

Minutes for November 28, 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.

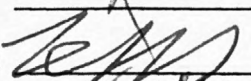
Should you have any question with regard to the minutes, it will be appreciated if you will advise the Secretary's Office. Otherwise, please initial below. If you were present at the meeting, your initials will indicate approval of the minutes. If you were not present, your initials will indicate only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

Chm. Martin

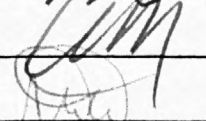


Gov. Robertson

Gov. Shepardson

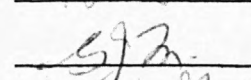


Gov. Mitchell

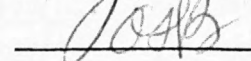


Gov. Daane

Gov. Maisel



Gov. Brimmer



Minutes of a meeting of the available members of the Board of Governors of the Federal Reserve System on Monday, November 28, 1966.

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

PRESENT: Mr. Martin, Chairman
Mr. Robertson, Vice Chairman
Mr. Brimmer

Mr. Sherman, Secretary
Mr. Kenyon, Assistant Secretary
Mr. Holland, Adviser to the Board
Mr. Fauver, Assistant to the Board
Mr. Hackley, General Counsel
Mr. Brill, Director, Division of Research
and Statistics
Mr. Solomon, Director, Division of Examinations
Mr. Leavitt, Assistant Director, Division of
Examinations
Miss Wolcott, Technical Assistant, Office of
the Secretary
Mr. Egertson, Supervisory Review Examiner,
Division of Examinations

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

Approved items. The following items were approved unanimously after consideration of background information that had been made available to the Board. Copies are attached under the respective numbers indicated.

	<u>Item No.</u>
Letter to Wells Fargo Bank, San Francisco, California, granting an extension of time to establish a branch in Fresno.	1
Letter to the Federal Reserve Bank of New York waiving the assessment of a penalty incurred by Bank of New York, New York, New York, because of a deficiency in its required reserves.	2

11/28/66

-2-

Item No.

Letter to Southern Bank and Trust Company,
Richmond, Virginia, granting its request
for permission to maintain reduced reserves.

3

Reports on competitive factors. A report to the Comptroller of the Currency on the competitive factors involved in the proposed merger of The First National Bank of Butler, Butler, New Jersey, into The First National Iron Bank of New Jersey, Morristown, New Jersey, was approved unanimously for transmittal to the Comptroller. The conclusion read as follows:

Little competition now exists between The First National Bank of Butler and The National Iron Bank of New Jersey, Morristown. Consummation of the proposal would, however, eliminate potential for more competition between them and increase the already high level of banking concentration in Morris County. The overall competitive effect of the proposal on competition would be significantly adverse.

A report to the Comptroller of the Currency on the competitive factors involved in the proposed merger of The First National Bank of Genesee, Genesee, Pennsylvania, into The Grange National Bank of Potter County at Ulysses, Ulysses, Pennsylvania, was approved unanimously for transmittal to the Comptroller. The conclusion stated that the proposed merger would not have adverse competitive effects.

With respect to a draft of report to the Federal Deposit Insurance Corporation on the competitive factors involved in the proposed merger of National Bank of Oak Cliff in Dallas, Dallas, Texas, into South Oak Cliff State Bank, also of Dallas, it was agreed that action would be deferred

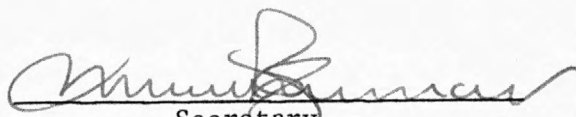
11/28/66

-3-

until the Division of Examinations had attempted to obtain from the Federal Reserve Bank of Dallas certain additional information requested by Governor Robertson.

The meeting then adjourned.

Secretary's Note: Governor Shepardson today approved on behalf of the Board a letter to the Federal Reserve Bank of Cleveland (copy attached as Item No. 4) approving the appointment of Gary N. Fields and Robert T. Glover as examiners.


Secretary



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

Item No. 1
11/28/66

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 28, 1966

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

Gentlemen:

The Board of Governors of the Federal Reserve System extends to November 17, 1967, the time within which Wells Fargo Bank, San Francisco, California, may establish a branch at the intersection of Shaw Avenue and First Street, Fresno, California.

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. 2
11/28/66

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 28, 1966

Mr. A. J. Stanton, Manager,
Accounting Department,
Federal Reserve Bank of New York,
New York, New York. 10045

Dear Mr. Stanton:

This refers to your letter of October 31, regarding a penalty of \$3,258.05 incurred by the Bank of New York on a 3.6 per cent deficiency in its required reserves for the reserve computation period ended October 5, 1966.

It is noted that the deficiency resulted from failure of a bookkeeper at the member bank to post to the reserve account \$20 million in clearing house debits on the last day of the reserve period, that the error was discovered too late to allow for replenishment of the reserve account, that the penalty cannot be waived under Paragraph E of the Board's instructions, and that the member bank has a good record over a long period of time in maintaining its required reserves.

In the circumstances, the Board authorizes your Bank to waive assessment of the penalty of \$3,258.05 for the weekly reserve computation period ended October 5, 1966.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.



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

4355

Item No. 3
11/28/66

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 28, 1966

Board of Directors,
Southern Bank and Trust Company,
Richmond, Virginia. 23219.

Gentlemen:

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

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

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,
Assistant Secretary.

4356



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

Item No. 4
11/28/66

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 29, 1966

Mr. Harry W. Huning, Vice President,
Federal Reserve Bank of Cleveland,
Cleveland, Ohio. 44101

Dear Mr. Huning:

In accordance with the requests contained in your letters of November 23, 1966, the Board approves the appointments of Gary N. Fields and Robert T. Glover, at present assistant examiners, as examiners for the Federal Reserve Bank of Cleveland, effective January 1, 1967.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.