

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, October 21, 1937, at 11:50 a. m.

PRESENT: Mr. Eccles, Chairman
Mr. Ransom, Vice Chairman
Mr. Szymczak
Mr. McKee
Mr. Davis

Mr. Morrill, Secretary
Mr. Bethea, Assistant Secretary
Mr. Carpenter, Assistant Secretary
Mr. Clayton, Assistant to the Chairman

Consideration was given to each of the matters hereinafter referred to and the action stated with respect thereto was taken by the Board:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on October 20, 1937, were approved unanimously.

Telegrams to Mr. Leach, President of the Federal Reserve Bank of Richmond, Mr. Thomas, Chairman of the Federal Reserve Bank of Kansas City, and Mr. Sargent, Secretary of the Federal Reserve Bank of San Francisco, stating that the Board approves the establishment without change by the respective banks today of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Letter to the board of directors of "The Berrien Springs State Bank", Berrien Springs, Michigan, stating that, subject to the conditions of membership numbered 1 to 3 contained in the Board's

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Regulation H and the following special conditions, the Board approves the bank's application for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of Chicago:

- "4. Such bank shall make adequate provision for depreciation in its banking house and furniture and fixtures.
- "5. Prior to admission to membership, such bank, if it has not already done so, shall charge off or otherwise eliminate depreciation of \$5,260.78 in group 2 securities, as shown in the recapitulation of investments on page 11 of the report of examination of such bank as of September 20, 1937, made by an examiner for the Federal Reserve Bank of Chicago."

Approved unanimously, together with a letter to Mr. Schaller, President of the Federal Reserve Bank of Chicago, reading as follows:

"The Board of Governors of the Federal Reserve System approves the application of 'The Berrien Springs State Bank', Berrien Springs, Michigan, for membership in the Federal Reserve System, subject to the conditions prescribed in the inclosed letter which you are requested to forward to the board of directors of the institution. Two copies of such letter are also inclosed, one of which is for your files and the other of which you are requested to forward to the Commissioner of the Banking Department for the State of Michigan for his information.

"With reference to the question of the adequacy of the bank's capital structure, it is assumed, of course, that the special attention of the management has been, or will be, called to the provisions of standard condition of membership numbered 2 regarding the maintenance of adequate capital. It appears in this connection that the bank has agreed with the State Banking Department that the conservation of earnings will be continued until a more favorable ratio of capital structure to deposits is attained.

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"It has been noted from the presentation memorandum accompanying the application that, in the event the bank completes its membership, you will call attention to the necessity of transferring from savings deposits certain accounts which do not conform to the provisions of the Board's Regulation Q, and to the one vacancy now existing on the board of directors.

"Condition of membership numbered 5, requiring the elimination of the depreciation in group 2 securities, has been prescribed in accordance with the policy outlined in the Board's letter of December 9, 1933, (X-7705)."

Letter to the "First State Bank", Huntington, Indiana, reading as follows:

"The Board of Governors of the Federal Reserve System has given consideration to your application for permission to exercise fiduciary powers, and grants you authority, effective if and when the First State Bank, Huntington, Indiana, is converted into a national banking association and is authorized by the Comptroller of the Currency to commence business as The First National Bank in Huntington, 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 Indiana, the exercise of such rights to be subject to the provisions of the Federal Reserve Act and the regulations of the Board of Governors of the Federal Reserve System.

"After the conversion of the First State Bank into The First National Bank in Huntington becomes effective and the Comptroller of the Currency authorizes the national bank to commence business, you are requested to have the board of directors of the national bank adopt a resolution ratifying your application for permission to exercise trust powers, and a certified copy of the resolution so adopted should be forwarded to the Federal Reserve Bank of Chicago, to be forwarded to the Board of Governors of the Federal Reserve System for its records. When a copy of such resolution has been received by the Board, a formal certificate covering your authority to exercise trust powers will be sent to you."

Approved unanimously.

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Reference was then made to a memorandum dated October 21, 1937, from Mr. Koppang reading as follows:

"Following is an itemized statement of the expenses in connection with the official opening ceremonies of the building and the buffet supper on October 20, 1937:

Invitations and envelopes	\$	278.90
Admission cards		40.50
Programs		468.00
Pamphlet on building		156.25
Rent of chairs		30.00
Rent of coat racks		45.00
Check room expense consisting of pay of six girls and purchase price of tickets -		20.50
Flowers and rent of ferns		41.50
Sound amplifier service		207.50
Badges		7.50
Rope and standards		174.70
Buffet suppers (as estimated by the Welfare and Recreational Association)		351.14
Wooden platform for cafeteria		27.58
Orchestra		60.00
Rent of Piano		16.00
Entertainment		
Pierce	\$10	
Therrien	12	
Dela Garza	10	
		32.00
		<u>\$1,957.07</u>

"A count of the guests attending the ceremonies Wednesday afternoon, made by tabulators stationed at the two main entrances from 1:30 P.M. to 3:15 P.M., showed the attendance to be as follows:

Entered through Constitution Avenue entrance	429
Entered through 'C' Street entrance	283
Estimated number of invited guests in the building prior to 1:30 P.M. and guests that used entrances other than the two main entrances (including the Presidential party and Secretary Morgenthau's party, who used the garage entrance)	50
Estimated number of Board's employees attending the ceremonies	300
TOTAL number of invited guests -	<u>1,062</u>

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"In addition to the guests included in the above statement, there were, of course, a large number of photographers, news reel men, reporters, broadcasting employees and other such individuals present.

"The Welfare and Recreational Association has advised that there were approximately 200 people served at the buffet supper on Wednesday night."

The expenses incurred in connection with the official opening of the building were approved unanimously.

Thereupon the meeting adjourned.

Chester Morie
Secretary.

Approved:

M. S. C. C. C.
Chairman.