

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, December 27, 1937, at 11:30 a.m.

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

Mr. Morrill, 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 December 22, 1937, were approved unanimously.

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on December 23, 1937, were approved and the actions recorded therein were ratified unanimously.

Telegrams to Mr. Kimball, Secretary of the Federal Reserve Bank of New York, and Mr. Taylor, Secretary pro tem of the Federal Reserve Bank of Cleveland, stating that the Board approves the establishment without change by the New York bank on December 23 and by the Cleveland bank on December 24, 1937, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Telegram to Mr. McKinney, President of the Federal Reserve Bank of Dallas, stating that, subject to the conditions of membership numbered 1 to 3 contained in the Board's Regulation H and the following special

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condition, the Board approves the application of the "Citizens State Bank", Houston, Texas, for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of Dallas:

- "4. Such bank shall make adequate provision for depreciation in its banking house and furniture and fixtures."

Approved unanimously.

Letter to Mr. J. F. T. O'Connor, Comptroller of the Currency,

reading as follows:

"The Federal Reserve Bank of Philadelphia has brought to the attention of the Board of Governors the proposed retirement by 'The Hanover National Bank of Wilkes-Barre', Wilkes-Barre, Pennsylvania, of \$97,500 par value of its outstanding preferred stock held by the Reconstruction Finance Corporation.

"It is understood that your office will authorize the proposed retirement, provided the transaction is acceptable to the Board, this proviso being made in view of the question as to the sufficiency of the bank's capital, under State law, for the exercise of the restricted fiduciary powers previously granted the bank to enable it to liquidate the fiduciary accounts acquired from its predecessor State bank.

"The Board has given consideration to the various factors involved, including the generally satisfactory condition of the bank, the adequacy of its remaining capital if the reduction is consummated, and the fact that the bank now holds but one small trusteeship which it expects to dispose of during this month; and, in view of all the circumstances, interposes no objection to the proposed retirement of preferred stock."

Approved unanimously.

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Thereupon the meeting adjourned.

Chester Morrie
Secretary.

Approved:

W. C. ...
Chairman.