would proceed with its overall review of policy with respect to one-bank cases as promptly as feasible.
Holding company affiliates: (continued)

Patman, Wright, Congressman, request from Chairman of the House Banking and Currency Committee re exemption from the Bank Holding Company Act of 1956, of companies registered under Investment Company Act of 1940, and in addition information re various provisions of Banking Act of 1933 relating to, letter to, approved

Stock dividends, declaration of, by, letter approved to FRBank of Chicago, re the question whether a holding company affiliate may declare a stock dividend based upon its equity in undistributed net income of subsidiary banks, substance of letter to be sent to all FRBanks

(Individual names)

American Bankshares Corporation, Milwaukee, Wis., determined not to be a holding company affiliate of City Bank and Trust Company, Milwaukee, Wisconsin, except for purposes of section 23A of FRAct

Backlund-White, Inc., Dunlap, Illinois, determined not to be a holding company affiliate of The Farmers National Bank of Knoxville, Illinois, except for purposes of section 23A of the FRAct

Bancorporation of Montana, Great Falls, Montana, issuance of a limited voting permit to vote its stock of Central Bank of Montana, Great Falls, Montana, and Citizens Bank of Montana, Chester, Montana, authorized

Blackhawk Holding Corporation, Moline, Illinois, determined not to be a holding company affiliate of Bank of Silvis, Illinois, except for purposes of section 23A of the FRAct
Holding company affiliates: (continued)

Blair-Warren Corporation, Borger, Texas, determined not to be a holding company affiliate of First National Bank of Dumas, Texas, except for purposes of section 23A of the FRAct

C. B. Investment Corporation, Waukegan, Illinois:
Issuance of a limited voting permit to vote stock of Western National Bank of Cicero, Illinois, authorized
Determined not to be a holding company affiliate of Western National Bank of Cicero, Illinois, except for purposes of section 23A of the FRAct
Governor Robertson abstained from voting in this case

C.I.T. Financial Corporation, New York, New York, determined not to be a holding company affiliate of Meadow Brook National Bank, Jamaica, New York, except for purposes of section 23A of the FRAct, Governor Robertson dissenting

Capital Bancshares, Inc., Miami, Florida:
Issuance of a limited voting permit to vote stock of Capital National Bank of Miami, Florida, authorized
Letter approved to Economic Consultants Incorporated, Coral Gables, Florida, re application by, for permission to vote the shares it owns and controls of Capital National Bank of Miami, Florida

Celina Financial Corporation, Celina, Ohio, determined not to be a holding company affiliate of Home Banking Company, Saint Marys, Ohio, except for purposes of section 23A of the FRAct
Holding company affiliates: (continued)

Chase Manhattan Bank (National Association), New York, New York:

Proposal by, to acquire not less than 80 per cent of the shares of Liberty National Bank and Trust Company, Buffalo, New York, request for a determination not to be a holding company affiliate of Liberty National Bank and Trust Company except for purposes of section 23A of the FRAct, if denied, request for a general voting permit, unfavorable opinion by Board, agreed to consider arguments or comments prior to action

Letter approved to, stating that Board would defer its decision re request of, for oral argument until, could submit a memorandum on voting permit question

Telegram to California Superintendent of Banks granting his request to submit a brief in opposition to the request of, for a section 301 determination incident to its proposal to acquire stock of Liberty National Bank and Trust Company, Buffalo, New York

Letter approved to Chairman Patman of House Banking and Currency Committee re, in light of Board's responsibilities under section 7 of the Clayton Act

Application now before Comptroller of the Currency, agreed that no action on part of Board was called for at this time

Citizens Bancorporation, Vermillion, South Dakota, determined not to be a holding company affiliate of Citizens Bank, Vermillion, South Dakota, except for purposes of section 23A of the FRAct, Governors Daane, Robertson, and Mitchell dissenting
Holding company affiliates: (continued)

Citizens Capital Corporation, Chicago, Illinois:
Application for determination not to be a holding company affiliate of Citizens National Bank of Chicago, Chicago, Illinois, except for purposes of section 23A of the FRAAct, in view of Board’s intent to review policy re such cases, agreed that action on application would be deferred

Agreed that application be deferred, suggestion that corporation be invited to apply for a voting permit pending Board’s reappraisal policy, re one-bank cases

Determined not to be a holding company affiliate of Citizens National Bank of Chicago, Illinois, except for purposes of section 23A of the FRAAct

Dacotah Bank Holding Company, Aberdeen, South Dakota, determined not to be a holding company affiliate of Security Bank, Webster, South Dakota, except for purposes of section 23A of the FRAAct

Dinsdale Bros., Inc., Palmer, Nebraska:
Determined not to be a holding company affiliate of Lyon County State Bank, Rock Rapids, Iowa, except for purposes of section 23A of the FRAAct, Governors Robertson, Mitchell and Daane dissenting

Draft of letter to, that would grant a determination that, was not a holding company affiliate of First National Bank of Wisner, Neb., to be considered later by Board

Application of, for 301 determination not to be considered at this time because the circumstances warranted deferring action until the Board could review the policy re "one-bank" cases
Holding company affiliates: (continued)

Dinsdale Bros., Inc., Palmer, Nebraska: (continued)
Determined not to be a holding company affiliate of First National Bank of Wisner, Nebraska, except for purposes of section 23A of the FRAct

Educators Investment Company of Kansas, Inc., Wichita, Kansas, determined not to be a holding company affiliate of Citizens National Bank of Emporia, Kansas, except for purposes of section 23A of the FRAct

Financial Data Corp., Gary, Indiana, determined not to be a holding company affiliate of Bank of Indiana, National Association, except for purposes of section 23A of the FRAct

Financial General Corporation, Washington, D.C., issuance of a general voting permit to vote stock of Round Hill National Bank, Round Hill, Virginia, authorized

First Bancorporation, Las Vegas, Nevada, application of, for 301 determination not to be considered at this time because the circumstances warranted deferring action until the Board could review the policy re "one-bank" cases

First Bancorporation, Washington, D.C., determined not to be a holding company affiliate of Nevada Bank of Commerce, Nevada, except for purposes of section 23A of the FRAct

First Estes Plaza Company, Lincoln, Nebraska:
Application of, for a 301 determination not to be considered at this time because the circumstances warranted deferring action until the Board could review the policy re "one-bank" cases
Holding company affiliates: (continued)

First Estes Plaza Company, Lincoln, Nebraska: (continued)
Determined not to be a holding company affiliate of First National Bank of Estes Park, Colorado, except for purposes of section 23A of the FRAct 12/17 4246, 4285

First Interoccean Corporation, Minneapolis, Minnesota, determined not to be a holding company affiliate of National City Bank of Minneapolis, Minnesota, except for purposes of section 23A of the FRAct 7/16 2360, 2379

Approval given to application of, because it fell within Board's general "one-bank" policy which was to be reviewed at an opportune time when all Board members were present 7/16 2360

First National Agency of Bagley, Inc., Bagley, Minnesota, determined not to be a holding company affiliate of First National Bank of Bagley, Minnesota, except for purposes of section 23A of the FRAct 12/17 4246, 4279

First Western Slope Corporation, Grand Junction, Colorado, determined not to be a holding company affiliate of First National Bank in Grand Junction, Colorado, except for purposes of section 23A of the FRAct 1/8 85, 94

Flabanco, Inc., Lake Worth, Florida, determined not to be a holding company affiliate of Commerce National Bank in Lake Worth, Florida, except for purposes of section 23A of the FRAct 1/19 203, 228

Greater Iowa Corporation, Des Moines, Iowa:
Determined not to be a holding company affiliate of First National Bank, Cedar Falls, Iowa, except for purposes of section 23A of the FRAct 1/4 2, 17
Holding company affiliates: (continued)
Greater Iowa Corporation, Des Moines, Iowa: (continued)

Letter re holding a single share of Midway Bank and Trust Company, Cedar Falls, Iowa, as disclosed by examination report, contrary to statement that it neither owned or controlled stock other than that in First National Bank, Cedar Falls, Iowa, decision that it did not materially affect Board's earlier stand re status as, letter to FRBank of Chicago 2/23 620, 632

Gulf Area Insurance Agency, Inc., Bay Minette, Alabama, determined not to be a holding company affiliate of Baldwin National Bank of Robertsdale, Alabama, except for purposes of section 23A of the FRAct 12/17 4246, 4273

Harlem Corporation, Harlem, Montana, determined not to be a holding company affiliate of Security State Bank, Harlem, Montana, except for purposes of section 23A of the FRAct, Governors Robertson, Mitchell and Daane dissenting 1/18 156, 196

K-J Investment Company, Moline, Illinois:
Agreed that application of, for a determination exempting it from all holding company affiliate requirements except for the purposes of section 23A of the FRAct to be deferred, suggestion that corporation be invited to apply for a voting permit pending Board's reappraisal policy re one-bank cases 11/17 3735

Issuance of a limited voting permit to vote the stock of Farmers National Bank of Knoxville, Illinois, authorized 12/7 4057, 4072
Holding company affiliates: (continued)

K-J Investment Company, Moline, Illinois: (continued)
Determined not to be a holding company affiliate of Farmers National Bank of Knoxville, Illinois, except for purposes of section 23A of the FRAct

Mercantile-Commerce Company and Mercantile Trust Company, (National Association), both of St. Louis, Missouri, determined not to be a holding company affiliate of Mercantile-Commerce National Bank, St. Louis, Missouri, except for purposes of section 23A of the FRAct

Morris Plan Corporation, New York, New York, issuance of a general voting permit to vote stock of Round Hill National Bank, Round Hill, Va., authorized

Morris Plan Shares Corporation, New York, New York, issuance of a general voting permit to vote stock of Round Hill National Bank, Round Hill, Virginia, authorized

Navajo Bancorporation, Inc., Phoenix, Arizona:
Issuance of a limited voting permit to vote stock of First Navajo National Bank, Holbrook, Arizona, authorized

Violations of Bank Holding Company Act in connection with stock acquisition involving Valley State Bank, Lamar, Colorado, and pending request for a 301 determination, approval given to letters to counsel for, and Justice Department, with copies of these letters sent to FRBanks of Kansas City and San Francisco, recommended Board's staff apprise Bureau of Indian Affairs of Board's action
Holding company affiliates: (continued)

Navajo Bancorporation, Inc., Phoenix, Arizona: (continued)

Violations of Bank Holding Company Act re stock acquisition of Valley State Bank: (continued)

Governor Robertson to meet with representatives of, if requested 6/11 1962

Memo re meeting 6/11 1963

Ruan Transport Corporation of Kansas, Des Moines, Iowa, determined not to be a holding company affiliate of Bankers Trust Company, Des Moines, Iowa, except for purposes of section 23A of the FRAct 7/16 2360, 2377

Rushmore Credit Corporation, Huron, South Dakota, determined not to be a holding company affiliate of First National Bank in Sioux City, Iowa, except for purposes of section 23A of the FRAct, Governor Robertson dissenting 3/24 957, 977

Schnitzler Corporation, Froid, Montana:

Issuance of a limited voting permit to vote stock of First State Bank of Newcastle, Wyoming, authorized 1/8 85, 97

Determined not to be a holding company affiliate of First State Bank of Newcastle, Wyoming, except for purposes of section 23A of the FRAct, Governors Robertson, Mitchell and Daane dissenting 1/18 156, 192

Shawmut Association, Inc., Boston, Mass., issuance of general voting permit to vote the stock of National Bank of Plymouth County, Brockton; County Bank & Trust Company, Cambridge; Everett National Bank, Everett; Needham National Bank, Needham; Newton National Bank, Newton; Merchants-Warren National Bank, Salem; Somerville National Bank, Somerville; Waltham Citizens National Bank, Waltham; Winchester and Congress National Bank of Boston; all located in Massachusetts, authorized 5/3 1462, 1471
Holding company affiliates: (continued)

Society Corporation, Cleveland, Ohio:
Issuance of a limited voting permit to vote stock of Society National Bank of Cleveland, Ohio, authorized 1/21 232, 243
Issuance of a general voting permit to vote stock of Society National Bank of Cleveland, Ohio, authorized 3/8 788, 803

Sterling Precision Corporation, New York, New York, determined not to be a holding company affiliate of Community National Bank of Flushing, Ohio, except for purposes of section 23A of the FRAct 12/17 4246, 4271

Western Springs Investment Corporation, Waukegan, Illinois:
Issuance of a limited voting permit to vote the stock of First National Bank of Western Springs, Ill., authorized 1/11 104, 112
Determined not to be a holding company affiliate of First National Bank of Western Springs, Illinois, except for purposes of section 23A of the FRAct 2/4 390, 398
Governor Robertson abstained in action taken by Board 2/4 390

Wheaton Bancorporation, Inc., Chicago, Illinois, determined not to be a holding company affiliate of Wheaton National Bank, Wheaton, Illinois, except for purposes of section 23A of the FRAct, Governor Robertson dissenting 1/18 157, 198

Zions Utah Bancorporation, Salt Lake City, Utah:
Request for section 301 determination in connection with Zions First National Bank, Salt Lake City, Utah, consensus in favor of holding the application along with others awaiting the overall review of the Board's one-bank policy re section 301 determinations 11/3 3506
Holding company affiliates: (continued)

Zions Utah Bancorporation, Salt Lake City, Utah: (continued)

Determined not to be a holding company affiliate of Zions First National Bank, Salt Lake City, Utah, except for purposes of section 23A of the FRAct 12/17 4246, 4291

Home Loan Bank Board:
SEE: Federal Home Loan Bank Board

Honoraria:

Emery, Robert F., Economist, Division of International Finance, given permission to accept royalty for an article published in April 1965 issue of the Oriental Economist, on the Japanese bond market 5/5 1483

Honorarium:

Sammons, Robert L., Adviser, Division of International Finance, request for permission to accept a minor honorarium for a lecture on U.S. balance of payments to trainees of the Business Council for International Understanding, approved 4/5 1099

Hospitalization:

FRBank of San Francisco, letter to, approved, interposing no objection to adoption of a uniform program of Blue Cross Hospital and Surgical benefits for the head office and branches and approving payment of two-thirds of the premium costs for officers and employees of the twelfth district 8/2 2525, 2540

Housing:

Credit, report by Mr. Brill on an interagency meeting concerned with housing credit and the recent sluggishness in housing activity, expected that the interagency committee would meet more frequently in the future to discuss the housing credit situation 4/20 1313
Housing: (continued)

Legislation:

Housing and Urban Development Act of 1965:
S. 1354, a bill to provide low and moderate income families with housing, promote urban development and improve living environment by extending and amending laws dealing with housing, urban renewal, transportation, and community facilities, report to Chairman Robertson of Senate Banking and Currency Committee, approved

National Housing Act:
Draft bill prepared by Federal Home Loan Bank Board to amend section 408, of the, to provide for the regulation of savings and loan holding companies and their subsidiaries, favorable recommendation to Bureau of the Budget, approved
S. 2329, a bill to amend section 408, of the, to provide for the regulation of savings and loan holding companies, letter to Chairman Robertson of Senate Banking and Currency Committee re, approved

Idaho State Bank Commission:
Commercial State Bank, Boise, Idaho:
A proposed new bank, the fact that at least 52 per cent of stock was controlled by officers and directors of Continental Bank and Trust Company, Salt Lake City, Utah, was not revealed to, for fear that a charter might not be granted, letter to FRBank of San Francisco re denial of application by, for membership in FRSystem

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Idaho State Bank Commission: (continued)

Commercial State Bank, Boise, Idaho: (continued)

Approval given to letter to Organization Committee of, denying application for membership in FRS System, noted that directors and officers of Continental Bank and Trust Company, Salt Lake City, Utah, hold most of stock of, a fact not revealed to Idaho State Bank Commission.

Income and dividend reports:

Access to member banks' reports of conditions and, recommendation that designated professors from Yale University be given, in connection with a study financed by National Science Foundation, dealing with the role of commercial banks in the American economy, approved.

Data tapes, report that FRBank of Chicago had requested authority to serve as a modified clearing house to obtain from Board basic data tapes from condition reports and, of all insured commercial banks in Illinois for 1961-63 and process them at local computer centers for use by Mrs. Lucille Mayne, a graduate student at Northwestern University, in preparing her doctoral dissertation, approval given with understanding that other requests would be weighed against Reserve Bank's experience.

State member banks, letter approved to Presidents of all FRBanks transmitting copies of the form (F.R. 107) to be used by, in submitting reports of, for the calendar year 1965.
Indebtedness and outside business activities:

Bank stock:
Ownership by FRBank examiners and officers:
Revisions and supplements to FRLoose-Leaf Service letters re instructions with respect to
Appointment of M. Monroe Kimbrel as Senior Vice President, FRBank of Atlanta, suggestion that Chairman Tarver at FRBank of Atlanta, give details re disposition of bank stock by Mr. Kimbrel, question whether holding of bank stock by FRBank officers should be discussed more fully with Presidents' Conference

Specific cases at FRBanks of Philadelphia, Cleveland, and Chicago, rulings requested, agreed that letters to the three FRBanks would be modified in line with views expressed at Board meeting

FRBank of Boston, noted in examination report that Mrs. Norr of Bank's staff had reported indebtedness over stock transactions, understood that a letter would be prepared for Board's consideration to President Ellis re this matter, also minor holdings of Vice President Angney in bank holding company stock noted

Further review of securities transactions engaged in by Mrs. Norr, letter to President Ellis, FRBank of Boston, suggesting further review of matter, approved

Loans to examiners:
Draft legislative proposal to liberalize U.S. Criminal Code to permit examiner to obtain home mortgage loan up to a specified amount from the bank which he is authorized to examine, Governor Robertson suggested, in case of enactment that an examiner be denied participation in the examination of a bank to which he is indebted
Indebtedness and outside business activities: (continued)
Loans to examiners: (continued)

Letter to Chairman Eastland of Senate Judiciary Committee recommending introduction and enactment of appropriate amendments to Criminal Code that would authorize an insured bank to make a home mortgage loan to an examiner up to an amount not exceeding $30,000

H.R. 6701, a bill "to amend section 212 and 213 of title 18, United States Code," in order to permit banks and other financial institutions to make home mortgage loans not to exceed $30,000 to, authorized to examine such institutions, Board of opinion that proposed legislation should prohibit examiners to examine the bank where the mortgage loan was made, report to Budget Bureau, approved

Transfer of stock ownership to wife of FRBank examiner, noted that this was better than nothing and a step in the right direction

(Individual names)
Bishop, E. S., Special Assistant Examiner, FRBank of San Francisco, appointment approved, not to participate in the examination of a certain State member bank

Blake, Carroll D., Assistant Examiner, FRBank of Dallas, appointment approved, not to participate in the examination of a certain member bank and a certain nonmember bank

Brown, H. R., Special Assistant Examiner, FRBank of San Francisco, appointment approved, not to participate in the examination of a certain State member bank
Indebtedness and outside business activities: (continued)

Campbell, Joseph R., Vice President, FRBank of Philadelphia, owns jointly with his wife stock in two member banks, both located in the Fourth District, letter to FRBank of Philadelphia regarding ownership of bank stock

Case, Joseph M., Assistant Vice President, FRBank of Philadelphia, owns twenty shares of a particular national bank, letter to FRBank of Philadelphia stating that Board believes that stock in question should be disposed of

Christenson, David Roland, Assistant Examiner, FRBank of San Francisco, appointment approved, not to participate in the examination of a certain member bank

Cutter, Charles P., Assistant Examiner, FRBank of San Francisco, appointment approved, not to participate in the examination of a certain State member bank

Duke, G. W., Special Assistant Examiner, FRBank of San Francisco, appointment approved, not to participate in the examination of a certain State member bank

Gee, Lloyd B., Money Department, FRBank of Richmond, indebted to two brokerage firms noted in connection with review of report of examination of the Richmond FRBank

Gossett, E. R., Examiner, FRBank of Cleveland, owns stock of a particular nonmember bank, letter to FRBank of Cleveland regarding ownership of bank stock

Hueftle, Hugh Gordon, Assistant Examiner, FRBank of Kansas City, appointment approved, not to participate in the examination of a certain member bank
Indebtedness and outside business activities: (continued)

Kimbrel, M. Monroe, Senior Vice President, FRBank of Atlanta, appointment effective June 2, 1965, Board advised re disposal of bank stock, discussion re holding of bank stock by immediate families, particularly wives of FRBank officers, suggestion that Chairman Tarver of FRBank of Atlanta give details of stock disposition

Lein, J. L., Special Assistant Examiner, FRBank of San Francisco, appointment approved, not to participate in the examination of a certain State member bank

Lund, E. M., Special Assistant Examiner, FRBank of San Francisco, appointment approved, not to participate in the examination of a certain State member bank

Norr, Ruth B., Editor, Research and Statistics Department, FRBank of Boston: Reported indebtedness over stock transactions, noted in examination report of the Reserve Bank, letter to be prepared for Board's consideration to President Ellis re activities of

Review of securities transactions engaged in by, and her indebtedness to Brown Brothers, Harriman and Company, secured by listed stocks, letter to President Ellis, FRBank of Boston, suggesting further review of matter, approved

Ray, Richard, Assistant Examiner, FRBank of San Francisco, appointment approved, not to participate in the examination of American National Trust and Savings Association, San Francisco, California, as long as he is indebted to that bank and his sister is employed there
Indebtedness and outside business activities: (continued)

Rebsamen, Raymond, Chairman of FRBank of St. Louis, questions relating to eligibility for service as a Class C director, serving as president of a life insurance company and as a director of an open-end mutual fund, determined not legally disqualified, also voted stock owned by children in a national bank in Jacksonville, latter matter to be discussed with Chairman Martin with

Matter straightened out in conversation

Remedios, Roy A., Assistant Examiner, FRBank of San Francisco, appointment approved, with understanding that he dispose of certain bank stock of national bank

Riggs, John Lawrence, Examiner, FRBank of Kansas City, appointment approved, with understanding that he dispose of stock of a certain national bank and that he sever connections with a particular building and loan association

Sanders, John M., Assistant Examiner, FRBank of Philadelphia, appointment approved, not to participate in examination of a certain non-member bank

Scola, Vincent A., Assistant Examiner, FRBank of New York, appointment approved, not to participate in the examination of a certain member bank

Smith, Franklin E., Examiner, FRBank of New York, appointment approved, not to participate in the examination of a certain non-member bank to which he is indebted, and in a certain State member bank as long as he owns stock of that bank
Indebtedness and outside business activities: (continued)

Smith, L. P., Special Assistant Examiner, FRBank of San Francisco, appointment approved, not to participate in the examination of a certain State member bank

Trinklein, John P., Assistant Examiner, FRBank of Chicago, owns stock in a particular insured nonmember bank, letter to FRBank of Chicago re ownership of bank stock by

Woessner, C., Jr., Special Assistant Examiner, FRBank of San Francisco, appointment approved, not to participate in the examination of a certain State member bank

Industrial banks:

Bank Holding Company Act of 1956, request for determination by Board as to status of Zions Utah Bancorporation, Salt Lake City, Utah, under section 2(c) of, in regard to proposed acquisition of assets of Lockhart Corporation, which controls four industrial banks, interpretation under, re applicability of industrial banks, approved, to be published in Federal Register and FRBulletin

Inflation:

Evidence of, Federal Advisory Council concerned with increasing evidence of, believes the Board should be prepared to move in the direction of further restraint, including a tightening of reserves and an increase in the discount rate, views expressed at joint meeting with FAC
Information:

Administrative Procedure Act, requirements of, reply approved to Chairman Moss of Foreign Operations and Government Information Subcommittee of House Government Operations Committee, re series of questions re compliance with public information requirements of section 3 of, Mr. O'Connell of Board's staff designated to act as Board's liaison in event Subcommittee wished further information.

Audit program, report by Mr. Solomon that data were being prepared for FDIC listing State member banks on "problem" list having audit programs, internal or external, information to be combined with similar information on national and nonmember banks in reply to House Banking and Currency Committee by FDIC.

Availability of, and charges for, request from Howard Crosse, Vice Chairman of Franklin National Bank, New York, New York, for certain condition report data summarized by selected counties in New York, to be used in preparing a holding company application, discussion re establishing a precedent and difficulties that might be encountered in furnishing information, concurred in idea of making a charge for cost of preparing data but would take no action re advising parties generally of availability of data, presumed word would get around in due course.

3/15 889, 904
8/12 2674
12/23 4374
Information: (continued)

Baird Foundation, report filed with Board on F.R. 728, "Confidential Report of Securities Credit Extended by Lender Other than a Bank or Banker," through FRBank of New York, by, furnished to Securities and Exchange Commission as requested.

Baker, Robert G. (Bobby), request by Mr. Bittman, Department of Justice, Criminal Division, for information re, and the Redwood National Bank, San Rafael, California, Board's search revealed only one letter responding to request re Edge Act corporations, Mr. O'Connell authorized to meet with Mr. Bittman.

Report at Board meeting on April 13, 1965, re meeting of Mr. O'Connell with Mr. Bittman and associate, Mr. Mittler, indicated that Board's records revealed nothing.


Bank holding company applications:
Access to:
Amendment proposed to Board's Rules of Procedure and the Rules Regarding Information, Submittals, and Requests allowing copies of, to be made available for inspection by the public, except for portions which the Board determines that disclosure would not be in public interest, brought up in connection with Congressman Celler's request for copy of application by Marine Midland Trust Co., to acquire Grace National Bank.
Information: (continued)
Banking holding company applications: (continued)
Access to: (continued)

Amendment proposed to Board's Rules of Procedure and the Rules Regarding Information, Submittals, and Requests: (continued)
Approved, effective October 30, 1965, letter to Justice Department, with similar letters to Comptroller of the Currency and the FDIC

BancOhio Corporation, Columbus, Ohio, request from Congressman Paul H. Todd, Jr., for access to the application filed by, to acquire control of First National Bank of Jackson, Ohio, agreed that upon issuance of the Board's order and statement, which might be expected shortly, the application would be made available

Union Security and Investment Company and First National Bank of Tampa, both of Tampa, Florida, request by James B. McDonough for copies of applications by, to acquire stock of (proposed) second National Bank of Tampa, approved

Bank merger applications:
Access to:
Amendment proposed to Board's Rules of Procedure and the Rules Regarding Information, Submittals, and Requests, allowing copies to be made available for inspection by the public, except such portions determined not to be in the public interest
Approved, effective October 30, 1965, letter to Justice Department with similar letters to Comptroller of the Currency and FDIC
Information: (continued)
Bank merger applications: (continued)
List of names of banks involved in, since 1950, and those that would be exempted by the terms of certain pending legislative proposals from antitrust proceedings by Department of Justice, along with figures showing assets of participant banks before and after each merger, requested on behalf of Chairman Patman of the House Banking and Currency Committee, to be informed that requested information might take some time to complete

Marine Midland Trust Company, New York, New York, request from Chairman Celler of House Judiciary Committee for a copy of application by, to acquire Grace National Bank, New York, New York, approved 10/4 3223

United California Bank, Los Angeles, California, letter approved to FRBank of San Francisco, regarding a request for confidential treatment of certain information in the application of, to merge with Feather River National Bank, Oroville, California 4/22 1347, 1369

Borrowings from FRBanks by national banks, request from Comptroller of the Currency for information on a continuing basis re, letter to FRBanks approved, requesting information in order to answer the Comptroller and asking for comments on types of information the FRBanks would like to receive from the Regional Comptrollers 9/14 2965, 3009

Letter to Comptroller of the Currency, approved 6/7 1910, 1924

7/12 2289, 2298
Information: (continued)

Citizens and Southern National Bank and Citizens and Southern Holding Company, registered bank holding companies, both of Savannah, Georgia, request by an officer of Bank of Indiana, National Association, Gary, Indiana, for a copy of a letter to FRBank of Atlanta, re reorganization proposal involving, request for unpublished information granted, letter to Bank of Indiana, approved

Commingled Investment Account:
First National City Bank, New York, New York, letter sent to Assistant Attorney General, Fred M. Vinson, along with unpublished documents re, not customary to release unpublished documents prepared for a Congressional Committee to other persons or agencies, but in view of Chairman Patman's interest, agreed to make an exception in present case, and approval was given to furnish material to Justice Department

Compensation of bank officers:
SEE: Information:
Examination reports:
Salary figures

Condition and earnings data from individual banks:
Request for use by Mrs. Lucille Mayne in doctoral dissertation, approved, proposal by FRBank of Chicago, to serve as a modified clearing house, where basic data tapes would be obtained from the Board and monitored at local computer centers, bank would make sure tapes were not duplicated or disclosure policy of Board violated
Information: (continued)

Condition and earnings data from individual banks: (continued)

Request from Bryan A. Bailey, a Ph.D candidate at Brown University, for access to, for use in doctoral dissertation, approved, with Governor Mitchell dissenting

Need for establishing policy re such requests, discussed

Request from Franklin National Bank, New York, New York, re possibility of obtaining, summarized by selected counties in New York, to be used in preparing a holding company application, discussion re establishing a precedent and what difficulties might be encountered later as a result of furnishing information, Board concurred in idea of making a charge for cost of preparing data but would take no action re advising parties generally of availability of data, presumed word would get around in due course

Yale University, recommendation that designated professors from, be given access to, in connection with a study financed by National Science Foundation, dealing with role of commercial banks in the American economy, approved

Condition reports:

Metairie Savings Bank and Trust Company, Metairie, La., request for the April 1961 condition report of, in connection with testimony in the case of United States v. Jules B. Hernandez et al and, understood trial in question is concerned with alleged criminal acts re funds of, letter to FRBank of Atlanta, approved
Information: (continued)

Crocker-Anglo National Bank, San Francisco, California, antitrust suit re, request for data from 1964 deposit survey of California banks, by Mr. Archer, counsel for, also requested by Justice Department, letters complying with requests, approved 4/20 1308, 1322-24

Another letter sent to Justice Department removing restrictions placed on use of 1954 and 1956 data on deposits by counties, previously sent to Justice Department 4/20 1308, 1326

Requests by Justice Department re pending antitrust suit against, and Citizens National Bank, Los Angeles, California, (now merged under title of Crocker-Citizens National Bank), Justice Department wished to be able to rebut any introduced by defendants (United States v. Crocker-Anglo National Bank) involving a 1955 survey on business loans and wished Mr. Gault Lynn, Director of Research of FRBank of San Francisco, as a witness, Justice Department requested list of names of banks in California with certain deposits, approved 5/28 1806, 1829-31

Currency records in connection with a tax proceeding against Antoine B. Rinieri, telegram approved to FRBank of San Francisco, authorizing Assistant FRAgent Pascual to produce certain 12/15 4180, 4224

Examination reports:
FRBanks, currency destruction function, agreement that Treasury Department be allowed access to portions of, for use in connection with consideration of proposed legislation providing for destruction of unfit FRnotes at FRBanks 6/22 2118
Information: (continued)
Examination reports: (continued)
Member bank or banks in St. Louis District, request from FBI for access to examination reports including confidential sections and related documents of certain, FRBanks of St. Louis authorized to permit, with the understanding that information was not to be used as evidence in the event of a trial

National banks, memorandum from Division of Examinations, recommending denial of an informal request by two FRBank examiners assigned to Permanent Subcommittee on Investigations of the Senate Committee on Government Operations, for access to examination reports of four national banks to see if criminal elements were involved, view that such reports should be requested from Comptroller of the Currency

Salary figures from, letter to Chairman Patman of House Banking and Currency Committee, relating to a request for, in connection with the Committee's study of management succession, agreed to furnish with certain restrictions against publication

State member banks, advice received from FDIC that Government Accounting Office might seek to obtain all reports of examination to which FDIC had access, which included, Board alerted that requests might come direct from Government Accounting Office or through FDIC
Information: (continued)
Examination reports: (continued)
(Individual banks)
Bank of Dublin, Inc., Dublin, Virginia:
Request by First Virginia Corporation,
Arlington, Virginia, for copies of certain 1965 examination reports of, approved,
with caution re disclosure
8/12 2669, 2676
Request by First Virginia Corporation,
Arlington, Virginia, for access to confidential sections of, that might support its fidelity bond claim for recovery of certain losses sustained by, approved
10/4 3221,3229-32
FRBank of Richmond authorized to supply FBI with copies of officers' questionnaires and the last three examination reports including the confidential sections, information not to be used in court or any administrative proceeding without obtaining permission from Board
10/21 3351, 3363
Cudahy Marine Bank, Cudahy, Wisconsin, request by Marine Corporation,
Milwaukee, Wisconsin, for, on a continuing basis, approved under terms outlined
8/6 2642, 2646
Grace National Bank, New York, New York, request by New York State Superintendent of Banks for access to, in light of application for the merger of, into Marine Midland Trust Company, New York, New York, consensus that Reserve Bank should refuse request since Comptroller of the Currency had refused
2/17 581
San Francisco National Bank, San Francisco, California, request from Permanent Subcommittee on Investigation, for report submitted re application to organize, advice not to release report but copy of letter sent to Comptroller of the Currency
2/23 621
Information: (continued)

Examination reports: (continued)

Wisconsin Marine Bank, Milwaukee, Wisconsin, request by Marine Corporation, Milwaukee, Wisconsin, for copies of, on a continuing basis, approved under terms outlined

Farmers and Merchants Bank of Long Beach, Calif.: Request by U.S. Attorney for permission to use documents in possession of Federal Reserve Bank re, in connection with the issuance of a warning pursuant to section 30 of the Banking Act of 1933, based on occurrences with which certain officers of, were under indictment

Finance companies, letter approved to Chairman Patman of House Banking and Currency Committee, responding to a telephone request by the Committee's staff for a list of major finance companies included in the sample being used in the currency quinquennial survey of

Financial operations of the Board, letter to Budget Bureau approved, forwarding certain schedules for calendar years 1964, 1965, and 1966, for use in making a presentation on a memorandum basis of data re, in a separate section of the 1967 Federal budget document

Five Points National Bank of Miami, Florida, Mr. O'Connell, Assistant General Counsel, authorized to inform FRBank of Atlanta that it was authorized to comply with request of the District Supervising Examiner (Atlanta) of FDIC for data re reserve position, borrowings, and flow of return items of, understood that FDIC was issuing notice terminating status of, as an insured bank
Information: (continued)

Frontier Bank, Covelo, California, telegram to FRBank of San Francisco, authorizing compliance with California State Banking Department's request for certain correspondence and documents in the Reserve Bank's files re, a non-member insured bank that was placed in receivership in July 1964, understood that FDIC would be informed that an FDIC letter was among correspondence furnished

Income and dividends reports:
Designated professors from Yale University to be given access to certain banking data from member banks' reports of condition and, in connection with a study financed by National Science Foundation dealing with role of commercial banks in the American economy, approved

Proposal by FRBank of Chicago, to serve as a modified clearing house to obtain from Board basic data tapes from reports of condition and, for all insured commercial banks in Illinois for the period 1961-63, and process them at local computer centers for use by Mrs. Lucille Mayne, a graduate student at Northwestern University, in preparing her doctoral dissertation, approval given with understanding that other requests would be weighed against Reserve Bank's experience

Marine Corporation, Milwaukee, Wisconsin, request for copies of examination reports of two subsidiary State member banks, Cudahy Marine Bank, Cudahy, and Wisconsin Marine Bank, Milwaukee, Wis., on a continuing basis, approved under terms outlined
Information: (continued)

Membership dues and contributions, request from Chairman Patman of House Banking and Currency Committee, that listings be prepared of all, made by each of the FRBanks and their branches and by the Board of Governors from January 1, 1962 through September 30, 1965, approved

Mercantile Trust Company, National Association, St. Louis, Missouri, approval given to reply to William Kester, Financial Editor, St. Louis Post-Dispatch, with reference to a statement indicating that the conversion of Mercantile Trust Company, into a National Association because the FRSystem would not countenance continued membership and operation of the Mercantile Mortgage Company, Clayton and St. Louis, Missouri, questioning the furnishing of this kind of information to a journalist

Money orders, private, nonbank issuers of, letter approved to Legal Counsel for the Council of State Governments transmitting a summary of information obtained in 1964 from the FRBanks concerning the operation and regulation re

National banks, reply approved to a letter of July 28, 1965, from the Comptroller of the Currency re exchange of information concerning national banks between FRBanks and the Regional Comptrollers of the Currency
Information: (continued)
Records:

Board:

Access to minutes and other, up to 1921 to be made available to a graduate history student from University of Wisconsin, Mr. Paul Abrahams, who is preparing a doctoral dissertation on "Expansionist Influence on American Banking, 1910-1920".

Access to minutes and other, as might be pertinent for use by Professor Lester V. Chandler of Princeton University, in his study of American monetary policies in the period 1928-1940, approved.

H.R. 5012 through 5021, and H.R. 5237, identical bills to amend section 161 of Revised Statutes re authority of Federal officers and agencies to withhold information and limit availability of records, report to Chairman Dawson of House Committee on Government Operations, approved.

Assistant Professor A. Jerome Clifford of John Carroll University, Cleveland, Ohio, no objection to access to, similar to those reviewed by him at FRBank of Cleveland.

FRBank of St. Louis, indicating that Board had no objection to making certain records of, available to Professor Lester V. Chandler of Princeton University relevant to his study of American monetary policy during years 1928-1940.

FRBank of San Francisco:
San Francisco National Bank, San Francisco, California:
Request by Bronson, Bronson & McKinnon, a law firm for access to certain records pertaining to, approved.
Disclosure of unpublished information to the extent that it relates to transactions between FRBank of San Francisco and, in case of FDIC v. A.M.R., Inc., et al, authorized

Regulation F:

Registration statements:
Letter to Presidents of all FRBanks for comments re procedure for handling requests for copies of

Memorandum from the Legal Division, pointed out that section 206.3(c) of, provides that any bank filing a registration statement may object to public disclosure of any information required to be contained therein, to date, First Trust & Deposit Company, Syracuse, New York, Merrill Trust Company, Bangor, Maine, and Wachovia Bank and Trust Company, Winston-Salem, North Carolina, had requested certain confidential treatment, replies to the three banks, approved

Reports on competitive factors:
Release of, change in procedure re, agreed that a general policy of release-upon-request be adopted re, and approval given to adoption of an amendment to "Internal Board Procedures with Respect to Holding Company and Merger Applications" with respect to, letter sent to Justice Department, similar letters to Comptroller of the Currency, FDIC, Secretary of the Treasury and FRBanks, approved
Information: (continued)

Revenue bonds:

Request from Covington & Burling, counsel for the Committee for Study of Revenue Bond Financing, for access to all unpublished material contained in letters, rulings, and opinions issued to commercial banks and other financial institutions relating to Board's interpretation of term "general obligations of any State or of any political subdivision thereof," agreed that matter would be informally handled.

Letter to Covington & Burling, Washington, D.C., approved

Salaries:

Request from Chairman Patman of House Banking and Currency Committee for a list of positions in the Federal Reserve System compensated at a rate of $22,500 or more per annum, agreed to furnish.

Request from American Bankers Association, Division of Personnel Administration, for salaries of officers in charge of bank examinations in FRBanks, including the Vice President, Assistant Vice President, and Chief Examiner, authorized to furnish the modal salary of the Vice Presidents in charge of examinations at FRBanks.

Insurance:

Deposit upon which excessive rates of interest have been paid to be considered as borrowings, and deprived of insurance protection, request from Bureau of the Budget for Board's views on proposal by FDIC re, additional time needed by staff for study, action on report deferred.
Insurance: (continued)

Deposit upon which excessives rates of interest have been paid to be considered as borrowings: (continued)

Letter approved for transmittal to Budget Bureau re Redraft of legislative proposal of FDIC to amend the Federal Deposit Insurance Act to further define the term deposit, reservations noted in Board's letter of April 16 were reiterated and Board would not favor submitting the proposal to Congress, letter to Budget Bureau, approved 4/29 1430, 1452

Deposit insurance bill:

H.R. 108, an omnibus bill that would among other things, increase deposit and share account insurance coverage, understood that Board's views on legislation re deposit interest rates would be conveyed to Treasury Department along with a memorandum suggesting certain changes in the language of Treasury Department's draft bill to increase deposit insurance, place regulation of interest rates on a standby basis, and amend other provisions of the law, letter to Budget Bureau, approved 8/9 2650, 2663

Inter-American Development Bank:

Rowe, J.Z., Director of Research, FRBank of Dallas, letter to FRBank interposing no objection to arranging for, to present a paper at the Workshop on Agricultural Financing in Latin America to be held in Vina del Mar, Chile, March 18-25, 1965, communications re participation received by FRBank of Dallas from 1/13 121
Interdistrict Settlement Fund:
Security holdings, discussion of alternate proposals for settling Interdistrict Settlement Fund clearing through, rather than gold certificates, to minimize frequency of reallocations to avoid deficiencies in reserves 2/25 695

Interest:
Rates, would Council care to comment on reasons for variance in survey which reflected generally stable bank interest rate and another survey which indicated firming of lending policies of larger banks, topic for discussion with FAC 5/3 1463, 1474

Most Council members reported little firming of lending policies, with no firming for prime customers, the few increases in rates that have occurred have been highly selective, view expressed at joint meeting with FAC 5/18 1632

Interest Equalization Tax Act:
Inspection of information returns, letter to Secretary of Treasury requesting that information returns made by commercial banks under, be opened to inspection by six specified members of Board's staff, duly authorized by the Board 4/15 1240, 1254

S. 38, a bill to repeal, letter to Bureau of the Budget, approved 2/26 710, 722

Interior, Department of:
Parking facilities, proposed agreement with, which would confirm arrangements and authorize Board to proceed with underground parking area plans for Square N. 128, adjacent to present parking lot, Secretary authorized to sign agreement on behalf of Board, with only immediate expense involving estimated $13,500 for moving utility lines 5/5 1478

Agreement executed with copy placed in Board's files 5/5 1480

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http://fraser.stlouisfed.orgFederal Reserve Bank of St. Louis
Interlocking directorates:
"Contiguous or adjacent":
Hamden-Wallingford, Connecticut, letter to FRBank of Boston, approved, re request by Hamden National Bank, Hamden, Connecticut, to appoint to its membership, Oran S. Parker, now Vice President, Secretary, and Treasurer of Connecticut Bank and Trust Company, Hartford, Connecticut, a State member bank, which has a branch in Wallingford, Conn., which is contiguous to Hamden, section 8 of the Clayton Act and Board's Regulation L, forbid proposed interlocking service.

Exception, common ownership of stock, section 8(4) of Clayton Act, and 212.2(d)(4) of Regulation L, question re evasion of intent of regulations through such exceptions, possible need for amendments to close loopholes, letter to Presidents of all FRBanks requesting information on such known cases.

(Individual names)
Connell, Maurice, service as director of Southern Industrial Savings Bank of Miami and Inter National Bank of Miami, Florida, question of qualification for exception under section 8(4) of the Clayton Act and 212.2(d)(4) of Regulation L, advice to FRBank of Atlanta that exception applied.

Parker, Oran S., request by Hamden National Bank, Hamden, Connecticut, to appoint, now serving as Vice President, Secretary and Treasurer of Connecticut Bank and Trust Company, Hartford, a State member bank, which has a branch in Wallingford, which is contiguous to Hamden, proposed interlocking service forbidden by section 8 of the Clayton Act and Board's Regulation L.
Interlocking directorates: (continued)

Shelton, W. E., interlocking services of H. L. Sturgeon as President of Rocky Ford National Bank, Rocky Ford, Colorado, and director and cashier of First Industrial Bank of Rocky Ford, Colorado, and the services of, as director of the same banks, Board ruled that industrial banks were "banks" for purposes of section 8 of the Clayton Act and that exceptions were not applicable, letter to FRBank of Kansas City, with substance of letter to other FRBanks, approved

Sturgeon, H. L., question whether section 8 of the Clayton Act forbids the interlocking services of, as President of Rocky Ford National Bank, Rocky Ford, Colorado, and director and cashier of First Industrial Bank of Rocky Ford, Board ruled that industrial banks were "banks" for purposes of section 8 of the Clayton Act and exceptions were not applicable

Internal Revenue Code:

Union Bond & Mortgage Company, Port Angeles, Washington, (a registered bank holding company), request by, for Board's assistance in obtaining an amendment to the provisions of, that impose a penalty tax on personal holding companies, approval given to FRBank of San Francisco to decline

Internal Revenue Service:

Regulations T and U, recommendation in Report of Special Study of Securities Markets by SEC that Board regulate extensions of credit by lenders not subject to, procedural recommendation approved, letter to SEC, and, for comment
International Bank for Reconstruction and Development:

Fiscal Agency Agreement with FRBank of New York:

Proposed amendment to, covering a proposed issue of twenty-five year bonds of 1965, by, approved

Proposed amendment to, covering a proposed issue of two year bonds of 1965, by, approved

Luncheons for central bankers attending annual meetings in Washington of the International Monetary Fund and agreement that three luncheons be given this year, with transportation offered to guests between meeting headquarters and the Board's building, for which necessary expenditure was authorized

Visit to Board, arrangements to be made by Mr. Sherman for the executive and alternate executive directors of the International Monetary Fund and, to attend a program that would include an appropriate coffee hour to provide an opportunity for conversation with the Board members and staff

International Banking Summer School, nomination of David G. Hayes, Economist, Division of International Finance, approved, to participate in, to be held in Bergen, Norway, June 20-July 2, 1966, understood that during the actual time of his stay, Mr. Hayes would be placed on an actual expense basis to cover any incidental expenditures, but that during the remainder of time he was in travel status he would receive per diem, Board also authorized an expenditure not exceeding $100 to cover pro rata expense incurred by Mr. Hayes if a national delegation reception should be given
International Business Machines Corp., Washington, D.C.:
Computer, letter approved on July 29, 1965, modifying Board's letter of June 10, 1964, indicating Board's intent to contract for the installation of an IBM 360, model 50, electronic computer

International Monetary Fund:
Bank of Sierra Leone, (Africa), request from International Monetary Fund to recruit a director for the research department of, the Governor of the bank had expressed an interest in securing someone from the FRSysytem, Division of International Finance authorized to ascertain availability of persons suggested

Bretton Woods Agreement Act:
Approval given to transmittal of letter to Budget Bureau favoring enactment of a draft bill to amend the, to authorize an increase in the International Monetary Fund quota of the United States

H.R. 6497, an enrolled bill to amend, to authorize an increase in the, quota of the United States, letter to Bureau of the Budget, approved

Central Bank of Trinidad and Tobago, request for names of a possible candidate for the governorship of the Central Bank, question whether Board would have any objection to submission of their names to the Government of Trinidad and Tobago, matter to be deferred in order that Governor Robertson might make a suggestion in the executive session

Developed that person Governor Roberston suggested was not interested, Monetary Fund filled position from a non-U.S. source
Credit expansion via, letter approved to the Budget Bureau re the State Department's proposed report on S. Res. 142, a resolution that would request the Administration to study the possibility of increasing international means of payment by making available additional supplies of commercial credit via Gold, depository for, FRBank of New York directed to act as, under arrangement of the Bretton Woods Agreement Act, to serve as fiscal agents of the International Monetary Fund, letter to FRBank, approved Luncheons for central bankers attending annual meetings of, and International Bank for Reconstruction and Development, when held in Washington, agreement that three luncheons will be given this year, transportation to be offered to guests between meeting headquarters and the Board's building, for which necessary expenditure was authorized

Niles, Donald C., Assistant Vice President, FRBank of New York, recommendation that, undertake a three months assignment with Da Afghanistan Bank, beginning August 15, 1965, as requested by, consensus that if arrangements were fairly well advanced, Board would approve

Determined that arrangements were well advanced, letter to FRBank of New York, approving leave without pay for three months plus travel time
International Monetary Fund: (continued)

Visit to Board, arrangements to be made by Mr. Sherman for the executive and alternate executive directors of the International Bank for Reconstruction and Development, and, to attend a program that would include an appropriate coffee hour to provide an opportunity for conversation with the Board members and staff

Inventories:

Policies re:

Topic for discussion at FAC meeting:

Question of whether Council members have information based on requests for bank financing of inventory build-ups in steel and auto industries, and are there indications that inventory accumulation is spreading to other industries and products

Strong contraseasonal demand for bank credit suggests inventory build-ups particularly in steel and autos, with rise in bank loans indicating possibility of spread to other industries, although no satisfactory information is available

Question re revision in business inventory policies as a result of changing expectations such as Vietnam

No awareness of any substantial revisions in business inventory policies, however, step-up in military operations in Vietnam and the expansion in defense spending, have resulted in the expectation that the uptrend in business would continue, presumably because Federal spending would rise further, view expressed at joint meeting with FAC
Inventories: (continued)

Policies re: (continued)

Topic for discussion at FAC meeting: (continued)

Question re additions to inventories

Despite the rather optimistic expectations that prevail in the business community, additions to inventories do not appear excessive in relation to sales, however, the present high inventory totals assume a continuation of current sales trends, views expressed at joint meeting with FAC

Investigations:

Closed banks, request from Permanent Subcommittee on Investigations of the Senate Committee on Government Operations that one or two examiners be loaned to Subcommittee on a nonreimbursable basis for a period of 60 days to review, re the possibility of a tie-in with underworld elements, Mr. Solomon authorized to work out an arrangement with one of FRBanks

Chief Examining Officer James P. Giacobello and Examiner William J. McCuen of FRBank of Philadelphia, to be loaned to Subcommittee

Investment Company Act of 1940:

Companies registered under:

Exemption from the Bank Holding Company Act of, and status of Financial General Corp., Washington, D.C. and Equity Corp., New York, New York, inquiry by Chairman Patman of House Banking and Currency Committee re, revised draft of letter to Chairman Patman to be prepared for Board's consideration

Letter approved for transmittal to Congressman Patman
Investment Company Act of 1940: (continued)
Companies registered under: (continued)
H. R. 7372, a bill to amend the Bank Holding Company Act of 1956, repealing the exemption of companies registered prior to May 15, 1955, under, letter to Chairman Patman of House Banking and Currency Committee reporting favorably on 4/22 1345, 1368

Investments:
Collective investment funds, letter to Comptroller of the Currency requesting that Board be officially notified concerning rulings or interpretations dealing with 3/24 963, 989

Involuntary separation:
FRBanks, letter to Presidents of, advising re the handling of cases of, in which alcoholism is a factor 2/17 583, 594

Italy:
Moizzi & C., Milan, Italy, approval given to letter to Continental International Finance Corporation, Chicago, Illinois, re its request for permission to purchase shares of Banca Privata Finanziaria, Milan, Italy, and a limited partnership interest in 4/14 1257, 1281

"J"

Jacobs, Donald, Professor, study re management succession being directed by, to be taken from examination reports, agreed that complete information would be furnished, but that there would be certain restrictions against publication 5/19 1666, 1682
Jewett, John, former Senior Vice President of Prudential Insurance Company of America, was sent a copy of the report by Frederick M. Babcock, entitled "Quality Rating of Mortgage Portfolios" for review, no decision re use of report to be made until after the review.

Justice, Department of:
Baker, Robert G. (Bobby), request from Mr. Bittman, Criminal Division of, for information re certain banks in which Mr. Baker reportedly had interests, Mr. O'Connell authorized to meet with Mr. Bittman re single letter revealed in search of files

Report at Board meeting of April 14, 1965, re meeting with Mr. Bittman and associate, Mr. Mittler, indicating no information discovered with reference to First National Bank of Marin, National Bank of Marin, or Marin National Bank, all suggested names for Redwood National Bank

Bank of California, National Association, San Francisco, California, request by Justice Department for 1962 deposit data for certain offices of, information furnished to, and to counsel for defending banks

BancOhio Corporation, Columbus, Ohio, advice from Justice Department re investigation of possible violation by, of Sherman and Clayton antitrust laws, agreement that Attorney General be advised re pending application of, to acquire an additional bank, Board to consider application in light of section 7 of the Clayton Act, agreed that Justice would have to make own decision re investigation
Justice, Department of: (continued)
BancOhio Corporation, Columbus, Ohio: (continued)
Application to acquire shares of The First National Bank of Jackson, Ohio, approved, discussed in light of pending investigation involving possible violation of antitrust laws
Order and statement issued
Bank merger and bank holding company applications, access to, amendment approved to the Board's published Rules of Procedure with a supporting change in the Rules Regarding Information, Submittals, and Requests, under which copies of, would be made available for inspection by the public except certain portions excluded, letter to Justice Department re amended rules
Commingled investment account:
First National City Bank, New York, New York, proposed to establish a, for its customers, possibility that plan would violate prohibition in section 21 of the Banking Act of 1933, consensus that wisest recourse would be to refer facts to Justice Department for determination, staff requested to prepare drafts of letters reflecting this view
Board not to raise question with, letter to counsel for First National City Bank, approved, copy sent to Comptroller of the Currency
Letter sent to, to Assistant Attorney General, Fred M. Vinson, along with the unpublished documents re
Justice, Department of: (continued)

Crocker-Anglo National Bank, San Francisco, California:

Antitrust suit involving merger of, with Citizens National Bank, Los Angeles, request by Robert J. Archer, counsel for defendant for data from 1964 survey of deposits of banks in California, and request by Justice Department for same data if supplied to Mr. Archer, letters to Justice Department and Mr. Archer complying with request

Another letter sent to Justice Department removing restrictions placed on use of 1954 and 1956 data on deposits by counties previously supplied

Letters to Justice Department and FRBank of San Francisco involving requests for access to material re a 1955 survey on business loans, availability of Mr. Gault Lynn, Director of Research of FRBank of San Francisco as a witness, and names of banks in California with certain deposits, approved

Farmers and Merchants Bank of Long Beach, California, request by U.S. Attorney, Manuel Real, for issuance of a warning pursuant to section 30 of Banking Act of 1933, to Kenneth G. Walker, Executive Vice President of, re certain occurrences, recommendation of Mr. O'Connell that Board decline, letter to Justice Department, with understanding that a copy be furnished to U.S. Attorney Real, and a letter to FRBank of San Francisco, approved
Justice, Department of: (continued)
Manufacturers Hanover Trust Company, New York, New York:
Discussion re furnishing Board's views re proposed settlement of antitrust suit against, whereby a certain number of branches would be sold to some existing New York City bank, understood Mr. Solomon would contact the Justice Department
Confidential report by Mr. Solomon, based on information received from Justice Department re possible settlement of antitrust suit against, consensus that Mr. Solomon indicates to, that there might be some question, if a proposal should come before the Board for approval that involved a financing element such as reportedly was under consideration
Navajo Bancorporation, Inc., Phoenix, Arizona, violations of Bank Holding Company Act, in connection with stock acquisition involving Valley State Bank, Lamar, Colorado, letters to counsel for, and Justice Department, approved

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Kareken, John, Professor at University of Minnesota, and Consultant to FRBank of Minneapolis, request by President Galusha of FRBank of Minneapolis that, serve as Associate Economist of Federal Open Market Committee, Board gives its consent, Governor Shepardson to advise President Galusha