

Minutes for July 31, 1958

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 <u>mw</u>
Gov. Szymczak	_____	x <u>[Signature]</u>
Gov. Vardaman	x <u>(O)</u>	_____
Gov. Mills	x <u>[Signature]</u>	_____
Gov. Robertson	x <u>[Signature]</u>	_____
Gov. Balderston	x <u>CCB</u>	_____
Gov. Shepardson	<u>[Signature]</u>	x <u>[Signature]</u>

Minutes of the Board of Governors of the Federal Reserve System
on Thursday, July 31, 1958. The Board met in the Board Room at 10:30 a.m.

PRESENT: Mr. Balderston, Vice Chairman
Mr. Vardaman
Mr. Mills
Mr. Robertson

Mr. Kenyon, Assistant Secretary
Mr. Fauver, Assistant Secretary
Mr. Thurston, Assistant to the Board
Mr. Riefler, Assistant to the Chairman
Mr. Thomas, Economic Adviser to the Board
Mr. Johnson, Director, Division of Personnel
Administration
Mr. Masters, Director, Division of Examinations
Mr. Molony, Special Assistant to the Board
Mr. Shay, Legislative Counsel
Mr. Conkling, Assistant Director, Division of
Bank Operations
Mr. Solomon, Assistant General Counsel
Mr. Hooff, Assistant Counsel

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:

	<u>Item No.</u>
Letter to the Federal Reserve Bank of Boston authorizing that Bank to waive assessment of a penalty incurred by the Merchants-Warren National Bank, Salem, Massachusetts, because of a deficiency in its required reserves.	1
Letter to The Provident Savings Bank and Trust Company, Cincinnati, Ohio, extending the time within which it may establish a branch in Delhi Township. (For transmittal through the Federal Reserve Bank of Cleveland)	2

7/31/58

-2-

Item No.

- Letter to National Savings and Trust Company,
Washington, D. C., approving an investment in
bank premises. (For transmittal through the
Federal Reserve Bank of Richmond) 3
- Letter to the South Des Moines National Bank,
Des Moines, Iowa, approving its application for
fiduciary powers. (For transmittal through the
Federal Reserve Bank of Chicago) 4
- Letter to Bank of Encino, Encino, California,
denying an extension of time within which to
establish a branch in Thousand Oaks. (For
transmittal through the Federal Reserve Bank
of San Francisco) 5
- Letter to the Seattle Trust and Savings Bank,
Seattle, Washington, approving the establishment
of a branch in an unincorporated area near Renton,
Washington. 6 1/
- Letter to the Federal Reserve Bank of San Francisco
concerning the application of Seattle Trust and
Savings Bank. 7
- Letter to the Federal Reserve Bank of Richmond
concurring in the view that Washington, D. C., and
Bethesda, Maryland, are "adjacent" within the
meaning of section 8 of the Clayton Act and the
Board's Regulation L. 8

1/ It was noted that the Comptroller of the Currency had denied an application from the Peoples National Bank of Washington for a branch in the same location. The application of Seattle Trust and Savings Bank therefore was approved by the Board subject to the Division of Examinations ascertaining that the Comptroller had denied the competing application on the ground that the State member bank's application had priority, rather than on the ground that a branch was not needed at the location in question. Subsequently, Mr. Masters ascertained that the Comptroller's adverse action was based on the priority of the State member bank's application.

7/31/58

-3-

Item No.

9

Letter to the Federal Reserve Bank of Chicago regarding the applicability of section 24A of the Federal Reserve Act to a mutual savings bank that is a member of the Federal Reserve System. (With copies to the Presidents of all Federal Reserve Banks)

Mr. Hooff then withdrew from the meeting and Mr. Young, Director, Division of Research and Statistics, entered the room.

Reply to letter from Congressman Patman (Item No. 10). Under date of July 21, 1958, Congressman Patman wrote to Chairman Martin regarding borrowings from the Federal Reserve Bank of Boston by the Pilgrim Trust Company of Boston, Massachusetts, as noted in the 1956 and 1957 reports of examination of the Boston Reserve Bank, and called attention to the fact that recent hearings before the House Subcommittee on Legislative Oversight had disclosed that some \$776,000 in treasurer's and cashier's checks drawn on the Pilgrim Trust Company by Mr. Bernard Goldfine or his companies had remained uncashed for long periods. Mr. Patman raised several questions regarding the effect on a State member bank of long outstanding checks of this kind and asked whether this illustrated a way in which the banking limitations might be evaded, especially those relating to the amount of indebtedness which a State member bank may incur. A draft of reply had been prepared and distributed to the members of the Board along with copies of the incoming letter.

Following discussion of the questions raised by Mr. Patman and the reply proposed to be made, certain changes in the draft were suggested

7/31/58

-4-

for the purpose of clarification. Unanimous approval then was given to a letter to Congressman Patman in the form attached under Item No. 10.

Reply to letter from Congressman Multer (Item No. 11). There had been distributed to the members of the Board copies of a proposed reply to a letter from Congressman Multer dated July 21, 1958, requesting information about member banks that are currently permitted to carry reduced reserves and the basis and procedures for granting permission to member banks to maintain reduced reserves.

Following a brief discussion of the proposed reply which, it was noted, consisted entirely of material of a factual nature, unanimous approval was given to the letter to Congressman Multer of which a copy is attached as Item No. 11.

Additional items circulated to the Board. The following additional 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.

- | | |
|---|----|
| Letter to the Federal Reserve Bank of Kansas City approving the payment of salary to Homer Krebs, as Assistant Cashier at the Denver Branch, at the rate fixed by the Board of Directors. | 12 |
| Letter to the Tappan Zee National Bank of Nyack, Nyack, New York, approving its application for limited fiduciary powers. (For transmittal through the Federal Reserve Bank of New York) | 13 |

7/31/58

-5-

Item No.

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| Letter to The Cheboygan State Savings Bank, Cheboygan, Michigan, extending the period each year within which it may operate a seasonal banking office in Indian River, Michigan. (For transmittal through the Federal Reserve Bank of Chicago) | 14 |
| Letter to the Comptroller of the Currency recommending unfavorably with regard to an application to organize a national bank at Tampa, Florida. (With a copy to the Federal Reserve Bank of Atlanta) | 15 |
| Letter to the Presidents of all Federal Reserve Banks transmitting forms for use of State member banks and their affiliates in submitting reports as of the next call date. (With the understanding that the letter would be sent when the forms were printed) | 16 |

The meeting then adjourned.

Kenneth A. Forney

Assistant Secretary

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

Item No. 1
7/31/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 31, 1958

Mr. F. C. Gilbody, Assistant Vice President,
Federal Reserve Bank of Boston,
Boston 6, Massachusetts.

Dear Mr. Gilbody:

This refers to your letter of July 10, regarding the penalty of \$385.85 incurred by the Merchants-Warren National Bank, Salem, Massachusetts, on a deficiency in its required reserves for the semi-monthly period ended June 30, 1958.

It is noted that the deficiency resulted from an unusual operating situation at a time when the member bank was consolidating the bookkeeping of its Peabody office and Salem office in Salem and the transit departments of both offices in Peabody; this caused a delay in transmitting cash letters to the Reserve Bank and, because of a delay in general ledger postings, the bank was not aware that its reserve account was not being credited in the normal manner until too late to correct the deficiency; the bank's operations are now running more nearly normal; and the bank has had an excellent record over the years in maintaining its legal reserves.

In the circumstances, the Board authorizes your Bank to waive the assessment of this penalty.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,
Assistant Secretary.



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

Item No. 2
7/31/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 31, 1958

Board of Directors,
The Provident Savings Bank and Trust Company,
Cincinnati, Ohio.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of Cleveland, the Board of Governors extends to December 13, 1958, the time within which The Provident Savings Bank and Trust Company may establish a branch at the southeast corner of Delhi Pike and Anderson Ferry Road, Delhi Township, Hamilton County, Ohio.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,
Assistant Secretary.

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

Item No. 3
7/31/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 31, 1958

Board of Directors,
National Savings and Trust Company,
Washington 5, D. C.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of Richmond, the Board of Governors of the Federal Reserve System approves, under the provisions of Section 24A of the Federal Reserve Act, an additional investment in bank premises by National Savings and Trust Company, Washington, D. C., of not to exceed \$15,000 for the purpose of preparing temporary quarters for operation as a branch at 3715 Newark Street, N. W., Washington, D. C.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,
Assistant Secretary.



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

Item No. 4
7/31/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 31, 1958

Board of Directors,
South Des Moines National Bank,
Des Moines, Iowa.

Gentlemen:

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 Iowa, the exercise of all such rights to be subject to the provisions of section 11(k) of the Federal Reserve Act and Regulation F of the Board of Governors of the Federal Reserve System.

A formal certificate indicating the fiduciary powers which South Des Moines National Bank is now authorized to exercise will be forwarded to you in due course.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,
Assistant Secretary.



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

Item No. 5
7/31/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 31, 1958



Board of Directors,
Bank of Encino,
17031 Ventura Boulevard,
Encino, California.

Gentlemen:

Reference is made to the request contained in a letter dated June 10, 1958, to the Federal Reserve Bank of San Francisco, for an extension of time in which Bank of Encino may establish a branch in Thousand Oaks, Ventura County, California.

Establishment of this branch was originally approved by the Board of Governors on January 14, 1958, provided the branch was established within six months. The Board understood that prior to establishment of the branch, capital funds would be increased by not less than \$750,000 and that approval of State authorities would be obtained if fixed assets exceeded 50 per cent of capital and surplus.

It does not appear that definite arrangements for establishing the branch have progressed sufficiently that it is yet possible to estimate with some accuracy when the branch can be opened for business, and neither has the capital situation been resolved. In view of this lack of progress in establishing the branch and in formulating a definite plan for augmenting capital, the Board of Governors does not feel justified in extending the time within which this branch may be established. However, when these matters have been resolved satisfactorily, the Board would be willing to consider an application for the branch in the light of conditions existing at that time.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,
Assistant Secretary.

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

Item No. 6
7/31/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 31, 1958

Board of Directors,
Seattle Trust and Savings Bank,
Seattle 4, Washington.

Gentlemen:

Pursuant to your request submitted through the Federal Reserve Bank of San Francisco, the Board of Governors of the Federal Reserve System approves the establishment of a branch in an unincorporated area in the vicinity of Rainier Avenue and Sunset Boulevard, near Renton, King County, Washington, by the Seattle Trust and Savings Bank, 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 of the establishment of the branch.

It is understood that on or before January 1, 1959, capital structure of the bank will be increased not less than \$125,000 by the sale of additional shares of stock for cash.

With respect to the request for approval, under the provisions of Section 24A of the Federal Reserve Act, of an investment in bank premises in excess of capital stock, it appears that the transaction did not involve any additional investment by the bank and, therefore, approval of the Board is not required.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,
Assistant Secretary.

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

Item No. 7
7/31/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 31, 1958

Mr. E. R. Millard, Vice President,
Federal Reserve Bank of San Francisco,
San Francisco 20, California.

Dear Mr. Millard:

Reference is made to your letter of June 26, 1958, with regard to the request of the Seattle Trust and Savings Bank, Seattle, Washington, to establish a branch near Renton, King County, Washington. The bank also requested approval, under the provisions of Section 24A of the Federal Reserve Act, of an investment in bank premises in excess of the capital stock of the bank.

After consideration of the information submitted, the Board of Governors concurs in your recommendation and approves the establishment of the branch as shown in the enclosed letter to be forwarded to the board of directors of the bank. Two copies are enclosed for your use.

It is understood that Counsel for the Reserve Bank will review and satisfy himself as to the legality of all steps taken to establish the branch.

From the information available, it appears that the transaction involving the transfer of certain banking premises to an affiliate and the mortgaging of certain of these premises to increase the bank's surplus, has the same effect as a write-up in banking premises in excess of the depreciated value for Federal income tax purposes, which, as you know, is contrary to the Board's policy. Since the transaction did not involve any actual additional investment by the bank in banking premises, approval under the provisions of Section 24A of the Federal Reserve Act is not required. However, as a result of the transaction, the bank's investment in banking premises together with the mortgage indebtedness thereon exceeds the bank's capital and any subsequent investments in banking premises would require approval of the Board.

Very truly yours,

Kenneth A. Kenyon

Kenneth A. Kenyon,
Assistant Secretary.

Enclosures 3

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

Item No. 8
7/31/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 31, 1958

Mr. Aubrey N. Heflin,
Vice President and General Counsel,
Federal Reserve Bank of Richmond,
Richmond 13, Virginia.

Dear Mr. Heflin:

Reference is made to your letter of July 2, 1958, relating to the question whether Mr. J. B. Morrison may legally continue to serve at the same time as a director of the Riggs National Bank and the Bank of Bethesda, in view of the provisions of section 8 of the Clayton Act.

You state that, on the basis of investigation made by your Bank, your Bank is of the view that Washington and Bethesda are "adjacent" within the meaning of the statute and the Board's Regulation L. The Board is of the same opinion.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,
Assistant Secretary.

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

Item No. 9
7/31/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 31, 1958

Mr. W. R. Diercks, Vice President,
Federal Reserve Bank of Chicago,
230 South LaSalle Street,
Chicago 90, Illinois.

Dear Mr. Diercks:

This refers to your letter of July 11, 1958, requesting an opinion as to the applicability of section 24A of the Federal Reserve Act to a mutual savings bank that is a member of the Federal Reserve System.

Section 9 of the Federal Reserve Act provides that a mutual savings bank may be admitted to membership in the System if it has surplus and undivided profits not less than the amount of capital required for the organization of a national bank in the same place. Section 24A provides that a State member bank must obtain the Board's approval for investments in bank premises which will exceed the capital stock of the bank. As the surplus and undivided profits of a mutual savings bank are capital in connection with admission to membership in the System, the Board is of the opinion that these funds should be regarded as the capital stock of the bank in determining whether the Board's approval is necessary under section 24A.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,
Assistant Secretary.

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

Item No. 10
7/31/58

OFFICE OF THE VICE CHAIRMAN

July 31, 1958

The Honorable Wright Patman,
House of Representatives,
Washington 25, D. C.

Dear Mr. Patman:

This will acknowledge your letter of July 21, 1958, concerning Pilgrim Trust Company, Boston, Massachusetts.

Your letter comments first on the borrowings of Pilgrim Trust Company from the Federal Reserve Bank of Boston. The records of the Reserve Bank indicate repeated discussions with officers and directors of this former member State bank with respect to its borrowings. Following a final meeting at which this subject was discussed with representatives of Pilgrim Trust Company, the indebtedness of the member bank to the Reserve Bank ceased in August 1957, and no further borrowings were made.

As of the close of business April 18, 1958, Pilgrim Trust Company was converted into a national bank. On May 9, 1958, the major portion of its assets was acquired and its deposit liabilities were assumed by the Merchants National Bank of Boston. The Pilgrim National Bank is now in process of liquidation.

You have also requested answers to four questions in your letter, and these are answered in the same numerical order used by you, as follows:

1. Outstanding and uncashed certified and officers' checks are reported in item 18 ("Other deposits") on the face of the report of condition, and on the reverse side in item 6 ("Schedule E - Demand Deposits"). Such checks are included among gross demand deposits as defined by Federal Reserve Regulation D ("Reserves of Member Banks") for purposes of computation of required reserves. A copy of the form of report of condition is enclosed for your convenience.

The Honorable Wright Patman

- 2 -

2. We have no knowledge of any circumstances under which outstanding uncashed officers' checks of Pilgrim Trust Company would have had the effect of a loan to the bank rather than a deposit. It is not impossible, but most unlikely in our opinion, that such transactions would be used as a means of member bank borrowings.

3. There are no Massachusetts statutes or regulations prescribing limitations upon the indebtedness of a State-chartered bank, except certain limitations on the aggregate liabilities of a trust company in connection with the acceptance of drafts drawn upon it. Section 5202 of the Revised Statutes (12 U.S.C. 82) imposes limitations on the total indebtedness of national banks, but the Federal Reserve Act does not impose on member State banks similar or other limitations respecting indebtedness.

4. From the point of view of bank supervision, we are not aware of abuses or improprieties in connection with the use of officers' checks that call for legislative correction.

If there is additional information needed by you in this regard, please let me know.

Sincerely yours,

(Signed) C. Canby Balderston

C. Canby Balderston.

Enclosure

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

Item No. 11
7/31/58

OFFICE OF THE VICE CHAIRMAN

July 31, 1958

The Honorable Abraham J. Multer,
House of Representatives,
Washington 25, D. C.

Dear Mr. Multer:

Pursuant to the request contained in your letter of July 21, we are enclosing the following items regarding member banks located in central reserve and reserve cities granted permission to maintain reduced reserves, numbered as shown in your letter:

1. Table I, names and addresses of all member banks in central reserve cities granted permission to maintain lower reserves than normally required of central reserve city banks, as of June 30, 1958.
2. Table II, names and addresses of all member banks in reserve cities granted permission to maintain the same reserves as banks located outside central reserve and reserve cities, as of June 30, 1958.
3. A copy of a memorandum furnished the House Committee on Banking and Currency on August 28, 1957, describing the basis and procedure under which actions are taken by the Board in granting permission to member banks in central reserve and reserve cities to maintain reduced reserves, and a copy of the Board's Regulation D.

I trust that this will supply the information you desire.

Sincerely yours,

(Signed) C. Canby Balderston

C. Canby Balderston.

Enclosures.

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

Item No. 12
7/31/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 31, 1958

CONFIDENTIAL (FR)

Mr. H. G. Leedy, President,
Federal Reserve Bank of Kansas City,
Kansas City 6, Missouri.

Dear Mr. Leedy:

The Board of Governors approves the payment of salary to the following newly appointed officer of the Federal Reserve Bank of Kansas City, Denver Branch, for the period July 11 through December 31, 1958, at the rate indicated, which is the rate fixed by your Board of Directors, as reported in your letter of July 18, 1958:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
Homer Krebs	Assistant Cashier	\$8,000

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,
Assistant Secretary.

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

Item No. 13
7/31/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 31, 1958

Board of Directors,
Tappan Zee National Bank of Nyack,
Nyack, New York.

Gentlemen:

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 executor, administrator, and trustee or agent for any municipality, body politic, or corporation, to the extent that 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 York. The exercise of all such powers shall be subject to the provisions of section 11(k) of the Federal Reserve Act and Regulation F of the Board of Governors of the Federal Reserve System.

A certificate covering such authorization is enclosed.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,
Assistant Secretary.

Enclosure

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

Item No. 14
7/31/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 31, 1958

Board of Directors,
The Cheboygan State Savings Bank,
Cheboygan, Michigan.

Gentlemen:

Reference is made to the Board's letter of December 16, 1957, approving the establishment by The Cheboygan State Savings Bank of a seasonal banking office in Indian River, Michigan, from June 1 to September 15, inclusive, each year, and a subsequent letter dated June 23, 1958, approving the operation of the office from June 1 to October 1, each year.

We have been advised by the Federal Reserve Bank of Chicago that you desire to extend the period of operation of this office from October 1 to November 30, each year.

The Board of Governors approves the operation of the seasonal agency in Indian River, Michigan, from June 1 to November 30, inclusive, each year.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,
Assistant Secretary.

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

Item No. 15
7/31/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 31, 1958



Comptroller of the Currency,
Treasury Department,
Washington 25, D. C.

Attention Mr. W. M. Taylor,
Deputy Comptroller of the Currency.

Dear Mr. Comptroller:

Reference is made to a letter from your office dated February 13, 1958, enclosing copies of an application to organize a national bank at Tampa, Florida, and requesting a recommendation as to whether or not the application should be approved.

A report of investigation of the application made by an examiner for the Federal Reserve Bank of Atlanta indicates that the proposed capital structure of the bank would be adequate. However, it is reported that the prospects for profitable operations are unsatisfactory and that the general character of the management is not very favorable in view of the lack in banking experience of proposed directors and the advanced age of the principal operating officer. There does not appear to be a sufficient need for the bank in the area at this time, and the recent approval of the organization of a State bank about 1-3/4 miles to the northeast of the site selected by the proponents would adversely affect the prospects of the proposed bank. In view of the unfavorable factors in this situation, the Board of Governors does not feel justified in recommending approval of the application.

The Board's Division of Examinations will be glad to discuss any aspects of this case with representatives of your office if you so desire.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,
Assistant Secretary.

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON 25, D. C.

Z- (On office
copies only)

Item No. 16
7/31/58

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD



Dear Sir:

The indicated number of copies of the following forms are being forwarded to your Bank under separate cover for use of State member banks and their affiliates in submitting reports as of the next call date. A copy of each form is attached.

Number of
copies

Form F.R. 105 (Call No. 149), Report of condition of State member banks.

Form F.R. 105e (Revised November 1955), Publisher's copy of report of condition of State member banks.

Form F.R. 105e-1 (Revised November 1955), Publisher's copy of report of condition of State member banks.

Form F.R. 105e-2 (Revised November 1955), Publisher's copy supplement.

Form F.R. 220 (Revised March 1952), Report of affiliate or holding company affiliate.

Form F.R. 220a (Revised March 1952), Publisher's copy of report of affiliate or holding company affiliate.

All of the forms are the same as those used on June 23, 1958.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,
Assistant Secretary.

Enclosures

TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS