Minutes for July 23, 1957

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, if you were present at the meeting, please initial in column A below to indicate that you approve the minutes. If you were not present, please initial in column B below to indicate that you have seen the minutes.

	A B
Chm. Martin	x 200
Gov. Szymczak	× /W/V
Gov. Vardaman	× U
Gov. Mills	
Gov. Robertson	X A
Gov. Balderston	× cc13
Gov. Shepardson	Lour

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Tuesday, July 23, 1957. The Board met in the Board Room at 10:00 a.m.

PRESENT: Mr. Balderston, Vice Chairman

Mr. Szymczak Mr. Vardaman Mr. Mills Mr. Shepardson

Mr. Carpenter, Secretary

Mr. Kenyon, Assistant Secretary
Mr. Masters, Director, Division of
Examinations

Mr. Solomon, Assistant General Counsel Mr. Brill, Chief, Business Finance and Capital Markets Section, Division of

Research and Statistics

Items circulated to the Board. The following items, which had been circulated to the members of the Board and copies of which are attached to these minutes under the respective item numbers indicated, were approved unanimously:

Item No.
1
2
3

	Item No.
Letter to Bucks County Bank and Trust Company, Perkasie, Pennsylvania, approving the establishment of a branch in the Borough of Quakertown, Pennsyl- vania. (For transmittal through the Federal Re- serve Bank of Philadelphia)	14
Letter to the Federal Reserve Bank of Cleveland extending the time within which The Union Savings & Trust Company, Warren, Ohio, may establish two branches in Warren.	5
Telegrams to the Federal Reserve Agent at Atlanta authorizing the granting of limited voting permits to The Citizens and Southern National Bank and Citizens and Southern Holding Company, both of Savannah, Georgia, covering their stock in Augusta National Bank, Augusta, Georgia.	6, 7
Letter to First Union Bank and Trust Company, Winamac, Indiana, approving the establishment of a branch in Medaryville, Indiana, incident to a proposed merger With The Medaryville State Bank. (For transmittal through the Federal Reserve Bank of Chicago)	8
Letter to the Presidents of all Federal Reserve Banks concerning reports on Form F. R. 240, Confidential Report of Member Firm of a National Securities Exchange.	9

Testimony before the Senate Finance Committee. There had been distributed to the members of the Board copies of a revised draft of statement which might be given by Chairman Martin when called to testify before the Senate Finance Committee in connection with the Committee's current hearings on Governmental financial and monetary Policies. In a brief reference to the revised draft, Governor Vardaman repeated reasons why he questioned whether any prepared statement should be made on behalf of the Board at the hearings. Governor Mills

7/23/57

-3-

expressed certain reservations concerning the content of the draft of statement, indicating that he would like to have full discussion with as many members of the Board present as possible.

During the discussion Mr. Thurston, Assistant to the Board,
was called into the meeting and responded to questions by Governor
Vardaman concerning the authors of the draft testimony. Governor
Vardaman then expressed the view that draft material coming before the
Board for consideration should clearly indicate the names of staff
members who had participated in the preparation of the material.

The meeting then adjourned.

Secretary's Note: On July 22, 1957, Governor Shepardson approved on behalf of the Board a letter to the Federal Reserve Bank of Boston approving the appointment of Thomas Phillips Hall and Roger C. Muse as assistant examiners and the designation of Robert Franz Schorr as special assistant examiner. A copy of the letter is attached hereto as Item No. 10.

Secretary



OF THE

FEDERAL RESERVE SYSTEM

Item No. 1 7/23/57

WASHINGTON 25, D. C.

ADDRESS OFFICIAL CORRESPONDENCE
TO THE SDARD

July 23, 1957

CONFIDENTIAL (FR)

Mr. John E. Bierwirth, Chairman, Federal Reserve Bank of New York, New York 45, New York.

Dear Mr. Bierwirth:

The Board of Governors approves the payment of salaries to the following officers of the Federal Reserve Bank of New York for the period August 1, 1957 through December 31, 1957, at the rates indicated, which are the rates fixed by the Board of Directors as reported in Mr. Waage's letter of July 5, 1957:

Name	Title	Annual Salary
Walter H. Rozell, Jr. Everett B. Post	Vice President Manager, Personnel Department	\$20,500 12,000

Bilby to Loans and Credits, and Government Bond and Safekeeping of Securities.

Very truly yours,

(Signed) Merritt Sherman



FEDERAL RESERVE SYSTEM

WASHINGTON 25, D. C.

Item No. 2 7/23/57

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 23, 1957

Board of Directors, The County Trust Company, White Plains, New York.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of New York, the Board of Governors of the Federal Reserve System approves the establishment of a branch by The County Trust Company, White Plains, New York, in the vicinity of the intersection of Kimball and Midland Avenues, Yonkers, New York, to replace the branch presently operated at 355 South Broadway, Yonkers, New York, provided the branch is established in the new location within one year from the date of this letter and the approval of the State authorities is effective as of the date the branch is established.

Very truly yours,

(Signed) Merritt Sherman



OF THE

FEDERAL RESERVE SYSTEM

Item No. 3 7/23/57

WASHINGTON 25, D. C.

ADDRESS OFFICIAL CORRESPONDENCE

July 23, 1957

Board of Directors, Bank of Smithtown, Smithtown, New York.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of New York, the Board of Governors of the Federal Reserve System approves the establishment of a branch of Bank of Smithtown, Smithtown, New York, in the Commack Shopping Center in Commack, an unincorporated area of the Town of Smithtown, Suffolk County, New York, provided the branch is established within one year from the date of this letter. It is understood the capital structure of the Bank of Smithtown is to be increased not less than \$200,000 in connection with the establishment of this branch.

Very truly yours,

(Signed) Merritt Sherman



FEDERAL RESERVE SYSTEM

Item No. 4 7/23/57

WASHINGTON 25, D. C.

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 23, 1957

Board of Directors, Bucks County Bank and Trust Company, Perkasie, Pennsylvania.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of Philadelphia, the Board of Governors of the Federal Reserve System approves the establishment of a branch in a shopping center to be constructed at the intersection of West Broad Street and West End Boulevard (U. S. Route 309), in the Borough of Quakertown, Pennsylvania, by Bucks County Bank and Trust Company, Perkasie, Pennsylvania, provided the branch is established within one year from the is in effect as of the date of its establishment.

Very truly yours,

(Signed) Merritt Sherman



OF THE

FEDERAL RESERVE SYSTEM

Item No. 5 7/23/57

WASHINGTON 25, D. C.

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 23, 1957

Mr. Paul C. Stetzelberger, Vice President, Federal Reserve Bank of Cleveland, Cleveland 1, Ohio.

Dear Mr. Stetzelberger:

In view of the circumstances outlined in your letter of July 10, 1957, the Board of Governors extends until October 1, 1957, the time within which The Union Savings & Trust Company, Warren, Ohio, may establish two branches, one to be located at 1160 West Market Street and the other at 2911 Youngstown Road, Warren, Ohio, under the authorization contained in its letter of July 20, 1956.

Very truly yours,

(Signed) Merritt Sherman

TELEGRAM

Item No. 6 7/23/57

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM WASHINGTON

July 23, 1957

MITCHELL - ATLANTA

KECEA

- A. The Citizens and Southern National Bank, Savannah, Georgia.
- B. Augusta National Bank, Augusta, Georgia.
- C. None.
- D. At any time prior to October 1, 1957, to act upon a proposal to amend the articles of association of such bank to change its name, provided that the action is satisfactory to the Comptroller of the Currency.

(Signed) Merritt Sherman

SHERMAN

MECEA - The Board authorizes the issuance of a limited voting permit, under the provisions of section 5144 of the Revised Statutes of the United States, to the holding company affiliate named below after the letter "A", entitling such organization to Vote the stock which it owns or controls of the bank(s) named below after the letter "B", subject to the condition(s) stated below after the letter "C". The permit authorized hereunder is limited to the period of time and the purposes stated after the letter "D". Please proceed in accordance with the instructions contained in the Board's letter of March 10, 1947, (S-964).

TELEGRAM

Item No. 7 7/23/57

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM WASHINGTON

July 23, 1957

MITCHELL - ATLANTA

KECEA

- A. Citizens and Southern Holding Company, Savannah, Georgia.
- B. Augusta National Bank, Augusta, Georgia.
- C. None.
- D. At any time prior to October 1, 1957, to act upon a proposal to amend the articles of association of such bank to change its name, provided that the action is satisfactory to the Comptroller of the Currency.

(Signed) Merritt Sherman

SHERMAN

The Board authorizes the issuance of a limited voting permit, under the provisions of section 5144 of the Revised Statutes of the United States, to the holding company affiliate named below after the letter "A", entitling such organization to vote the stock which it owns or controls of the bank(s) named below after the letter "B", subject to the condition(s) stated below after the letter "C". The permit authorized hereunder is limited to the period of time and the purposes stated after the letter "D". Please proceed in accordance with the instructions contained in the Board's letter of March 10, 1947, (S-964).



OF THE

FEDERAL RESERVE SYSTEM

Item No. 8 7/23/57

WASHINGTON 25, D. C.

ADDRESS OFFICIAL CORRESPONDENCE

July 23, 1957

Board of Directors, First Union Bank and Trust Company, Winamac, Indiana.

Gentlemen:

Pursuant to your request, submitted through the Federal Reserve Bank of Chicago, the Board of Governors approves the establishment of a branch in Medaryville, Indiana, by the First Union Bank and Trust Company, provided (a) the proposed merger of The Medaryville State Bank, Medaryville, Indiana, with and into the First Union Bank and Trust Company is effected substantially in accordance with the terms as outlined in the letter dated June 27, 1957, addressed to the Board of Governors by the President of the First Union Bank and Trust Company, (b) the branch is established within six months from the date of this letter, (c) formal approval of the appropriate State authorities is obtained and is in effect at the time the branch is established.

Very truly yours,

(Signed) Merritt Sherman



OF THE

FEDERAL RESERVE SYSTEM

Item No. 9 7/23/57

WASHINGTON 25, D. C.

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 23, 1957

TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS

Dear Sir:

You were advised by letter dated December 19, 1956, that reports on Form 240 (Confidential Report of Member Firm of a National Securities Exchange), which are currently obtained only from member firms of the New York Stock Exchange, need no longer be submitted on a semi-annual basis but should be completed as of the last business day of December of each year.

In addition, the letter enclosed a revised list of the out the form. The letter also stated that the Bureau of the Budget had cleared the revised form with the understanding that it was in this form or in the accompanying instructions, and the Board's letter of December 19, 1956, is currently applicable.

Stock Exchange from which reports should be obtained will be sent from time to time in the future, as such names are received to Exchange.

1943, and December 29, 1945 (S-696 and S-886; F.R.L.S. #7801) on subject.

Very truly yours,

(Signed) Merritt Sherman



OF THE

FEDERAL RESERVE SYSTEM

Item No. 10 7/23/57

WASHINGTON 25, D. C.

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 22, 1957

Mr. Benjamin F. Groot, Vice President, Federal Reserve Bank of Boston, Boston 6, Massachusetts.

Dear Mr. Groot:

In accordance with the request contained in your letter Phillips 16, 1957, the Board approves the appointment of Thomas Federal Reserve Bank of Boston. Please advise as to the dates upon which the appointments are made effective.

The Board also approves the designation of Robert Franz Schorr as a special assistant examiner for the Federal Reserve Bank of Boston for the purpose of participating in examinations of State member banks only.

Very truly yours,

(Signed) Merritt Sherman