

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, September 7, 1939, at 9:20 a.m.

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

Mr. Morrill, Secretary
 Mr. Carpenter, Assistant Secretary
 Mr. Wyatt, General Counsel
 Mr. Thomas, Assistant Director of the
 Division of Research and Statistics

Mr. McKee presented a memorandum dated August 18, 1939, from the Division of Examinations which concurred in a recommendation of the Federal Reserve Bank of New York and Mr. William R. White, Superintendent of Banks of the State of New York, that the Board waive the condition of membership prescribed in 1932 for the Bank of the Manhattan Company, New York, N. Y., (President and Directors of the Manhattan Company) that it dispose of the stock held by it in the County Trust Company of White Plains, New York. In connection with a discussion of the matter, a letter addressed to the Federal Reserve Bank of New York by Mr. White under date of August 14, 1939, was read.

Mr. McKee recommended that the condition be waived and that the following letter be addressed to the Federal Reserve Bank of New York:

"Reference is made to your letter of August 7 regarding the matter of the Bank of the Manhattan Company's

9/7/39

-2-

"holdings of the stock of The County Trust Company, White Plains, New York, the disposition of which stock is the subject of a condition of membership applicable to the Bank of the Manhattan Company.

"Careful consideration has been given to the matter as presented and to the views expressed by Mr. White, Superintendent of Banks, in his letter of August 14 to Mr. Gidney, and the Board has come to the conclusion that the requirement with respect to the disposal of the holdings of stock of The County Trust Company may properly be waived. Therefore, in view of all the circumstances involved and in accordance with your recommendation, the Board cancels condition of membership numbered 2 applicable to the Bank of the Manhattan Company. Please advise the bank accordingly."

Mr. McKee's recommendation was approved unanimously.

At this point Messrs. Wyatt and Thomas left the meeting and the action stated with respect to each of the matters hereinafter referred to was then taken by the Board:

The minutes of the meetings of the Board of Governors of the Federal Reserve System held on September 6, 1939, were approved unanimously.

Letter to Mr. Leach, President of the Federal Reserve Bank of Richmond, reading as follows:

"The contents of your letter of August 11 in regard to the eligibility of Mr. W. Frank Thomas to continue to serve as a director of the Baltimore Branch of the Federal Reserve Bank of Richmond, in view of his appointment as a member of the State Roads Commission, have been brought to the attention of the members of the Board and I have been requested to advise you that, in the light of the information which you have submitted, the Board is taking no action upon the matter."

Approved unanimously.

9/7/39

-3-

Letter to the board of directors of "The Kipton Bank Company", Kipton, Ohio, stating that, subject to conditions of membership numbered 1 to 3 contained in the Board's Regulation H, 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 Cleveland.

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

"The Board of Governors of the Federal Reserve System approves the application of 'The Kipton Bank Company', Kipton, Ohio, for membership in the Federal Reserve System, subject to the conditions prescribed in the enclosed letter which you are requested to forward to the Board of Directors of the institution. Two copies of such letter are also enclosed, one of which is for your files and the other of which you are requested to forward to the Superintendent of Banks for the State of Ohio for his information.

"The papers submitted with the bank's application for membership do not include the photostats of articles of incorporation and certificate of subscription to capital stock, referred to in your letter of transmittal as of August 29, 1939. It will be appreciated if you will forward such photostats in order that the Board's records may be complete."

Telegram to Mr. Clerk, First Vice President of the Federal Reserve Bank of San Francisco, reading as follows:

"Relet September 1. In view of condition of bank as reflected in the last report of examination no objection will be raised in connection with retirement \$50,000 capital debentures by 'Walker Bank and Trust Company', Salt Lake City, Utah."

Approved unanimously.

9/7/39

-4-

Letter to Mr. Worthington, First Vice President of the Federal Reserve Bank of Kansas City, reading as follows:

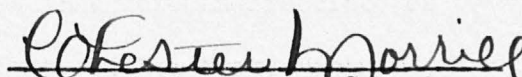
"This will acknowledge receipt of your letter of August 29 with which you enclosed copies of letters dated August 24 and August 25 from Mr. Elwood M. Brooks, Bank Commissioner for the State of Kansas, expressing regret that the desirability of using a short form of condition report for the spring and fall calls was not taken up with the State banking departments before a decision was reached.

"Since the change did not involve the asking for any additional information but merely provided for the omission of certain detailed schedules in the report, and as no change was made on the face, or the part of the condition report that is published, it was not thought necessary to delay the change until after action had been taken by the State bank supervisors, particularly since the Comptroller of the Currency was desirous of putting the change into effect for the fall call. Before adopting the short form of report we called the office of Mr. White, Secretary of the Executive Committee of State Bank Supervisors, and in his absence talked with one of his assistants. In the circumstances and since the change would relieve many State banks of considerable work, he saw no reason why the change should not be made even though some of the States might wish to use the long form for all calls.

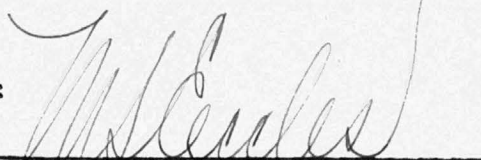
"I trust you will inform Mr. Brooks that we greatly appreciate the cooperation which the State banking departments have shown in the revision of the call report forms and that it will be our purpose to cooperate with the Executive Committee of State Bank Supervisors when future changes in the form are under consideration."

Approved unanimously.

Thereupon the meeting adjourned.


Secretary.

Approved:


Chairman.