

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, November 30, 1939, at 11:30 a.m.

PRESENT: Mr. Ransom, Vice Chairman  
Mr. Szymczak  
Mr. McKee  
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 28, 1939, were approved unanimously.

Memorandum dated November 25, 1939, from Mr. Smead, Chief of the Division of Bank Operations, submitting a letter dated November 22 from Mr. Walden, First Vice President of the Federal Reserve Bank of Richmond, which requested approval by the Board of changes in the personnel classification plan of the bank to provide for the creation of the new positions of "Assistant Manager" of the Accounting Department, and "Statistician" in the Research and Statistics Department, and for increases in the maximum salaries for the positions of "Assistant Examiner" in the Examining Department, "Shipping Teller" in the Money Department, and "Personnel Clerk" in the Personnel Department. The memorandum stated that the proposed changes had been reviewed and recommended that they be approved.

Approved unanimously.

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Letter dated November 29, 1939, to the board of directors of "The Shiawassee County Bank", Durand, Michigan, 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 Chicago:

- "4. Prior to admission to membership, the capital of such bank shall have been increased to not less than \$50,000.
- "5. Prior to admission to membership, such bank, if it has not already done so, shall set up on its books the liability for any unpaid balance due the trustees for waiving depositors under the agreement, dated July 15, 1939, between the bank and the trustees."

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 Shiawassee County Bank', Durand, Michigan, 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 Commissioner of Banking for the State of Michigan for his information.

"In view of the fact that estimated losses classified in the report of examination for membership were only nominal in amount, the usual condition of membership regarding the elimination of estimated losses has not been prescribed."

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Letter to the board of directors of the "Citizens Bank & Trust Company", Campbellsville, Kentucky, 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 St. Louis:

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

The letter also contained the following special comments:

"It has been noted that the bank is authorized to exercise trust powers but is not doing so at this time, and it appears that the institution possesses certain other powers which are not being exercised and which are not necessarily required in the conduct of a banking business, such as the power to guarantee the payment of securities of others. Attention is invited to the fact that if the bank desires to exercise any powers not actually exercised at the time of admission to membership, it will be necessary under condition of membership numbered 1 to obtain the permission of the Board of Governors before exercising them. In this connection, the Board understands that there has been no change in the scope of the corporate powers exercised by the bank since the date of its application for membership."

Approved unanimously for transmission through the Federal Reserve Bank of St. Louis.

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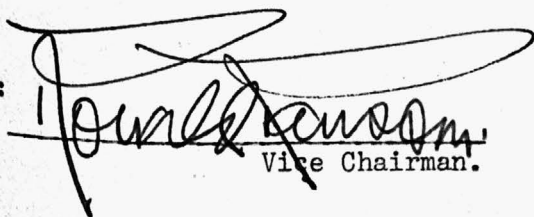
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Thereupon the meeting adjourned.



Assistant Secretary.

APPROVED:



Vice Chairman.