

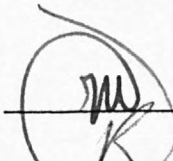
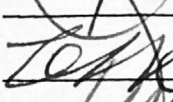

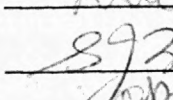
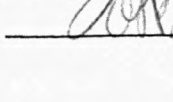

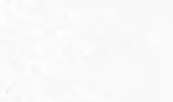
Minutes for November 29, 1966

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. Shepardson	<u></u>
Gov. Mitchell	<u></u>
Gov. Daane	<u></u>
Gov. Maisel	<u></u>
Gov. Brimmer	<u></u>

Minutes of the Board of Governors of the Federal Reserve System on Tuesday, November 29, 1966. The Board met in the Board Room at 10:00 a.m.

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

Mr. Sherman, Secretary
Mr. Kenyon, Assistant Secretary
Mr. Young, Senior Adviser to the Board and
Director, Division of International Finance
Mr. Holland, Adviser to the Board
Mr. Molony, Assistant to the Board
Mr. Cardon, Legislative Counsel
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. Daniels, Assistant Director, Division of
Bank Operations
Mr. Leavitt, Assistant Director, Division of
Examinations
Miss Wolcott, Technical Assistant, Office of
the Secretary
Mr. Egertson, Supervisory Review Examiner,
Division of Examinations

Ratification of actions. Actions taken at the meeting of the available members of the Board on November 28, 1966, as recorded in the minutes of that meeting, were ratified by unanimous vote.

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.

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Item No.

Letter to The Citizens' State Bank of Choteau, Montana, Choteau, Montana, approving the declaration of a dividend.

1

Letter to Community National Bank and Trust Company of Richmond, Staten Island, New York, granting its request for permission to maintain reduced reserves.

2

Examination of St. Louis Bank. Mr. Smith summarized information disclosed through the examination of the Federal Reserve Bank of St. Louis made by the Board's staff as of August 12, 1966, his comments being based principally on the report of examination and related memoranda that had been circulated to the Board. Governor Brimmer added certain observations based on his recent visit to the Reserve Bank.

After discussion, it was agreed that there were no matters disclosed by the examination that appeared to warrant action on the part of the Board.

Report on competitive factors. Certain additional information having been obtained pursuant to the suggestion of Governor Robertson at yesterday's meeting, unanimous approval was given to the transmittal to the Federal Deposit Insurance Corporation of a report 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. The conclusion read as follows:

Consummation of the proposed merger of South Oak Cliff State Bank, Dallas, and National Bank of Oak Cliff in Dallas, Dallas, would eliminate little, if any, effective competition existing between them, and the overall effect of the proposed merger on competition in the area would not be adverse.

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All members of the staff except Messrs. Sherman, Molony, and Hackley then withdrew from the meeting.

At Governor Robertson's request, Mr. Hackley summarized matters that had been discussed at a meeting yesterday of the Coordinating Committee on Bank Regulation (attended by Governor Robertson and Mr. Hackley) and there followed a general discussion of some of the topics. There was also discussion of arrangements being made for the meeting of the Conference of Chairmen of the Federal Reserve Banks to be held December 1-2, 1966.

Messrs. Molony and Hackley then withdrew from the meeting.

Staff appointment. Pursuant to previous discussions at executive sessions of the Board when all members were present, including the meeting on November 7, 1966, Robert Solomon was appointed Director of the Division of International Finance to succeed Ralph A. Young, effective December 1, 1966, with annual salary at the rate of \$26,500. It was understood that Mr. Solomon would continue in the capacity of Adviser to the Board, in addition to his new assignment, and that Mr. Young would continue in the capacity of Senior Adviser to the Board.

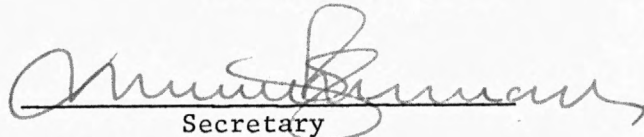
The meeting then adjourned.

Secretary's Note: The requirements contemplated by the action on November 18, 1966, in authorizing the issuance of a preliminary permit to United States Trust Company International Corporation, New York, New York, having been completed, a letter was sent today to that corporation transmitting a

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final permit to commence business and granting consent to the acquisition of stock of United States Trust International Advisory Company, a management advisory company to be organized under the laws of Luxembourg. A copy of the letter is attached as Item No. 3.


Secretary

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

Item No. 1
11/29/66



ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 29, 1966

Board of Directors,
The Citizens' State Bank
of Choteau, Montana,
Choteau, Montana.

Gentlemen:

The Board of Governors of the Federal Reserve System approves, under the provisions of paragraph 6 of Section 9 of the Federal Reserve Act and Section 5199(b) of United States Revised Statutes, the declaration of a dividend of \$33,000 by The Citizens' State Bank of Choteau, Montana, Choteau, Montana, at year-end 1966. This letter does not authorize any future declaration of dividends that would require the Board's approval under the foregoing statutes.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

Item No. 2

11/29/66

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD



November 29, 1966

Board of Directors,
Community National Bank and
Trust Company of Richmond,
Staten Island, New York. 10306.

Gentlemen:

With reference to your request submitted through the Federal Reserve Bank of New York, the Board of Governors, acting under the provisions of Section 19 of the Federal Reserve Act, grants permission to the Community National Bank and Trust Company of Richmond to maintain the same reserves against deposits as are required to be maintained by member banks not in reserve cities, effective as of November 17, 1965, the date it opened for business.

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

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

Item No. 3
11/29/66



ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 29, 1966

United States Trust Company
International Corporation,
45 Wall Street,
New York, New York. 10005

Gentlemen:

The Board of Governors has received the certificate of the President, Secretary-Treasurer, and three directors of United States Trust Company International Corporation, certifying the information required by the Board's letter of November 18, 1966, as prerequisite to issuance of a final permit to commence business.

There is enclosed herewith a final permit of the Board of Governors granting to United States Trust Company International Corporation authority to commence business as a corporation organized under the provisions of Section 25(a) of the Federal Reserve Act. Please advise the Board of Governors, through the Federal Reserve Bank of New York, when the Corporation commences business.

The Board also grants consent to United States Trust Company International Corporation to purchase and hold all the stock of United States Trust International Advisory Company, a management advisory company to be organized under the laws of Luxembourg, at a cost of US\$100,000, provided such shares are acquired within one year from the date of this letter.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

Enclosure.

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

November 29, 1966

Permit to Begin Business

WHEREAS, the Board of Governors of the Federal Reserve System on the eighteenth day of November, Nineteen Hundred and Sixty-Six, approved the Articles of Association and Organization Certificate of UNITED STATES TRUST COMPANY INTERNATIONAL CORPORATION, in accordance with the terms of Section 25(a) of the Federal Reserve Act; and

WHEREAS, by satisfactory evidence presented to the Board of Governors of the Federal Reserve System, it appears that UNITED STATES TRUST COMPANY INTERNATIONAL CORPORATION has complied with all of the provisions of the statutes of the United States required to be complied with before a corporation shall be authorized to commence business as a corporation organized under Section 25(a) of the Federal Reserve Act;

NOW, THEREFORE, it is hereby certified that UNITED STATES TRUST COMPANY INTERNATIONAL CORPORATION is authorized to commence business as a corporation organized and operating under the provisions of Section 25(a) of the Federal Reserve Act and the regulations of the Board of Governors of the Federal Reserve System issued in accordance therewith.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the Board of Governors of the Federal Reserve System to be affixed on the day and year first above written.

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

(SEAL)