

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Monday, October 21, 1957. The Board met in the Board Room at 10:00 a.m.

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

Mr. Carpenter, Secretary
Mr. Sherman, Assistant Secretary
Mr. Kenyon, Assistant Secretary
Mr. Thomas, Economic Adviser to the Board
Mr. Solomon, Assistant General Counsel

Messrs. Hersey, Bangs, Furth, Reynolds,
Sammons, and Wood of the Division of
International Finance

Review of international financial developments. The representatives of the Division of International Finance summarized the current status of United States foreign trade and, in reviewing developments in selected foreign areas, drew attention particularly to factors which might be expected to affect this country's export-import relationships with various parts of the world.

Following the review and a discussion of questions raised in connection therewith, the representatives of the Division of International Finance withdrew from the meeting, as did Mr. Sherman, and Messrs. Hostrup, Nelson, and Benner, Assistant Directors of the Division of Examinations, entered the room.

Application of Marine Midland Trust Company of Central New York for establishment of branch (Item No. 1). There had been circulated to

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the members of the Board a file on the application of Marine Midland Trust Company of Central New York, Syracuse, New York, to establish a branch at 125 West Broadway, Fulton, New York.

Pursuant to the favorable recommendation of the Division of Examinations, a letter to the applicant bank authorizing the establishment of the branch was approved unanimously, for transmittal through the Federal Reserve Bank of New York. A copy of the letter is attached to these minutes as Item No. 1.

Extension of gold loan arrangement for the Bank for International Settlements (Item No. 2). In a telegram dated October 17, 1957, Vice President Exter of the Federal Reserve Bank of New York referred to the Board's approval on October 26, 1955, of a standby credit arrangement under which the Bank for International Settlements is entitled to borrow against gold up to \$25 million in the aggregate at any one time outstanding, provided each borrowing matures in not more than seven days and total borrowings during any calendar month do not exceed the equivalent of \$25 million for a total of seven days. This arrangement, extended for one year in 1956, was now due to expire October 31, 1957, and in a letter dated October 8, 1957, the Bank for International Settlements had requested renewal of the facility for another period of one year. Mr. Exter's telegram advised that the Reserve Bank's Board of Directors had authorized extension of the arrangement through October 31, 1958, subject to the approval of the Board of Governors.

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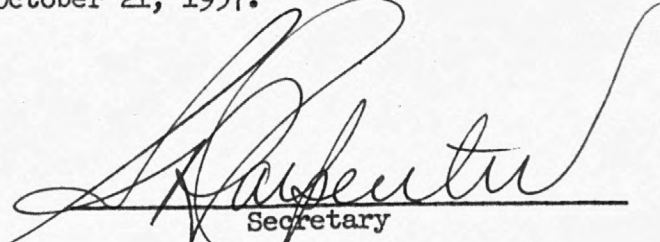
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In a memorandum dated October 18, 1957, which had been distributed to the members of the Board, Mr. Marget, Director of the Division of International Finance, stated that the requested extension appeared to raise no special questions of policy and would be entirely consistent with the principles covering loans on gold. Submitted with the memorandum was a draft of telegram to the Federal Reserve Bank of New York which would approve extension of the existing arrangement through October 31, 1958.

Following a brief discussion of the matter, the telegram to the New York Reserve Bank was approved unanimously. A copy is attached hereto as Item No. 2.

The meeting then adjourned.

Secretary's Note: Pursuant to the recommendation contained in a memorandum dated October 21, 1957, from Mr. Johnson, Controller, Governor Shepardson today approved on behalf of the Board acceptance of the resignation of Ronald S. Goldberg, Accounting Clerk in the Office of the Controller, effective October 21, 1957.



Secretary



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON 25, D. C.

2944

Item No. 1
10/21/57

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

October 21, 1957

Board of Directors,
Marine Midland Trust Company
of Central New York,
Syracuse 1, 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 Marine Midland Trust Company of Central New York, Syracuse, New York, at 125 West Broadway, Fulton, New York, provided the branch is established within six months from the date of this letter and approval of the State authorities is in effect as of the date the branch is established.

Very truly yours,

(Signed) S. R. Carpenter

S. R. Carpenter,
Secretary.

TELEGRAM
BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
LEASED WIRE SERVICE
WASHINGTON

Item No. 2
 10/21/57

October 21, 1957

EXTER - NEW YORK

YOUR WIRE OCTOBER 17. BOARD APPROVES EXTENSION OF THE ARRANGEMENT TO MAKE LOAN OR LOANS BY YOUR BANK TO THE BANK FOR INTERNATIONAL SETTLEMENTS DURING A PERIOD OF ONE YEAR, FROM NOVEMBER 1, 1957 THROUGH OCTOBER 31, 1958, UP TO A TOTAL AMOUNT OUTSTANDING AT ANY ONE TIME OF TWENTY-FIVE MILLION DOLLARS, EACH BORROWING TO MATURE IN NOT MORE THAN SEVEN DAYS AND TOTAL BORROWINGS DURING ANY CALENDAR MONTH NOT TO EXCEED THE EQUIVALENT OF TWENTY-FIVE MILLION DOLLARS FOR THE TOTAL OF SEVEN DAYS.

FOR THIS FACILITY, IT IS UNDERSTOOD THAT YOU WILL MAKE A COMMITMENT CHARGE AT THE RATE OF ONE-FOURTH OF ONE PER CENT PER ANNUM ON THAT PART OF THE MAXIMUM LOAN FACILITY NOT USED IN ANY CALENDAR MONTH. THE LOAN ARRANGEMENT WOULD CONFORM TO YOUR USUAL TERMS AND CONDITIONS:

(A) EACH SUCH LOAN OR LOANS TO BE MADE UP TO NINETY-EIGHT PER CENT OF THE VALUE OF GOLD BARS TO BE SET ASIDE AT THE TIME OF EACH DRAWING UNDER PLEDGE TO YOU; AND

(B) EACH SUCH LOAN TO BEAR INTEREST FROM THE DATE IT IS MADE UNTIL PAID AT THE DISCOUNT RATE OF YOUR BANK IN EFFECT UPON THE DATE SUCH LOAN IS MADE.

IT IS UNDERSTOOD THAT THE USUAL PARTICIPATION WILL BE OFFERED TO THE OTHER FEDERAL RESERVE BANKS.

(Signed) S. R. Carpenter
 CARPENTER