

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Saturday, May 25, 1940, at 11:00 a.m.

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

Mr. Bethea, 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 May 24, 1940, were approved unanimously.

Letter to the board of directors of "The Mohawk State Bank", Mohawk, Indiana, 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 application made by The Mohawk State Bank, the presently operating institution, on behalf of "The Mohawk State Bank", Mohawk, Indiana, a new corporation and proposed successor bank, for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of Chicago, effective if and when the new bank is duly authorized to commence business and is entitled to the benefits of insurance under Section 12B of the Federal Reserve Act:

"4. At the time of its admission to membership, such

5/25/40

-2-

"bank shall have paid-up and unimpaired capital stock of not less than \$25,000 and a surplus of not less than \$12,500, and shall have assets and liabilities substantially the same in amount and character (with due allowance for changes arising from the ordinary course of business) as shown in the certified statement of condition as of May 4, 1940, submitted to the Federal Reserve Bank of Chicago in connection with the application for membership."

The letter also contained the following special comments:

"Since the application for membership was made on behalf of the new bank by the presently operating institution, it is requested that, in connection with the acceptance of the conditions of membership prescribed by the Board, the board of directors of the new bank ratify the action which has been taken in its behalf in making application for membership in the Federal Reserve System."

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 made by 'The Mohawk State Bank', Mohawk, Indiana, the presently operating institution, on behalf of 'The Mohawk State Bank', Mohawk, Indiana, a new corporation and proposed successor bank, for membership in the Federal Reserve System, effective if and when the new bank is duly authorized to commence business and is entitled to the benefits of insurance under Section 12B of the Federal Reserve Act, 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 Director, Department of Financial Institutions, for the State of Indiana for his information.

5/25/40

-3-

"As you know, the new bank is not eligible for membership in the System unless it is entitled to the benefits of deposit insurance. The Board has received a copy of a letter dated May 24, 1940, from the Federal Deposit Insurance Corporation to The Mohawk State Bank, Mohawk, Indiana, a copy of which is enclosed, setting forth the conditions upon which the new bank has been approved for deposit insurance. We will advise you promptly upon receipt of advice from the Federal Deposit Insurance Corporation that such conditions have been complied with and arrangements may then be made for completion of the bank's admission to membership.

"Before issuing stock in the Federal Reserve Bank of Chicago to the new bank, you are requested to satisfy yourself that its capital stock as required in condition numbered 4 has been paid in, and that all agreements and contracts entered into between it and the presently operating institution covering the purchase of assets from, and the assumption of liabilities of, that institution and any and all other agreements and contracts between such institution and the stockholders and/or directors or other individuals or concerns, incident to the organization of the new bank, have been considered by your counsel, and that he is satisfied as to their legal aspects. It is requested that a copy of the opinion of your counsel given in this connection, together with copies of any such agreements and contracts, be forwarded to the Board as soon as possible. It is requested also that the Board be furnished with a copy of the resolution of the board of directors of the new bank ratifying the action taken on its behalf in making application for membership in the Federal Reserve System."

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

"Reference is made to your letter of May 23, 1940 with reference to the temporary 'Tellers Windows' to be opened by The National City Bank of New York in Havana in connection with the International Convention of Rotarians. The bank advises that it now desires to keep the windows open from June 3 to June 14, 1940, instead of from June 10 to June 14 as first contemplated. It is stated that the earlier opening is desired to facilitate certain pre-convention needs and activities of the Rotarians.

5/25/40

-4-

"In view of the purposes for which the temporary 'Teller' Windows are to be maintained, the Board will not interpose any objection if the 'Tellers Windows' referred to in the Board's letter of April 9, 1940, to Mr. J. H. Durrell, Senior Vice President of The National City Bank of New York, are open for business a few days before and following the conventions should that appear desirable for the convenience of those attending the conventions. Please advise the bank accordingly."

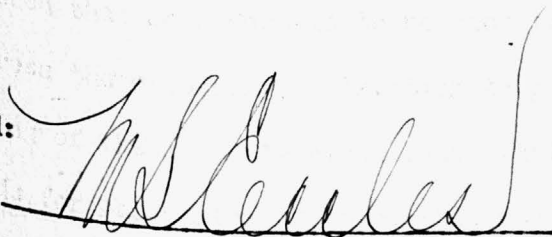
Approved unanimously.

Thereupon the meeting adjourned.



Assistant Secretary.

Approved:



Chairman.