

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

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

Mr. Morrill, Secretary
 Mr. Carpenter, 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 December 8, 1939, were approved unanimously.

Letter dated December 9, 1939, to Mr. Worthington, First Vice President of the Federal Reserve Bank of Kansas City, reading as follows:

"Reference is made to your letter of December 2, 1939, submitting information relating to the purchase of assets and assumption of deposit liabilities of 'The First National Bank of Tyrone', Tyrone, Oklahoma, by 'The Citizens State Bank, Liberal, Kansas', which was effected on October 28, 1939.

"From the information submitted it appears that the transaction did not involve any change in the general character of assets or broadening in the functions exercised by the member bank within the meaning of condition numbered 2, under which the bank was admitted to membership.

"It has been noted that, inasmuch as the transaction did not seem to come within the scope of the condition of membership, you did not deem it necessary to submit it to the Board for consideration. It is the general practice, however, to submit to the Board for review all transactions involving the acquisition by a State member bank of other institutions through merger, consolidation or purchase. While in some instances, such as the present case, it may

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be entirely clear that the transaction does not come within the scope of the general condition of membership, the Board nevertheless desires to have complete information with respect thereto. It is suggested, therefore, that information regarding such transactions be forwarded to the Board promptly, together with your recommendation."

Approved unanimously.

Letter dated December 9, 1939, to the Federal Deposit Insurance Corporation, reading as follows:

"Pursuant to the provisions of section 12B of the Federal Reserve Act, as amended, the Board of Governors of the Federal Reserve System hereby certifies that the 'Farmers Bank & Trust Co.', Bardstown, Kentucky, became a member of the Federal Reserve System on November 25, 1939 and is now a member of the System. The Board of Governors of the Federal Reserve System further hereby certifies that, in connection with the admission of such bank to membership in the Federal Reserve System, consideration was given to the following factors enumerated in subsection (g) of section 12B of the Federal Reserve Act:

- "1. The financial history and condition of the bank,
- "2. The adequacy of its capital structure,
- "3. Its future earnings prospects,
- "4. The general character of its management,
- "5. The convenience and needs of the community to be served by the bank, and
- "6. Whether or not its corporate powers are consistent with the purposes of section 12B of the Federal Reserve Act."

Approved unanimously.

Memorandum dated December 7, 1939, from Mr. Smead, Chief of the Division of Bank Operations, stating that the Integrity Trust Company, Philadelphia, Pennsylvania, had not yet published its October 2, 1939, condition report although two extensions of time for publication had

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been granted by the Board, the last one having expired on December 3. The memorandum outlined the reasons why the bank had not published its report and stated that as there will be another call at or around the end of the year it did not appear that anything worthwhile would be gained by granting the bank a further extension of time in which to publish its report of October 2. The memorandum set forth the actions which the Board could take in the matter and Mr. Davis had added his recommendation to the memorandum that the Board take no further action at this time.

The recommendation was approved
unanimously.

Letter to Mr. Logan, Vice President of the Federal Reserve Bank
of New York, reading as follows:

"Receipt is acknowledged of your letter of November 3, 1939, in which you request the approval by the Board of two bills dated October 24, 1939, for professional services rendered and disbursements made by Messrs. Lynch & Cahn, attorneys, of White Plains, New York.

"The bill in the one case of Mosier Radio Service v. Federal Reserve Bank of New York is for a fee of \$1500 and reimbursement for expenses of \$56.90.

"The second bill in the case of Mosier Radio Service v. Federal Reserve Bank of New York in a second action commenced January 7, 1939, is in the sum of \$250 for professional services rendered and for reimbursement of \$8.45 for expenses.

"It is understood that payment of both these bills has been approved and recommended by you as General Counsel for the bank. You are advised that the Board approves the payment of both of these bills, one in the amount of \$1556.90 and the second in the amount of \$258.45."

Approved unanimously.

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Thereupon the meeting adjourned.

Chester Moriel
Secretary.

APPROVED:

W. Stouffer
Chairman.