

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, June 13, 1940, at 11:30 a. m.

PRESENT: Mr. Eccles, Chairman
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 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 June 12, 1940, were approved unanimously.

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

"Reference is made to your letter of June 7, 1940, submitting the request of 'The Westfield Trust Company', Westfield, New Jersey, for approval of the establishment of a branch in Scotch Plains, New Jersey, in the banking quarters now occupied by and in connection with a proposed merger with the First State Bank of Scotch Plains.

"In view of your recommendation and the information furnished the Board approves the establishment and operation of a branch at Scotch Plains, New Jersey, by The Westfield Trust Company, provided the merger is carried out substantially in the form set forth in the agreement of merger between the two institutions dated May 31, 1940, counsel for the Federal Reserve Bank of

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"New York is satisfied as to the legal aspects of the establishment of the proposed branch and the merger, and the formal approval of the appropriate State authorities is obtained."

Approved unanimously.

Letter to "The Citizens' National Bank of Port Henry", Port Henry, New York, reading as follows:

"This refers to the resolution adopted on June 15, 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 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.

"Since it may be necessary for you to file a certified copy of the Board's certificate with the State authorities in connection with the release of the securities which you have deposited with them, such a copy is enclosed herewith."

Approved unanimously.

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Letter to "The First National Bank of Delmar", Delmar, Delaware,
reading as follows:

"This refers to the resolution adopted on January 27, 1940, 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 never actually accepted or undertaken the exercise of any trust, 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 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.

Memorandum dated June 10, 1940, from Mr. Parry, Chief of the Division of Security Loans, recommending that the item of printing and binding in the 1940 budget of the Division of Security Loans be increased by \$100.00.

Approved unanimously.

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Thereupon the meeting adjourned.

Lokester Morrie
Secretary.

Approved:

W. Steeles
Chairman.