

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, September 6, 1940, at 2:00 p.m.

PRESENT: Mr. Ransom, Vice Chairman
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. Post, Secretary of the Federal Reserve Bank of Philadelphia, Mr. Leach, President of the Federal Reserve Bank of Richmond, Messrs. Dillard and Powell, Secretaries of the Federal Reserve Banks of Chicago and Minneapolis, respectively, Mr. Stroud, First Vice President of the Federal Reserve Bank of Dallas, and Mr. Hale, Secretary of the Federal Reserve Bank of San Francisco, stating that the Board approves the establishment without change by the Federal Reserve Bank of San Francisco on September 3, by the Federal Reserve Banks of Richmond, Chicago, Minneapolis, Dallas, and San Francisco on September 5, 1940, and by the Federal Reserve Bank of Philadelphia today, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Letter to the board of directors of "The Mount Union Bank", Alliance, Ohio, stating that, subject to conditions of membership numbered 1 to 3 contained in the Board's Regulation 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 Cleveland.

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

"The Board of Governors of the Federal Reserve System approves the application of 'The Mount Union Bank', Alliance, Ohio, 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 Superintendent of Banks for the State of Ohio for his information.

"According to the presentation memorandum submitted with the application, the Reserve Bank recognizes that the bank is in a relatively low capital position but anticipates that the capital account will be built up from earnings. It is assumed that in the ordinary course of supervision you will endeavor to see that a conservative dividend policy is followed to the end that the capital account may be strengthened."

Telegram to Mr. Fletcher, Vice President of the Federal Reserve Bank of Cleveland, reading as follows:

"Retel September 6. Board extends to October 9, 1940 time within which 'The First Savings Bank of Ravenna', Ohio, may accomplish membership in the System."

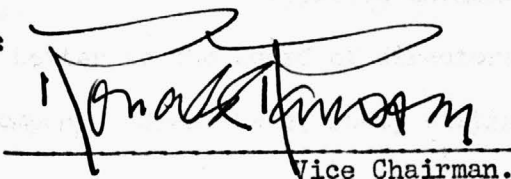
Approved unanimously.

Thereupon the meeting adjourned.



Assistant Secretary.

Approved:



Vice Chairman.