

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, April 25, 1940, at 11:30 a. m.

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

Mr. Morrill, Secretary
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 April 24, 1940, were approved unanimously.

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

"In accordance with the recommendation contained in your letter of April 22, the Board extends to June 10, 1940, the time within which the 'Forest City Bank & Trust Company', Forest City, Iowa, may accomplish membership in the System."

Approved unanimously.

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

"Reference is made to your letter of April 17, 1940, submitting for consideration the request of the 'Citizens Bank & Trust Company', Big Timber, Montana, for permission to increase its investment in banking quarters approximately \$5,140.

4/25/40

-2-

"It appears that on March 27, 1940 the bank purchased a building adjoining its present quarters for a consideration of \$2,140, which investment was not submitted for consideration prior to its consummation due to the fact that the officers of the bank had overlooked the provisions of condition of membership numbered 8. It is stated that a further expenditure of approximately \$3,000 will be required to remodel the property for use as additional banking quarters.

"In accordance with your recommendation, the Board will interpose no objection to the purchase by the Citizens Bank & Trust Company of the addition to its banking premises and the proposed expenditure for remodeling the property."

Approved unanimously.

Letter to the Securities and Exchange Commission, reading as follows:

"The Board has received an inquiry from the Philadelphia Stock Exchange, through the Federal Reserve Bank of Philadelphia, as to whether certain 3-3/4 per cent bonds issued by the Pennsylvania Turnpike Commission are 'exempted securities' for the purpose of the Board's Regulation T. There is attached a copy of a circular describing these bonds.

"This question involves an interpretation of section 3(a) (12) of the Securities Exchange Act of 1934, which provision is also of interest to the Securities and Exchange Commission. It also is possible that certain exemptions prescribed by the Commission might have a bearing upon the problem. In order that interpretations on such matters may be as uniform as practicable, it will be appreciated if you will advise the Board as to your views on the question whether the bonds here involved are exempted under section 3(a) (12) or any rule issued by your Commission thereunder."

Approved unanimously.

Letter to the Comptroller of the Currency, reading as follows:

"It is respectfully requested that you place an order with the Bureau of Engraving and Printing, supplementing the order requested June 14, 1939, for the printing of Federal reserve notes of the 1934 Series in the amounts and

4/25/40

-3-

"denominations stated for the following Federal Reserve Banks:

	Denomi- nation	Number of sheets	Amount
Cleveland	\$10	50,000	\$ 6,000,000
	20	60,000	14,400,000
	50	15,000	9,000,000
	100	5,000	6,000,000
Chicago	10	320,000	38,400,000
	20	280,000	67,200,000
	50	60,000	36,000,000
	100	100,000	120,000,000"

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morris
Secretary.

Approved:

Frank J. ...
Vice Chairman.