

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, October 12, 1939, at 11:00 a. m.

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

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

The action stated with respect to each of the matters herein after referred to was taken by the Board:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on October 11, 1939, were approved unanimously.

Memorandum dated October 10, 1939, from Mr. Morrill recommending that, for the reasons stated in the memorandum, Frederick H. Huber, elevator operator, and James C. Kolinski, clerk, be promoted to the position of stenographer and transferred to the stenographic section of the Secretary's Office, that Mr. Huber's salary be increased from \$1,200 to \$1,440 per annum, and that McNeely DuBose MacDowell, page, be promoted to the position of inventory clerk and that his salary be increased from \$1,080 to \$1,380 per annum, all effective as of October 16, 1939. The memorandum also recommended that Robert Finley Drury be appointed as a page in the Secretary's Office, with salary at the rate of \$1,080 per annum, effective as of the date upon which he enters upon the performance of his duties after having passed satisfactorily

10/12/39

-2-

the usual physical examination.

The recommendations were approved  
unanimously.

Memorandum dated October 9, 1939, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending that, for the reason stated in the memorandum, the temporary appointment of Mrs. Ella W. Henry, a draftsman in the Division, be continued at its expiration on October 14, 1939, for an additional period of as many working days as may be necessary, not exceeding thirty days, with no change in her present salary which is at the rate of \$10.00 per working day.

Approved unanimously.

Letter to the board of directors of "The State Savings Bank of Woodville", Woodville, Ohio, stating that, subject to conditions of membership numbered 1 to 3 contained in the Board's Regulation H and the following special condition, 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:

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

Approved unanimously for transmission through the Federal Reserve Bank of Cleveland.

Letter to the board of directors of "The Steuben County State Bank", Angola, Indiana, stating that, subject to conditions of membership

10/12/39

-3-

numbered 1 to 3 contained in the Board's 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 estimated losses of \$5,499.66, as shown in the report of examination of such bank as of September 16, 1939, 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 Steuben County State Bank', Angola, Indiana, 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 Director, Department of Financial Institutions, for the State of Indiana for his information.

"It has been noted that the bank is authorized to exercise full trust powers, but at the time of the examination for membership the only fiduciary capacity in which the institution was acting was as trustee under agreement for two cemetery trusts and it is understood that no new accounts are to be accepted. In view of the circumstances, the application has been approved on the same basis as if the bank were not exercising trust powers and should it desire in the future to do so, other than to the extent necessary in connection with the two trusts now being

10/12/39

-4-

"administered, application should be made to the Board in accordance with the provisions of condition of membership numbered 1."

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

"As you perhaps know, the four member trust companies in the District of Columbia publish their call reports in accordance with both the Board's form F.R. 105e and the Comptroller's form 2139. The instructions for the preparation of reports of condition by State bank members, form F.R. 105a, page 3, provide that a single, joint publication of a State bank member's report of condition rendered to a State banking department and to the Federal Reserve bank, respectively, may be accepted provided, among other things, that the joint statement shows at least all of the information called for by the Board's form F.R. 105e. The Comptroller's form 2139 calls for the same information as the Board's form F.R. 105e except that it includes no items corresponding to the following, which appear on form F.R. 105e but are reported as 'none' by the member trust companies in the District of Columbia:

- 32(d) Deposits preferred under provisions of law but not secured by pledge of assets
- 33(a) Unpaid dividends on preferred stock and unpaid interest on capital notes and debentures, accrued to end of last dividend or interest period, not included in liabilities or reserves above
- 33(b) Other obligations, not included in liabilities, which are subordinated to claims of depositors and other creditors.

"Since with the above exception the Comptroller's form 2139 calls for the same information as the Board's form F.R. 105e, reports published by a member trust company in the District of Columbia in accordance with the Comptroller's form 2139 may be accepted as fulfilling the requirements of Section 9 of the Federal Reserve Act for the publication of condition reports, provided the trust company has no occasion to report amounts against any items which appear on the Board's form F.R. 105e but not on the Comptroller's form 2139 and the reference to the legal requirements appearing immediately above 'Assets' on form 2139 is amended by the addition of an appropriate reference to the Federal Reserve Act, so that as amended it will read as follows:

10/12/39

-5-

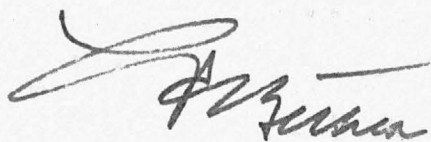
"Published in response to call made by the Comptroller of the Currency, under section 5211, U. S. Revised Statutes, and a call made by the Federal Reserve Bank of this district pursuant to the provisions of the Federal Reserve Act.

"We understand from the Comptroller's office that it has no objection to the member trust companies in the District of Columbia amending the reference to the legal requirements in the manner quoted above.

"Please advise the member banks concerned of the conditions under which single, joint publication of call reports will be accepted."

Approved unanimously.

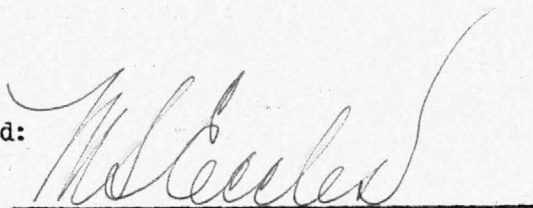
Thereupon the meeting adjourned.



---

Assistant Secretary.

Approved:



---

Chairman.