

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Tuesday, November 1, 1955. The Board met in the Board Room at 10:00 a.m.

PRESENT: Mr. Martin, Chairman  
 Mr. Balderston, Vice Chairman  
 Mr. Szymczak  
 Mr. Mills  
 Mr. Robertson  
 Mr. Shepardson

Mr. Sherman, Assistant Secretary  
 Mr. Kenyon, Assistant Secretary  
 Mr. Thomas, Economic Adviser to the Board  
 Mr. Leonard, Director, Division of Bank Operations  
 Mr. Young, Director, Division of Research and Statistics  
 Mr. Solomon, Assistant General Counsel  
 Mr. Horbett, Associate Director, Division of Bank Operations

The following matters, which had been circulated to the members of the Board, were presented for consideration and the action taken in each instance was as indicated:

Memoranda from appropriate individuals concerned recommending that the basic annual salaries of the following employees be increased in the amounts indicated, effective November 6, 1955:

<u>Name and title</u>	<u>Division</u>	<u>Basic annual salary</u>	
		<u>From</u>	<u>To</u>
	<u>Research and Statistics</u>		
Lela V. Dieffenbauch, Clerk		\$3,755	\$3,840
Mary Jane Harrington, Economist		5,845	5,980
A. Jane Moore, Economist		5,845	5,980

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Salary increases, effective November 6, 1955 (continued)

<u>Name and title</u>	<u>Division</u>	<u>Basic annual salary</u>	
		<u>From</u>	<u>To</u>
	<u>Examinations</u>		
Frank C. Guth, Jr., Federal Reserve Examiner		\$8,215	\$8,430
M. Patricia McShane, Clerk-Typist		3,840	3,925
	<u>Administrative Services</u>		
Lydia M. Adwell, Salad Maker, Cafeteria		3,050	3,170
Albert C. Bain, Telegraph Operator		3,670	3,805
Peter Black, Laborer		2,830	2,915
Saul Clanton, Gardener		3,125	3,210
William Cobey, Cafeteria Laborer		3,170	3,255
Arthur S. Myers, Electrician-Operating Engineer		4,695	4,830
Florence Norman, Assistant Baker, Cafeteria		2,825	2,915
Arad B. Shipp, General Mechanic, Operating Engineer		4,245	4,355

Approved unanimously.

Memorandum dated October 24, 1955, from Mr. Thomas, Economic Adviser to the Board, submitting a paper analyzing the economic and financial situation in Iceland, copies of which he proposed to transmit informally to the State and Treasury Departments with a letter over his own signature.

Following a statement by Mr. Thomas during which he said that no distribution of the paper to the Federal Reserve Banks or outside the System was contemplated until the views of the Department of State had been obtained, the procedure proposed in his memorandum was approved unanimously.

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Letter to Mr. Latham, Vice President, Federal Reserve Bank of Boston, reading as follows:

In accordance with the request contained in your letter of October 20, 1955, the Board approves the appointment of Robert V. Clapp as an Assistant Examiner for the Federal Reserve Bank of Boston. Please advise as to the date upon which the appointment is made effective.

Approved unanimously.

Letter to Mr. Meyer, Vice President, Federal Reserve Bank of Chicago, reading as follows:

In reference to your letters of October 13 and October 19, 1955, the Board of Governors approves the payment of salaries to the within-named building maintenance positions at the following rates effective October 3, 1955:

<u>Title</u>	<u>Annual Salary</u>
Starter	\$4,633.20
Assistant Starter	4,362.80
Split-Shift Operator	4,430.40
Operator	4,160.00
Head Carpenter	6,614.40
Carpenter	6,068.40

This approval is granted in accordance with the Board's letters of February 18 and June 2, 1954, which stated that after Board review of new contracts between the Building Managers' Association and certain specified unions, approval would be given your Bank to pay salaries up to those rates without further reference to the Board.

Approved unanimously.

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

Reference is made to your letter of October 13, 1955, transmitting the request of the Liberty Bank of

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Buffalo, Buffalo, New York, under the requirements of Section 24A of the Federal Reserve Act, for approval of an increase in its investment in bank premises. The bank's investment in such premises now exceeds capital stock.

After consideration of the information submitted, the Board of Governors approves an additional investment by the Liberty Bank of Buffalo of not exceeding \$97,220 for the purpose of general improvements, expansion and modernization of its banking premises, which includes \$42,390.86 already expended for this purpose.

Approved unanimously.

Letter to Mr. Stetzelberger, Vice President, Federal Reserve Bank of Cleveland, reading as follows:

This refers to your letter of October 3, 1955, enclosing an application for membership by The Union Bank of Commerce Company, Cleveland, Ohio, retroactive to the opening of business September 19, 1955.

The present bank was formed by the consolidation, under section 1103.37 of the Ohio Revised Code, of a member bank, The Union Bank of Commerce Company, with a nonmember insured bank, The Commercial & Savings Bank of Berea, Ohio. It is stated in section 1103.39 of the Code that the consolidated corporation "shall be deemed a continuation of the entity and identity of each of the constituent" banks. The Agreement of Consolidation provided for the "consolidation as and into a single banking corporation \* \* \* under the Articles of Incorporation of the Union Bank," and other provisions of the Agreement also indicate that the "Continuing Bank" is the Union Bank.

Accordingly, it appears that this transaction was similar to a merger under the charter of the member bank, so that membership in the Federal Reserve System continued after the consolidation. Therefore, no new application for membership is necessary, and the application forms enclosed with your letter will be filed without action by the Board.

Approved unanimously.

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Letter to Mr. Armistead, Vice President, Federal Reserve Bank of Richmond, reading as follows:

In view of the information submitted in your letter of October 21, 1955, and the Reserve Bank's favorable recommendation, the Board of Governors further extends until February 1, 1956, the time within which Randallstown Bank, Randallstown, Maryland, may establish a branch in a shopping center at Woodmoor on the south side of Liberty Road in Baltimore County, Maryland, under the authorizations contained in its letters of April 19 and July 19, 1954.

Approved unanimously.

Letter to the Board of Directors, First National Bank of Dunedin, Dunedin, Florida, reading as follows:

The Board of Governors of the Federal Reserve System has given consideration to your application for fiduciary powers and grants you authority to act, when not in contravention of State or local law, as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics, 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 Florida, the exercise of all such rights to 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 First National Bank of Dunedin is now authorized to exercise will be forwarded to you in due course.

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

Letter to Mr. Diercks, Vice President, Federal Reserve Bank of Chicago, reading as follows:

The Board of Governors of the Federal Reserve System has considered the recommendation of the Board of Directors

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of your Bank, contained in your letter of October 21, 1955, and, pursuant to the provisions of Section 19 of the Federal Reserve Act, grants permission to "Consumers National Bank of Chicago," Chicago, Illinois, to maintain the same reserves against deposits as are required to be maintained by banks located in reserve cities, effective as of the date of commencement of business by the subject bank.

Please advise the bank of the Board's action in this matter, calling attention to the fact that such permission is subject to revocation by the Board of Governors of the Federal Reserve System.

Approved unanimously.

Letter to the Board of Directors, The Cheboygan State Savings Bank, Cheboygan, Michigan, approving, subject to conditions of membership numbered 1 and 2 contained in the Board's Regulation H, the bank's application for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of Chicago. The letter also contained the following paragraph:

The Board of Governors also approves the retention and operation of the present branch of The Cheboygan State Savings Bank located at Mackinaw City, Michigan.

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

Letter to the Board of Directors, Security State Bank, Sheldon, Iowa, reading as follows:

This refers to your request for permission, under applicable provisions of your condition of membership numbered 1, to exercise statutory fiduciary powers.

Following consideration of the information submitted, the Board of Governors of the Federal Reserve System grants permission to the Security State Bank to exercise the fiduciary powers now or hereafter authorized under the terms of its charter and the laws of the State of Iowa.

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

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Letter to Mr. Peterson, Vice President, Federal Reserve Bank of St. Louis, reading as follows:

Reference is made to your letter of October 18, 1955, submitting with a favorable recommendation the request of the Gravois Bank, Affton, Missouri, for permission under section 24A of the Federal Reserve Act to invest an estimated \$240,000 for the purpose of erecting additions at the side and rear of its present banking premises, excluding the cost of land which is already owned and certain new equipment, furniture and fixtures.

The Board has given consideration to the asset condition, management, earnings, capital structure, and physical needs of the Gravois Bank and approves the additional investment of not to exceed \$240,000 in bank premises. Please advise the bank accordingly.

It is understood the directors have agreed to take necessary steps to maintain a satisfactory liquid position and strengthen the management of the bank and that consideration also will be given to replacing outstanding locally owned capital notes at their maturity with a like amount of new common stock.

Approved unanimously.

Letter to Mr. Millard, Vice President, Federal Reserve Bank of San Francisco, reading as follows:

Reference is made to your letter of October 21, 1955, and its enclosures concerning a proposal of American Trust Company, San Francisco, California, to move its Walnut Creek Branch a distance of about one and one-half blocks to the southwest corner of Main and Bonanza Streets in Walnut Creek.

From the information submitted, it appears the proposal would constitute a mere relocation of an existing branch in the immediate neighborhood without affecting the nature of its business or customers served. Accordingly, the Board of Governors concurs in your opinion that its approval is not necessary.

Approved unanimously.

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Letter to the Board of Directors, Rogue Valley State Bank, Medford, Oregon, approving, subject to conditions of membership numbered 1 and 2 contained in the Board's Regulation H, the bank's application for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of San Francisco.

Approved unanimously, for transmittal through the Federal Reserve Bank of San Francisco, with a letter to the Reserve Bank containing the following paragraph:

It is noted that the bank's bylaws provide for five directors, whereas the report of examination indicates that seven directors are now serving on the board. In the event remedial action has not been taken, it is suggested that this matter be called to the bank's attention in order that appropriate steps may be taken to effect correction of this condition.

Letter to Mr. W. O. Leonhardt, Assistant Vice President, The Lee County Bank, Fort Myers, Florida, reading as follows:

This will acknowledge receipt of your letter of September 27, 1955, to Chairman Martin in respect to the leasing of bank real estate. Your letter enclosed a form letter and questionnaire which you have mailed to a number of large insurance companies for the purpose of obtaining information about long-term leasing arrangements made by them, and especially whether any have made such leases with banks, and on what terms. You have requested the Board to express views in reference to banks leasing bank buildings for long terms.

Although most banks own the buildings they occupy, the use of leased property by banking institutions is not uncommon. In recent years long-term leases of bank property have come into greater use. Such leases serve to lessen substantially the investment of a bank's capital in real estate, and furnish other advantages including reported tax savings. Leasing transactions of this kind in member State banks are reviewed by examiners for the Federal Reserve Banks at regular examinations. The amount and effect of possible contingent liabilities, whether the lease was prudent, and the relation of rental payments to estimated future income would have the consideration of the examiner.



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Any decision on leasing arrangements required to be made in the exercise of the general supervisory responsibilities of the Federal Reserve System would be predicated on the conditions implicit in a particular case. Under such circumstances all matters of significant interest would be reviewed in connection with a proposed lease, including the financial condition of the bank, the adequacy of its capital structure in relation to contemplated commitments, its future earnings potential, and prospects for stable economic conditions in the banking community.

Of vital importance in the consideration of long-term leasing transactions would be the purpose of the bank in making a long-term lease. Obviously, the purpose and effect of such a transaction might be beneficial in special situations when, for example, the leasing of real estate on a proper basis obviated the employment of capital funds in a fixed investment. Conversely, the sale and lease-back of a bank building for the purpose of recapturing a capital gain to be distributed as a dividend could be disadvantageous. Likewise, a long-term lease which had the effect virtually of being a long-term purchase agreement where the bank obligated itself to buy a building of a value which might exceed its total capital structure, could possibly represent a commitment of an imprudent nature.

The considerations applicable in some leasing transactions, moreover, might vary materially from others, depending on the terms of the leases. The use of the phrase "long-term lease" in your letter is not conjoined with a definition of that term, hence it is not clear what length of lease you refer to. Different considerations would apply, of course, depending on whether the lease might be a five or ten-year lease or for substantially longer terms. Accordingly, as was mentioned previously in this letter, the facts in a particular situation would govern decisions to be made and it would be difficult to state in general terms all of the considerations which might apply.

The nature of your thesis provides an opportunity to make an addition to banking literature of general interest. When completed it would be appreciated if you would send a copy to the Board of Governors.

Approved unanimously.

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In connection with the foregoing letter authorizing the Consumers National Bank of Chicago to carry reduced reserves, there was a discussion of the procedure followed in granting such permission to "outlying" banks in New York and Chicago and also with respect to the status of those cities as central reserve cities.

Governor Robertson then turned to a somewhat related matter and raised for consideration the desirability of submitting at the next session of Congress a legislative proposal which would permit member banks to count vault cash as part of their required reserves. It was Governor Robertson's thought that legislation of this kind should not be in a form which would automatically give member banks the right to count vault cash as part of reserves but rather that it should empower the Board to act to the extent deemed appropriate. He pointed out that, aside from other considerations, such a proposal might be justified on the grounds that it would help to decentralize currency supplies against the possibility of a national emergency. He suggested that it might be well for the staff to be working on the matter so that the Board would be in a position to submit a legislative proposal if and when it so desired.

Following a discussion of the matter, there was unanimous agreement that the staff should prepare a draft of a possible legislative proposal for the Board's consideration.

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The following draft of letter to the Presidents of all Federal Reserve Banks, which had been circulated to the members of the Board along with drafts of the forms mentioned in the letter, was presented for consideration:

The Board is considering the desirability of replacing the present Schedules of Bills Discounted (Form BD-4) submitted by Federal Reserve Banks and Branches with weekly reports of borrowings of individual member banks in central reserve and reserve cities, semi-monthly reports of borrowings by individual country member banks, and summary reports covering each class of member bank. In addition, it would be desirable that the Board have, for convenient reference and analytical purposes, back figures of each member bank's borrowings for a period of six months beginning July 1, 1955. Attached hereto are drafts of the proposed forms of reports. No change is contemplated in the monthly report on form F. R. 38, which gives a summary classification of Federal Reserve Bank loans, discounts, and advances.

Schedules BD-4 have been submitted in various forms since establishment of the Federal Reserve System. In general, they now list each bill discounted by the Federal Reserve Bank or Branch, name of the borrowing member bank, amount borrowed, maturity of the paper, type of collateral, and discount rate. These schedules have proved to be of little use in analyses of member bank borrowings, principally because some banks borrow for only a day or two at a time, others borrow for longer periods, prepayments are not reported, and no information is given which would provide a basis for measuring the relative amounts of the borrowing, e.g., borrowings as a percentage of required reserves or reserve balances.

It would be much more useful to have reports which would show the indebtedness of individual member banks by reserve computation periods in relation to either reserve balances or required reserves; the former is available much earlier than required reserves and is an entirely satisfactory base under existing conditions. Experience with the special reports on member bank borrowings obtained by the Board during 1953 and 1954 demonstrated that this type of information is much more significant than any compilations on individual bank borrowings

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that can be prepared from Schedules BD-4. Such reports lend themselves more readily to direct analysis and presentation and avoid delay from having to process data extensively.

The Board will appreciate your comments and suggestions on the proposed new reports and the proposed discontinuance of Schedules BD-4. In your considerations, comments, and suggestions, please keep in mind that, while the Board would like to have prompt reports on member bank borrowings in a form best suited for its purposes, it would like to utilize, so far as practicable, data already available at the Federal Reserve Banks or which might be helpful to them in the administration of the discount function. The Board, or course, already receives daily summaries of member bank borrowings by class of bank. Experience has shown, however, that in its considerations of credit policy and its impact upon member banks, it is useful to the Board from time to time to review the borrowings record of individual banks.

Please state how soon after the end of each reserve computation period the weekly reports and the semi-monthly reports, separately, might reasonably be expected to reach the Board. Semi-annual recapitulations of each member bank's borrowings, in the form indicated, may not be needed except for the six months beginning July 1, 1955. If, however, experience indicates the desirability of having such a convenient record at the Board's offices, regular semi-annual reports may be requested; accordingly, your comments on such reports will also be appreciated.

In a discussion of the matter, Governor Mills commented that the Reserve Banks might interpret the proposal as a step on the part of the Board toward offering critical advice on the extent to which individual member banks should resort to the discount facilities. While he did not object to the proposal, Governor Mills felt that the Board should be prepared to receive comments from the Reserve Banks reflecting questions of the kind which he mentioned.

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The other members of the Board concurred in the view that it was proper for the Board to obtain the information contemplated by the proposal. They recognized that there might be reactions of the kind referred to by Governor Mills and agreed with him that any such comments would have to be dealt with in appropriate manner.

At the conclusion of the discussion, unanimous approval was given to the letter in the form set forth above.

Mr. Horbett then withdrew from the meeting and Mr. Williams, Assistant Director, Division of Research and Statistics, entered the room.

There had been sent to the members of the Board copies of a memorandum from Mr. Young dated October 26, 1955, concerning a request from Mr. Joseph S. Davis, a member of the Council of Economic Advisers, for the assistance of the Board's staff in research designed to clarify the country's current agricultural problem. In a memorandum dated October 10, 1955, which he submitted following a visit to the Board's offices, Mr. Davis suggested study of (1) the base period (1947-49) used for presentation of many statistical series, (2) the agricultural situation in the 1920s, with a view to reappraising similarities and differences between that period and the present, and (3) the historical record of the relationships between national and agricultural prosperity and nonprosperity. In commenting on the request, Mr. Young said that it had the endorsement of all of the members of the Council of Economic Advisers. He also said that in the

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past the Council had taken the view that a request of this kind from the Council should be considered as important as a Congressional request in terms of the obligation to comply with it. In this connection, he brought out that the law creating the Council of Economic Advisers contained provisions to the effect that the Council would be expected to have the assistance of agencies of the Government in accumulating information pertinent to its work.

After commenting that some of the material in question was desired by the Council of Economic Advisers in time for work on the forthcoming Economic Report of the President, Mr. Young discussed possible methods of complying with the request. Regarding the first item, he said that it would be possible to prepare a memorandum on the considerations underlying the selection of a particular period as a base for statistical series. This would be independent of whether the series pertained to agriculture and would bring out that the 1947-49 period is now used generally as a base period within the Government as a matter of convenience and in order to make various series comparable. Regarding the second topic, Mr. Young said that this was a much more complicated subject, one which could not be handled readily and in short order. It would require, in addition to accumulation of data, the exercise of a considerable degree of mature analytical judgment. He said that in conversation with Mr. Davis it was pointed out that the Board had limited staff facilities in

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the field of agriculture and was not adequately staffed to engage in a study of that kind. He went on to say that the conversation then turned to the possibility that there was someone outside the System who could be engaged to make such a study and that the name of a person connected with the Food Research Institute of Stanford University was mentioned. With reference to the third item, Mr. Young felt that the request could be complied with in a way which would not involve the Board in any pronouncements about the position of agriculture relative to other segments of the economy over a period of time. He suggested that it would be possible to accommodate the request simply by putting together available factual information in a statistical pattern and submitting the assembled data so that the Council might form conclusions. He said that this would be within the capabilities of the Board's staff and could be accomplished within the time schedule that the Council would like to have met.

Governor Shepardson, who had participated in the discussion with Mr. Davis when the latter visited the Board's offices, then made a statement in which he expressed the opinion that the procedure suggested by Mr. Young with regard to the first and third of the studies would be appropriate. He felt that the response in connection with the second of the three proposed studies would have to be in terms that it was not immediately apparent how the information could be developed and that the study would take a rather long period of time to complete. He felt that the study would be an interesting one, that it might produce information

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helpful to the Board, and that the possibility of retaining some competent person on a temporary basis to undertake the work deserved exploration. He also stressed the importance of keeping the study on an objective basis.

In the course of an ensuing discussion during which Chairman Martin and Mr. Thomas withdrew from the meeting, agreement was expressed with the procedure suggested by Mr. Young with respect to the first and third of the studies requested by the Council of Economic Advisers, subject to the understanding that the response to the first question would be checked with the Division of Statistical Standards in the Bureau of the Budget. It was also considered desirable that the memoranda regarding the topics be submitted to the Board for review before being transmitted.

With regard to the second study, it was felt that a response should be made to Mr. Davis to the effect that the Board's available personnel facilities could not accommodate such a study but that thought would be given to other means of conducting it. In this connection, it was suggested that inquiry be made of Mr. Davis as to whether consideration had been given by the Council to arranging for an independent research organization to perform the task. It was also suggested that the request from Mr. Davis be transmitted to President Bryan, Chairman of the Presidents' Conference Committee on Research and Statistics, with a request that the Committee consider how such a study might be carried out and advise the Board of its views. Another suggestion was that an outside expert might be hired by the Board on a temporary basis for the purpose of



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assuming responsibility for making the study, perhaps with the advice and guidance of a small committee of qualified individuals. It was the view of the Board that the nature of this project would not permit its completion within the time schedule mentioned by the Council of Economic Advisers and that this point should be made clear to Mr. Davis.

At the conclusion of the discussion, it was agreed unanimously that Mr. Young should advise Mr. Davis of the Board's views, as stated in the preceding paragraphs, and that an appropriate letter should be sent to the Chairman of the Presidents' Conference, with a copy to President Bryan, transmitting the memorandum from Mr. Davis.

The Bureau of the Budget had advised informally that at a recent meeting of the Cabinet a request was made for reports from all Government agencies on any possible steps that might need to be taken under the Reorganization Act. It was understood that the Bureau intended to consolidate all of the reports and submit them to the President's Advisory Committee on Government Organization. Following consideration of the request by the Board's staff, the following draft of letter for the signature of Chairman Martin to the Honorable Rowland R. Hughes, Director, Bureau of the Budget, was prepared and circulated to the members of the Board:

Recently Mr. Reeve of your office inquired by telephone whether the Board had any suggestions to make as to possible steps that might need to be taken under the authority of the Reorganization Act. This letter is to inform you that the Board has no such suggestions to make at this time.

Approved unanimously.

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Governor Robertson stated that word had been received that the Office of Defense Mobilization was prepared to issue a defense mobilization order delegating to the Board of Governors the responsibility for preparing and taking the leadership in measures with respect to finance and the banking system. It was also reported that the order had been cleared with the Treasury Department. Governor Robertson said that the suggestion was made to an official of the Office of Defense Mobilization that language be inserted in the order to the effect that in carrying out its responsibilities the Board would feel free to work through the Federal Reserve Banks. He said that his report today was of an informational nature since a draft of the order would be submitted shortly and the Board would have an opportunity to request changes in the language.

In response to a question as to whether it was not implied that the Board would work through the Federal Reserve Banks, Governor Robertson said that he felt it would be desirable to have specific language included in the order so that there would be no misunderstanding.

Mr. Leonard then withdrew from the meeting.

At the request of Governor Robertson, there had been sent to the other members of the Board copies of a letter which he received under date of October 26, 1955, from Mr. Harold Stonier, Dean of the Graduate School of Banking of the American Bankers Association, requesting that he deliver a lecture on the attitudes of regulatory authorities to the trust majors attending the 1956 resident session of the school, to be held at Rutgers University in New Brunswick, New Jersey, from June 11 to 23, 1955.

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Governor Robertson said that he would not wish to accept the invitation unless it was felt that it would be desirable from a System standpoint for him to undertake the assignment. He also said that if he accepted, he would of course refuse Mr. Stonier's offer of compensation.

The other members of the Board expressed the view that although the final decision in the matter should be left to Governor Robertson, it would seem worth while for him to deliver the lecture as a means of bringing Federal Reserve policies and practices before the student body of the school.

Governor Robertson then referred to the Board's letter of April 11, 1955, in which Marine Midland Corporation of Jersey City, New Jersey, was advised that on the basis of informal advice which had been received, the Board would have no objection to its acquiring the controlling stock of the Auburn Trust Company, Auburn, New York. Subsequently, control of the bank was acquired and a request was submitted for the Board's consent to merge that institution into the Marine Midland Trust Company of Central New York, Syracuse, New York, a bank already owned by Marine Midland Corporation, and to establish branches at the locations of the head office and branch of the Auburn institution. He reported that the request had been held in abeyance because the Superintendent of Bank for the State of New York submitted the matter for comment to the Department of Justice and to the Attorney General for the State of New York, that the requested views apparently had not yet been received, but that the situation had now been

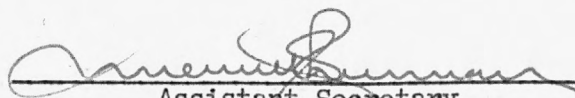
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resolved through withdrawal of the request by Marine Midland Corporation.

Minutes of actions taken by the Board of Governors of the Federal Reserve System on October 27, 1955, were approved unanimously.

The meeting then adjourned.

  
Assistant Secretary