

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Saturday, July 20, 1940, at 11:30 a.m.

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

Mr. Bethea, 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 July 19, 1940, were approved unanimously.

Memorandum dated July 17, 1940, from Mr. Nelson, Assistant Secretary, recommending that, for the reason stated in the memorandum, Roy Willard Sundberg, John Woodley Boothe and Earl Eugene Botts be appointed on a temporary basis for a period of not to exceed three months as porters in the Office of the Secretary, each with salary at the rate of \$90 per month, effective as of the date upon which they enter upon the performance of their duties after having passed satisfactorily the usual physical examination.

Approved unanimously.

Letter to the board of directors of "The Gunnison Bank and Trust Company", Gunnison, Colorado, stating that, subject to conditions of membership numbered 1 to 6 contained in the Board's Regulation

7/20/40

-2-

H, the Board approves the bank's application for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of Kansas City.

The letter also contained the following special comment:

"It appears that the bank possesses certain powers which are not being exercised and which are not necessarily required in the conduct of a banking and trust business, such as the power to insure the fidelity of persons holding places of responsibility and trust. Attention is invited to the fact that if the bank desires to exercise any powers not actually exercised at the time of admission to membership, it will be necessary under condition of membership numbered 1 to obtain the permission of the Board of Governors before exercising them. In this connection, the Board understands that there has been no change in the scope of the corporate powers exercised by the bank since the date of its application for membership."

Approved unanimously, together with a letter to Mr. Hamilton, President of the Federal Reserve Bank of Kansas City, reading as follows:

"The Board of Governors of the Federal Reserve System approves the application of 'The Gunnison Bank and Trust Company', Gunnison, Colorado, for membership in the Federal Reserve System, 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 State Bank Commissioner for the State of Colorado for his information.

"It is assumed that your office will follow the matter of the bank's bringing into conformity with the provisions of law and the Board's regulations the savings account listed on page 16 of the report of examination for membership, and the matter of designating a trust officer and appointing a trust committee."

7/20/40

-3-

Letter to Mr. Martin, President of the Federal Reserve Bank
of St. Louis, reading as follows:

"At various times in the past the Board has corresponded with your Bank, and the Board's examiners have had discussions with your officers, concerning the Federal Reserve Welfare Fund. It is our understanding that this fund was built up a number of years ago from notary fees received by employees of your Bank in excess of stipulated amounts guaranteed to them by the Bank. We also understand that the fund now amounts to \$33,500 and is invested in United States Government securities, except for a small cash balance.

"It will be appreciated if you will advise the Board of the present status of the fund, of the terms of any agreements under which the funds were accumulated, whether they belong to the Bank or to the employees, and whether there are any restrictions as to their use. It will also be appreciated if you will advise the Board of such plans as you may have for the ultimate disposition of the fund."

Approved unanimously.

Thereupon the meeting adjourned.



Assistant Secretary.

Approved:



Chairman.