

Minutes for February 10, 1966

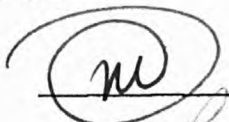

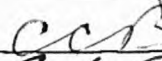
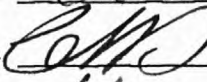
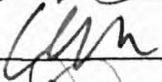
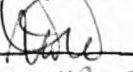
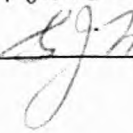
To: Members of the Board

From: Office of the Secretary

Attached is a copy of the minutes of the Board of Governors of the Federal Reserve System on the above date.

It is not proposed to include a statement with respect to any of the entries in this set of minutes in the record of policy actions required to be maintained pursuant to section 10 of the Federal Reserve Act.

Should you have any question with regard to the minutes, it will be appreciated if you will advise the Secretary's Office. Otherwise, please initial below. If you were present at the meeting, your initials will indicate approval of the minutes. If you were not present, your initials will indicate only that you have seen the minutes.

Chm. Martin	<u></u>
Gov. Robertson	<u></u>
Gov. Balderston	<u></u>
Gov. Shepardson	<u></u>
Gov. Mitchell	<u></u>
Gov. Daane	<u></u>
Gov. Maisel	<u></u>

Minutes of the Board of Governors of the Federal Reserve System on Thursday, February 10, 1966. The Board met in the Board Room at 10:00 a.m.

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

Mr. Kenyon, Assistant Secretary
 Mr. Fauver, Assistant to the Board
 Mr. Hackley, General Counsel
 Mr. Solomon, Director, Division of Examinations
 Mr. Johnson, Director, Division of Personnel Administration
 Miss Eaton, General Assistant, Office of the Secretary
 Mr. Egertson, Supervisory Review Examiner, Division of Examinations

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

	<u>Item No.</u>
Letter to The Safe Deposit Bank and Trust Company, Springfield, Massachusetts, approving the establishment of a branch in Palmer.	1
Letter to The Dollar Savings & Trust Company, Youngstown, Ohio, approving the establishment of a branch at 231-237 West Commerce Street.	2
Letter to State Bank of Escanaba, Escanaba, Michigan, waiving the requirement of six months' notice of withdrawal from membership in the Federal Reserve System.	3
Letter to Liberty State Bank, Hamtramck, Michigan, approving the retirement of its outstanding preferred stock.	4

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	<u>Item No.</u>
Letter to Wilmington Trust Company, Wilmington, Delaware, approving an investment in bank premises.	5
Letter to the Federal Reserve Bank of Cleveland interposing no objection to the retention of Edward A. Fink as Consultant following his retirement.	6
Memorandum from the Division of Examinations dated February 3, 1966, recommending that certain information with respect to Edge corporations be made available to Business International, New York, New York, and that similar information be made available upon request in the future.	7

Report on competitive factors. A report to the Federal Deposit Insurance Corporation on the competitive factors involved in the proposed merger of Bank of Pico Rivera, Pico Rivera, California, with Golden State Bank, Bell Gardens, California, was approved unanimously for transmittal to the Corporation. The conclusion read as follows:

The proposed merger of Bank of Pico Rivera with Golden State Bank, Bell Gardens, would not have adverse competitive effects.

Examining function at San Francisco. Governor Robertson reported that, pursuant to the understanding at the meeting on January 25, 1966, he had discussed with Mr. Swan, President of the Federal Reserve Bank of San Francisco, certain matters pertaining to the staffing of the bank examination function at that Bank. As noted in a memorandum being circulated to the other members of the Board, he had suggested to Mr. Swan a possible means for obtaining a fresh appraisal of staff capabilities.

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The question of succession to Vice President Galvin had been discussed, but no action on the part of the Board was necessary pending receipt of further word from Mr. Swan. ✓

The meeting then adjourned.


Assistant Secretary

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

Item No. 1
2/10/66

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

February 10, 1966



Board of Directors,
The Safe Deposit Bank and Trust Company,
Springfield, Massachusetts.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment by The Safe Deposit Bank and Trust Company, Springfield, Massachusetts, of a branch on Thorndike Street between Park and Pleasant Streets, Palmer, Massachusetts, provided the branch is established within six months from the date of this letter.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.

(The letter to the Reserve Bank stated that the Board also had approved a six-month extension of the period allowed to establish the branch; and that if an extension should be requested, the procedure prescribed in the Board's letter of November 9, 1962 (S-1846), should be followed.)

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

Item No. 2
2/10/66

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

February 10, 1966



Board of Directors,
The Dollar Savings & Trust Company,
Youngstown, Ohio.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment by The Dollar Savings & Trust Company, Youngstown, Ohio, of a branch at 231-237 West Commerce Street, Youngstown, Ohio, provided the branch is established within six months from the date of this letter.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.

(The letter to the Reserve Bank stated that the Board also had approved a six-month extension of the period allowed to establish the branch; and that if an extension should be requested, the procedure prescribed in the Board's letter of November 9, 1962 (S-1846), should be followed.)

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

Item No. 3
2/10/66

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

February 10, 1966



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

Gentlemen:

The Federal Reserve Bank of Minneapolis has forwarded to the Board of Governors Vice President and Cashier Pariso's letter dated January 20, 1966, together with the accompanying resolutions dated January 12, 1966, signifying your intention to withdraw from membership in the Federal Reserve System and requesting waiver of the six months' notice of such withdrawal.

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

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

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

Item No. 4
2/10/66



ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

February 10, 1966

Board of Directors,
Liberty State Bank,
Hamtramck, Michigan.

Gentlemen:

The Board of Governors of the Federal Reserve System approves, under the provisions of Section 9 of the Federal Reserve Act, the retirement by Liberty State Bank, Hamtramck, Michigan, of the \$400,000 preferred stock outstanding, provided the condition imposed by the Michigan Financial Institutions Bureau with regard to the proposed sale of \$1,000,000 in capital notes is satisfied.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.

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

Item No. 5
2/10/66

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

February 10, 1966

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

Gentlemen:

Pursuant to the provisions of Section 24A of the Federal Reserve Act, the Board of Governors of the Federal Reserve System approves an investment in bank premises of \$75,000 by Wilmington Trust Company, Wilmington, Delaware, to purchase a parcel of land contiguous to 5107 Concord Pike, Brandywine Hundred, New Castle County, Delaware.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,
Assistant Secretary.



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

Item No. 6
2/10/66

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

February 10, 1966

CONFIDENTIAL (FR)

Mr. W. Braddock Hickman, President,
Federal Reserve Bank of Cleveland,
Cleveland, Ohio. 44101

Dear Mr. Hickman:

In view of the circumstances outlined in your letter of January 24, the Board of Governors will interpose no objection to the retention of Mr. Edward A. Fink as a Consultant following his retirement as First Vice President on March 1. It is understood that, as a Consultant, Mr. Fink will not be considered an officer of the Bank, and that he will be paid at the rate of \$18,000 per year for as long as he is needed, but in no event later than June 30, 1966.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,
Assistant Secretary.



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Item No. 7
2/10/66

Office Correspondence

Date February 3, 1966.

To Board of Governors

Subject: Business International, New York:
Request for information concern-
ing Edge corporations.

From Division of Examinations

Handwritten initials and signatures:
From
[Signature]
[Signature]
[Signature]

In a letter dated January 27, 1966, Business International, New York, New York, advised each of the Reserve Banks that it was preparing a comprehensive research report "Financing Foreign Operations" and requested a list of Edge corporations in the District, with information as to name of corporation, address, paid-in capital, and name of parent bank.

In the interest of simplicity, it is believed preferable that a single reply be sent from the Board, and the Reserve Banks and Business International have been so advised.

Information concerning balance sheet items in call reports of Edge corporations is not published. However, an article published in the Federal Reserve Bulletin for December 1956, showed total capital accounts for each of the Edge and Agreement corporations in operation.

If the Board approves, it is proposed to furnish Business International with a list showing name, address, total capital accounts, and name of parent of each Edge corporation. Attached is a proposed reply. A copy of the list would be furnished to each corporation and to the officer in charge of examinations at each Reserve Bank.

Unless the Board objects, similar requests received in the future for such information will be furnished without reference to the Board.