

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Friday, July 30, 1954.

PRESENT: Mr. Szymczak, Acting Chairman
Mr. Mills

Mr. Carpenter, Secretary
Mr. Sherman, Assistant Secretary

Telegrams to the Federal Reserve Banks of Atlanta, Chicago, St. Louis, and Kansas City stating that the Board approves the establishment without change by the Federal Reserve Bank of St. Louis on July 26, by the Federal Reserve Banks of Atlanta and Chicago on July 29, and by the Federal Reserve Bank of Kansas City on July 30, 1954, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Letter to the Board of Directors, Fidelity Trust Company, Pittsburgh, Pennsylvania, reading as follows:

The Board of Governors of the Federal Reserve System approves the application of Fidelity Trust Company, Pittsburgh, Pennsylvania, for stock in the Federal Reserve Bank of Cleveland, subject to the numbered conditions hereinafter set forth:

1. Such bank at all times shall conduct its business and exercise its powers with due regard to the safety of its depositors, and, except with the permission of the Board of Governors of the Federal Reserve System, such bank shall not cause or permit any change to be made in the general character of its business or in the scope of the corporate powers exercised by it at the time of admission to membership.
2. The net capital and surplus funds of such bank shall be adequate in relation to the character and condition of its assets and to its deposit liabilities and other corporate responsibilities.

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3. Such banks shall, within a period not to exceed three years, dispose of all corporate stocks owned at the time of admission to membership.

In connection with the foregoing conditions of membership, particular attention is called to the provisions of the Board's Regulation H, as amended effective September 1, 1952, regarding membership of State banking institutions in the Federal Reserve System, with especial reference to Section 7 thereof. A copy of the regulation is enclosed.

The Board of Governors also approves the retention and operation of the trust company's present branches located at 531 Smithfield Street, Pittsburgh, Pennsylvania, and 101 North Main Street, Butler, Pennsylvania.

The Board of Governors gives its consent to the merger of the Fidelity Trust Company and The Colonial Trust Company both of Pittsburgh, Pennsylvania, as required by Section 18(c) of the Federal Deposit Insurance Act, provided the transaction is consummated substantially in accordance with the Joint Plan of Merger dated July 13, 1954.

The Board of Governors also approves the operation of branches by the Fidelity Trust Company at the following locations, provided the merger with The Colonial Trust Company is completed:

414 Wood Street, Pittsburgh, Pennsylvania
 4761 Liberty Avenue, Pittsburgh, Pennsylvania
 1815 Brownsville Road, Pittsburgh, Pennsylvania
 333 Fourth Avenue, Pittsburgh, Pennsylvania
 2924 Preble Avenue, Pittsburgh, Pennsylvania
 701 Penn Avenue, Wilkinsburg, Pennsylvania
 4114 William Penn Highway, Monroeville, Pennsylvania
 8005-7 McKnight Road, McCandless Township, Pennsylvania
 Grand and Nebraska Avenues, Neville Township,
 Allegheny County, Pennsylvania, provided this
 branch is established by November 1, 1954.

It appears that the trust company possesses certain powers which are not being exercised and which are not necessarily required in the conduct of a banking and trust business, such as the power to act as surety in certain circumstances. Attention is invited to the fact that if the trust company desires to exercise any powers not actually exercised at the time of admission to membership, it will be necessary under condition of membership numbered 1 to obtain the permission of the Board of Governors before doing so. In this connection, the Board understands that there has been no change in the scope of the

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corporate powers exercised by the trust company since the date of its application for membership.

If at any time a change in or amendment to the bank's charter is made, the bank should advise the Federal Reserve Bank, furnishing copies of any documents involved, in order that it may be determined whether such change affects in any way the bank's status as a member of the Federal Reserve System.

Acceptance of the conditions of membership contained in this letter should be evidenced by a resolution adopted by the Board of Directors and spread upon its minutes, and a certified copy of such resolution should be filed with the Federal Reserve Bank. Arrangements will thereupon be made to accept payment for an appropriate amount of Federal Reserve Bank stock, to accept the deposit of the required reserve balance, and to issue the appropriate amount of Federal Reserve Bank stock to the bank.

The time within which admission to membership in the Federal Reserve System in the manner described may be accomplished is limited to 30 days from the date of this letter, unless the bank applies to the Board and obtains an extension of time. When the Board is advised that all of the requirements have been complied with and that the appropriate amount of Federal Reserve Bank stock has been issued to the bank, the Board will forward to the bank a formal certificate of membership in the Federal Reserve System.

The Board of Governors sincerely hopes that you will find membership in the System beneficial and your relations with the Reserve Bank pleasant. The officers of the Federal Reserve Bank will be glad to assist you in establishing your relationships with the Federal Reserve System and at any time to discuss with representatives of your bank means for making the services of the System most useful to you.

Approved unanimously, for
transmittal through the Federal
Reserve Bank of Cleveland.

Letter to the Board of Directors, The Farmers Savings and Trust
Company, Mansfield, Ohio, reading as follows:

Pursuant to your request submitted through the Federal Reserve Bank of Cleveland, the Board of Governors of the Federal Reserve System approves the establishment of a branch at 406 Marion Avenue, Mansfield, Ohio, by The

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Farmers Savings and Trust Company, Mansfield, Ohio, provided the branch is established within one year of the date of this letter.

Approved unanimously, for
transmittal through the Federal
Reserve Bank of Cleveland.

Letter to The Second National Bank of Nashua, Nashua, New Hampshire, reading as follows:

The Board of Governors of the Federal Reserve System has given consideration to your supplemental application for fiduciary powers and grants you authority to act, when not in contravention of State or local law, as assignee, receiver, or in any other fiduciary capacity in which State banks, trust companies, or other corporations which come into competition with national banks are permitted to act under the laws of the State of New Hampshire. The exercise of these powers, in addition to those heretofore granted to act as trustee, executor, and registrar of stocks and bonds, shall be subject to the provisions of the Federal Reserve Act and the regulations of the Board of Governors of the Federal Reserve System.

A formal certificate indicating the fiduciary powers which The Second National Bank of Nashua is now authorized to exercise will be forwarded to you in due course.

Approved unanimously, for
transmittal through the Federal
Reserve Bank of Boston.

Letter to Mr. Crosse, Assistant Vice President, Federal Reserve Bank of New York, reading as follows:

Reference is made to your letter of July 22, 1954, submitting the request of Huntington Station Bank, Huntington Station, New York, for an extension of time within which it may establish a branch on Walt Whitman Road in an unincorporated area of South Huntington, Town of Huntington, New York.


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It is understood that the bank's plans for the construction of the branch building have been delayed about eight months because of the fact that the Superintendent of Banks of the State of New York withheld issuance of a certificate of authorization for the branch until the bank had completed its sale of new stock.

On the basis of the information submitted and in accordance with your recommendation, the Board of Governors extends to February 17, 1955, the time within which the Huntington Station Bank, Huntington Station, New York, may establish a branch at the location stated above under the approval given by the Board in its letter dated August 17, 1953.

Approved unanimously.



Secretary