

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, March 15, 1940, at 11:30 a.m.

PRESENT: Mr. Davis
Mr. Draper

Mr. Bethea, Assistant Secretary
Mr. Carpenter, Assistant Secretary

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

Telegrams to Mr. Young, President of the Federal Reserve Bank of Boston, Messrs. Kimball, Post and Hays, Secretaries of the Federal Reserve Banks of New York, Philadelphia and Cleveland, respectively, Mr. Leach, President of the Federal Reserve Bank of Richmond, and Messrs. Dillard, Stewart, Powell, Leedy and Hale, Secretaries of the Federal Reserve Banks of Chicago, St. Louis, Minneapolis, Kansas City and San Francisco, respectively, stating that the Board approves the establishment without change by the Federal Reserve Bank of San Francisco on March 12, by the Federal Reserve Banks of New York, Cleveland, Richmond, Chicago, St. Louis, Minneapolis and Kansas City on March 14, 1940, and by the Federal Reserve Banks of Boston and Philadelphia today, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Memorandum dated March 8, 1940, from Mr. Wyatt, General Counsel, recommending, for the reasons stated in the memorandum, that Miss Charlotte M. Nell be appointed on a temporary basis for a period of

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three months as a stenographer in the Legal Division, with salary at the rate of \$135 per month, effective as of the date upon which she enters upon the performance of her duties after having passed satisfactorily the usual physical examination, and with the understanding that if Miss Nell's services are satisfactory her appointment will be made permanent at the expiration of the temporary period.

Approved unanimously.

Memorandum dated March 15, 1940, from Mr. Paulger, Chief of the Division of Examinations, submitting the resignation of John J. Sowers, a stenographer in the Division, to be effective as of the close of April 2, 1940, and recommending that the resignation be accepted as tendered.

Approved unanimously.

Letter dated March 14, 1940, to "The Farmers & Merchants National Bank of Stanley", Stanley, Virginia, reading as follows:

"This refers to the resolution adopted on December 5, 1939, by the board of directors of your bank, signifying the bank's desire to surrender its right to exercise fiduciary powers heretofore granted to it.

"The Board, understanding that your bank has been discharged or otherwise properly relieved in accordance with the law of all of its duties as fiduciary, has issued a formal certificate to your bank certifying that it is no longer authorized to exercise any of the fiduciary powers covered by the provisions of section 11(k) of the Federal Reserve Act, as amended. This certificate is enclosed herewith.

"In this connection, your attention is called to the fact that, under the provisions of section 11(k) of the Federal Reserve Act, as amended, when such a certificate has been issued by the Board of Governors of the

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"Federal Reserve System to a national bank, such bank (1) shall no longer be subject to the provisions of section 11(k) of the Federal Reserve Act or the regulations of the Board of Governors of the Federal Reserve System made pursuant thereto, (2) shall be entitled to have returned to it any securities which it may have deposited with the State or similar authorities for the protection of private or court trusts, and (3) shall not exercise any of the powers conferred by section 11(k) of the Federal Reserve Act except with the permission of the Board of Governors of the Federal Reserve System."

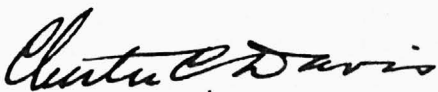
Approved unanimously.

Thereupon the meeting adjourned.



Assistant Secretary.

Approved:



Member.