

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Wednesday, November 22, 1939, at 11:15 a.m.

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

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

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

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on November 21, 1939, were approved unanimously.

The minutes of the meeting of the Board of Governors of the Federal Reserve System with the Federal Advisory Council held on November 21, 1939, were approved unanimously.

Letter to the board of directors of the "Security Savings and Commercial Bank", Washington, D. C., 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 Richmond:

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

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

"The Board of Governors of the Federal Reserve System approves the application of the 'Security Savings and Commercial Bank', Washington, D. C., 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. A copy is also enclosed for your files.

"As requested in the case of the National Savings and Trust Company, Washington, D. C., it will be appreciated if you will forward to the Board a copy of the form of capital debentures which the bank has sold to the Reconstruction Finance Corporation."

Letter to the board of directors of the 'Citizens Bank', Vermillion, South Dakota, stating that, subject to conditions of membership 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 Minneapolis:

- "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

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of \$1,586.72, as shown in the report of examination of such bank as of October 30, 1939, made by an examiner for the Federal Reserve Bank of Minneapolis.

- "6. Prior to admission to membership, such bank shall have been discharged or otherwise relieved of all duties and completely released from liability in connection with fiduciary undertakings of the bank which were not closed prior to the bank's surrender of its right to exercise fiduciary powers."

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

"The Board of Governors of the Federal Reserve System approves the application of the 'Citizens Bank', Vermillion, South Dakota, 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 South Dakota for his information.

"It will be noted that no requirement has been made with respect to obtaining a release of the mortgages held by the State Treasurer pursuant to State laws governing banks exercising trust powers, as it is assumed that the collateral will be returned as a matter of course when the bank has been completely released from liability in connection with its fiduciary undertakings."

Letter to Mr. Fletcher, Vice President of the Federal Reserve Bank of Cleveland, reading as follows:

"Reference is made to your letter of November 10, 1939, submitting for the consideration of the Board the request of the 'Commonwealth Trust



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Company of Pittsburgh', Pittsburgh, Pennsylvania, for approval, under the provisions of Section 24A of the Federal Reserve Act, of the proposed investment of approximately \$100,000 additional in bank premises for the purpose of enlarging and improving the quarters of its Mount Lebanon branch.

"It is understood that the present quarters of the Mount Lebanon branch are inadequate to provide proper banking facilities for the community served and that formal approval of the State Banking Department is to be received before definite action is taken. It is noted, also, that the proposed investment will involve only a small proportionate increase in the bank's investment in bank premises.

"In view of the foregoing, and your recommendation, the Board approves the additional investment as requested."

Approved unanimously.

Letter to Mr. G. Fred Berger, Chairman, Pennsylvania Bankers' Association, Trust Company Section, reading as follows:

"This refers to your letter of November 13, 1939, addressed to Mr. Wingfield, advising that December 14 is an entirely satisfactory date for a conference of your Committee on Mortgage Investment Funds with members of the Board. In this connection, it is requested that the members of your Committee be at the Board's offices at eleven o'clock at which time the meeting with the members of the Board will be held."

Approved unanimously, together with letters to Messrs. Leo T. Crowley, Chairman of the Federal Deposit Insurance Corporation, and Preston Delano, Comptroller of the Currency, reading as follows:

"Under date of August 25, 1938, the Board requested an expression of your views with respect to a

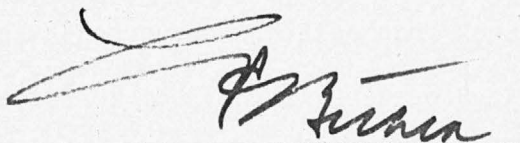
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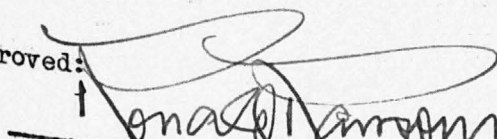
proposal by the Committee on Mortgage Investment Funds of the Pennsylvania Bankers Association that the Board amend its Regulation F to provide for Common Trust Funds composed principally of real estate mortgages.

"The Board has considered the views which were expressed informally by a member of your staff in this connection and also comments and suggestions regarding the matter which were received from other sources. However, before taking final action on the proposal, the Board has decided to afford the Committee on Mortgage Investment Funds of the Pennsylvania Bankers Association an opportunity to appear before the Board and discuss their proposal. The time for such appearance of the Committee before the Board has been fixed at 11 o'clock on December 14, 1939, and the Board will be glad to have you, or such representative or representatives of your Corporation as you may desire to designate, attend the meeting of the Board with the Committee of the Pennsylvania Bankers Association."

Thereupon the meeting adjourned.

  
Assistant Secretary

Approved:

  
Vice Chairman