

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 7488]
October 28, 1974

BANK HOLDING COMPANIES
Hearing on Operation of a Travel Agency

To All Bank Holding Companies, and Others Concerned,
in the Second Federal Reserve District:

Following is the text of a statement issued October 24 by the Board of Governors of the Federal Reserve System:

The Board of Governors of the Federal Reserve System today scheduled an informal hearing to be held at the Board on January 14, 1975, on the question whether the operation of a travel agency should be included among activities permissible to bank holding companies.

The Board's order followed receipt of comments on its announcement of September 13, 1974, in which the Board ordered an oral presentation for November 7, 1974, on an application by First Bancorp, Inc., Corsicana, Texas, to retain assets of First Travel Agency, and on the general question whether bank holding companies may operate a travel agency.

Requests were received for a hearing separately on the general question and for a delay in the proceeding. The January hearing replaces the previously scheduled November proceeding.

Those wishing to participate in the informal hearing should file a written request with the Secretary of the Board, to be received by November 18, 1974, stating their interest and summarizing evidence to be presented. Those who have already filed such information with the Secretary of the Board need not do so again.

Printed below is the text of the Board's Order in this matter. As indicated in that Order, written comments thereon may be submitted by February 18, 1975; such written comments may be sent to our Domestic Banking Applications Department.

ALFRED HAYES,
President.

BANK HOLDING COMPANIES

Revised Notice of Hearing Regarding Operation of a Travel Agency

The Board of Governors published in the *Federal Register* on September 19, 1974 (39 F.R. 33741), notice of an oral presentation to be held on November 7, 1974, on the application of First Bancorp, Inc., Corsicana, Texas, to retain First Travel Agency, Corsicana, Texas, and on the issue whether or not to add the proposed activity to the list of activities the Board has previously determined to be closely related to banking.

In connection with this notice, a significant number of the members of the travel agency industry have petitioned that the Board delay the hearing and that the Board order a formal hearing on this matter.

The Board has reconsidered the matter and has decided to reschedule the proceeding for January 14, 1975, in order that participants be assured adequate time within which to prepare their presentations and secure the participation of expert witnesses. The Board has determined, however, that a formal hearing is not necessary for the parties to adequately present their case but rather has adopted a procedure whereby par-

ticipants in the proceeding will have opportunity for rebuttal. The proceeding will be limited to the issue whether the operation of a travel agency is so closely related to banking or managing or controlling banks as to be a proper incident thereto.

The Board has adopted the following procedures:

(1) Any person interested in participating as a party in the hearing must file with the Secretary, Board of Governors of the Federal Reserve System, Washington, D. C. 20551, to be received by November 18, 1974, a written request containing a statement of the nature of the petitioner's interest in the proceeding, the extent of participation desired, a summary of the matters concerning which the petitioner wishes to give testimony or submit evidence, and the names and identity of witnesses who propose to appear. Individuals who have already filed this information with the Secretary, pursuant to the prior notice, need not file again.

(2) All such parties (a) will be notified by the Secretary of the identity of the other parties and of

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all issues raised by them and (b) will be invited to submit written material to be received by December 16, 1974. Material so submitted must be forwarded to all other parties.

(3) Any party may submit written comments on material submitted by other parties, to be received by January 6, 1975, and must send copies thereof to all other parties.

(4) Each party will be given a specified time, normally not to exceed 30 minutes, to present his views orally at the hearing to be held before available members of the Board on January 14, 1975, at 10:00 a.m.,

in the Board Room of its building on 20th and Constitution Avenue, N.W., Washington, D. C.

(5) All parties will be given until February 18, 1975, to submit such additional material related to issues raised at the proceeding as they desire.

Interested persons need not participate in the oral presentation to have their views considered but may submit their views in writing to be received by the Secretary no later than February 18, 1975. Written comments, as they are received, will be made available for inspection and copying in Room 1118 of the Board's building.