

**FEDERAL RESERVE SYSTEM****Formations of, Acquisitions by, and Mergers of Bank Holding Companies**

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR Part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The applications listed below, as well as other related filings required by the Board, are available for immediate inspection at the Federal Reserve Bank indicated. Once the application has been accepted for processing, it will also be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the standards in section 4 of the BHC Act, including whether the acquisition of the nonbanking company can "reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices" (12 U.S.C. 1843). Any request for a hearing must be accompanied by a statement of the reasons a written presentation would not suffice in lieu of a hearing, identifying specifically any questions of fact that are in dispute, summarizing the evidence that would be presented at a hearing, and indicating how the party commenting would be aggrieved by approval of the proposal. Unless otherwise noted, nonbanking activities will be conducted throughout the United States.

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than August 8, 1996.

A. Federal Reserve Bank of Richmond (Lloyd W. Bostian, Jr., Senior Vice President) 701 East Byrd Street, Richmond, Virginia 23261:

1. *Centura Banks, Inc.*, Rocky Mount, North Carolina; to acquire 100 percent

of the voting shares of FirstSouth Bank, Burlington, North Carolina.

2. *FNB Bancshares, Inc.*, Gaffney, South Carolina; to become a bank holding company by acquiring 100 percent of the voting shares of First National Bank of the Carolina, Gaffney, South Carolina.

3. *Key Capital Corporation, Inc.*, Owings Mills, Maryland; to become a bank holding company by acquiring 100 percent of the voting shares of Key Bank and Trust, Randallstown, Maryland, successor to Key Federal Savings Bank.

In connection with this application Key Capital Corporation, Inc., also has applied to engage in making, acquiring, or service loans or other extensions of credit, including issuing letters of credit and accepting drafts, for Key Capital Corporation, Inc., or for the account of others, such as would be made by consumer finance, credit card, mortgage, and commercial finance companies, pursuant to §§ 225.25(b)(1)(i), (ii), (iii), and (iv) of the Board's Regulation Y.

B. Federal Reserve Bank of Atlanta (Zane R. Kelley, Vice President) 104 Marietta Street, N.W., Atlanta, Georgia 30303:

1. *The Maddox Corporation*, Blakely, Georgia; to become a bank holding company by acquiring 25 percent of the voting shares of First State Bancshares of Blakely, Inc., Blakely, Georgia, and thereby indirectly acquire First State Bank of Blakely, Blakely, Georgia.

C. Federal Reserve Bank of Chicago (James A. Bluemle, Vice President) 230 South LaSalle Street, Chicago, Illinois 60690:

1. *Country Bank Shares Corporation*, Mt. Horeb, Wisconsin; to merge with Belleville Bancshares Corporation, Belleville, Wisconsin, and thereby indirectly acquire Belleville State Bank, Belleville, Wisconsin.

D. Federal Reserve Bank of St. Louis (Randall C. Sumner, Vice President) 411 Locust Street, St. Louis, Missouri 63166:

1. *The Belknap Partnership, L.P.*, Poplar Bluff, Missouri; to become a bank holding company by acquiring 32.15 percent of the voting shares of Boothell Bancorp, Inc., Poplar Bluff, Missouri, and thereby indirectly acquire First Community Bank, Poplar Bluff, Missouri.

Board of Governors of the Federal Reserve System, July 9, 1996.

Jennifer J. Johnson,

*Deputy Secretary of the Board.*

[FR Doc. 96-17898 Filed 7-12-96; 8:45 am]

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**Notice of Proposals to Engage in Permissible Nonbanking Activities or to Acquire Companies that are Engaged in Permissible Nonbanking Activities**

The company listed in this notice has given notice under section 4 of the Bank Holding Company Act (12 U.S.C. 1843) (BHC Act) and Regulation Y, (12 CFR Part 225) to engage *de novo*, or to acquire or control voting securities or assets of a company that engages either directly or through a subsidiary or other company, in a nonbanking activity that is listed in § 225.25 of Regulation Y (12 CFR 225.25) or that the Board has determined by Order to be closely related to banking and permissible for bank holding companies. Unless otherwise noted, these activities will be conducted throughout the United States.

The notice is available for inspection at the Federal Reserve Bank indicated. Once the notice has been accepted for processing, it will also be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the question whether the proposal complies with the standards of section 4 of the BHC Act, including whether consummation of the proposal can "reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices" (12 U.S.C. 1843). Any request for a hearing on this question must be accompanied by a statement of the reasons a written presentation would not suffice in lieu of a hearing, identifying specifically any questions of fact that are in dispute, summarizing the evidence that would be presented at a hearing, and indicating how the party commenting would be aggrieved by approval of the proposal.

Unless otherwise noted, comments regarding the application must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than July 29, 1996.

A. Federal Reserve Bank of Atlanta (Zane R. Kelley, Vice President) 104 Marietta Street, N.W., Atlanta, Georgia 30303:

1. *SouthTrust Corporation*, Birmingham, Alabama; to engage *de novo* through its subsidiary, SouthTrust Securities, Inc., Birmingham, Alabama, in underwriting and dealing, to a limited extent, certain private ownership industrial development revenue bonds issued for the traditional

governmental services and certain unrated municipal revenue bonds (including unrated public ownership and private ownership industrial development bonds). These activities have been previously approved by the Board by order to be so closely related to banking as to be proper incident thereto within the meaning of section 4(c)(8) of the BHC Act. See *Bank South Corporation*, 81 Fed. Res. Bull. 1,116 (1995) (private ownership industrial development bonds); *Letter Interpreting Section 20 Orders*, 81 Fed. Res. Bull. 198 (1995) (unrelated municipal revenue bonds). Applicant previously received the Board's approval to engage through SouthTrust Securities in, among other things, underwriting and dealing in municipal revenue bonds, including public ownership industrial development bonds. See *SouthTrust Corporation*, 75 Fed. Res. Bull. 647 (1989).

Board of Governors of the Federal Reserve System, July 9, 1996.

Jennifer J. Johnson,

*Deputy Secretary of the Board.*

[FR Doc. 96-17899 Filed 7-12-96; 8:45 am]

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### **Federal Open Market Committee; Domestic Policy Directive of May 21, 1996**

In accordance with § 271.5 of its rules regarding availability of information (12 CFR part 271), there is set forth below the domestic policy directive issued by the Federal Open Market Committee at its meeting held on May 21, 1996.<sup>1</sup> The directive was issued to the Federal Reserve Bank of New York as follows:

The information reviewed at this meeting suggests that, on balance, economic activity has grown moderately in recent months. Nonfarm payroll employment changed little in April after rising substantially in the first quarter; the civilian unemployment rate fell to 5.4 percent. Industrial production increased sharply in April, largely reflecting a rebound in motor vehicle assemblies after a strike in March. Retail sales declined somewhat in April after posting a strong gain in the first quarter. Single-family housing starts rose considerably in April. Orders and contracts point to some deceleration in spending on business equipment and

nonresidential structures after a very rapid expansion in the first quarter. The nominal deficit on U.S. trade in goods and services widened significantly in the first quarter from its rate in the fourth quarter of last year. Upward pressures on food and energy prices have led to somewhat larger increases in the consumer price index over recent months.

Short-term market interest rates have changed little while long-term rates have risen somewhat further since the Committee meeting on March 26. In foreign exchange markets, the trade-weighted value of the dollar in terms of the other G-10 currencies has appreciated considerably over the intermeeting period.

Growth of M2 and M3 slowed substantially in April after recording sizable increases earlier in the year. For the year through April, both aggregates grew at rates somewhat above the upper bounds of their respective ranges for the year. Expansion in total domestic nonfinancial debt remained moderate on balance over recent months.

The Federal Open Market Committee seeks monetary and financial conditions that will foster price stability and promote sustainable growth in output. In furtherance of these objectives, the Committee at its meeting in January established ranges for growth of M2 and M3 of 1 to 5 percent and 2 to 6 percent respectively, measured from the fourth quarter of 1995 to the fourth quarter of 1996. The monitoring range for growth of total domestic nonfinancial debt was set at 3 to 7 percent for the year. The behavior of the monetary aggregates will continue to be evaluated in the light of progress toward price level stability, movements in their velocities, and developments in the economy and financial markets.

In the implementation of policy for the immediate future, the Committee seeks to maintain the existing degree of pressure on reserve positions. In the context of the Committee's long-run objectives for price stability and sustainable economic growth, and giving careful consideration to economic, financial, and monetary developments, slightly greater reserve restraint or slightly lesser reserve restraint would be acceptable in the intermeeting period. The contemplated reserve conditions are expected to be consistent with moderate growth in M2 and M3 over coming months.

By order of the Federal Open Market Committee, July 8, 1996.

Donald L. Kohn,

*Secretary, Federal Open Market Committee.*

[FR Doc. 96-17835 Filed 7-12-96; 8:45 am]

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## **DEPARTMENT OF HEALTH AND HUMAN SERVICES**

### **Agency for Health Care Policy and Research**

#### **Contract Review Meeting**

In accordance with section 10(a) of the Federal Advisory Committee Act (5 U.S.C. appendix 2), announcement is made of the following advisory subcommittee scheduled to meet during the month of July 1996:

*Name:* Subcommittee on Request for Proposal No. AHCPR-96-0004, Planning, Evaluation and Analyses.

*Date and Time:* July 18-19, 1996, 8:30 a.m.-5:00 p.m.

*Place:* Agency for Health Care Policy and Research, Executive Office Center, 6th Floor Conference Room, 2101 East Jefferson Street, Rockville, Maryland 20852.

This meeting will be closed to the public.

*Purpose:* The Subcommittee's charge is to provide, on behalf of the Health Care Policy and Research Contracts Review Committee, advice and recommendations to the Secretary and to the Administrator, Agency for Health Care Policy and Research (AHCPR), regarding the scientific and technical merit of contract proposals submitted in response to a specific Request for Proposals. The purpose of this task order contract is to provide focused, high-priority planning, evaluation, and other types of analytical products to various AHCPR components on a short turnaround basis as the need arises. Multiple awards are anticipated with individual tasks orders to be competed among awardees. Task orders are anticipated to last no longer than 18 months at an estimated cost of \$10,000-\$250,000 each.

*Agenda:* The session of the Subcommittee will be devoted entirely to the technical review and evaluation of contract proposals submitted in response to a specific Request for Proposals. The Administrator, AHCPR, has made a formal determination that this meeting will not be open to the public. This is necessary to protect the free exchange of views and avoid undue interference with Committee and Department operations, and safeguard confidential proprietary information and personal information concerning individuals associated with the proposals that may be revealed during the sessions. This is in accordance with section 10(d) of the Federal Advisory Committee Act, 5 U.S.C. appendix 2, Department regulations, 45 CFR section 11.5(a)(6), and procurement regulations, 48 CFR section 315.604(d). Anyone wishing to obtain information regarding this meeting should contact Sharon Williams, Office of Management, Contracts Management Staff, Agency for Health Care

<sup>1</sup> Copies of the Minutes of the Federal Open Market Committee meeting of May 21, 1996, which include the domestic policy directive issued at that meeting, are available upon request to the Board of Governors of the Federal Reserve System, Washington, D.C. 20551. The minutes are published in the Federal Reserve Bulletin and in the Board's annual report.