

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, April 11, 1946, at 10:30 a. m.

PRESENT: Mr. Eccles, Chairman  
Mr. Ransom, Vice Chairman  
Mr. Szymczak  
Mr. Draper  
Mr. Evans  
Mr. Vardaman

Mr. Carpenter, Secretary  
Mr. Morrill, Special Adviser  
Mr. Thurston, 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 10, 1946, were approved unanimously.

Memorandum from Mr. Bethea, Director of the Division of Administrative Services, dated April 8, 1946, submitting the resignation of Mrs. Doris Nygard, Assistant Supervisor of the Cafeteria in that Division, effective at the close of business April 10, 1946, and recommending that the resignation be accepted and that proper lump sum payment be made to her for any accrued annual leave remaining to her credit at that time.

The resignation was accepted  
as recommended.

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Memorandum from Mr. Bethea, Director of the Division of Administrative Services, dated April 8, 1946, submitting the resignation of Miss Patricia Wahler, a page in that Division, effective at the close of business April 19, 1946, and recommending that the resignation be accepted and that proper lump sum payment be made to her for any accrued annual leave remaining to her credit at that time.

The resignation was accepted as recommended.

Letter to the board of directors of the "Peoples Bank", Science Hill, Kentucky, 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.

Approved unanimously, together with a letter to Mr. Gidney, 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 "Peoples Bank", Science Hill, Kentucky, 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 Director of Banking, for the Commonwealth of Kentucky, for his information.

"It has been noted that the institution has for

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"some time been considered a problem bank by the supervisory authorities, primarily because of weak management, and that the condition of the bank's records and systems indicates laxity and carelessness. However, it is understood that you have carefully considered the situation and expect to aid the management in effecting necessary corrections and improvements."

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

"Reference is made to your letter of April 2, 1946, submitting the request of The Cleveland Trust Company, Cleveland, Ohio, for approval of the continued operation of the branch in Lakewood, Ohio, after the proposed purchase of assets and assumption of deposit liabilities of the Lorain Street Bank by the Cleveland Trust Company.

"The Board of Governors concurs in your opinion that the proposed purchase of assets and assumption of deposit liabilities will not result in a change in the general character of the assets of the trust company nor broadening in the functions exercised by it, within the meaning of condition of membership numbered 3 to which it is subject.

"In view of your recommendation, the Board approves the continued operation by The Cleveland Trust Company, Cleveland, Ohio, of the branch now maintained by The Lorain Street Bank, Cleveland, Ohio, in Lakewood, Ohio, upon completion of the proposed purchase of assets and assumption of deposit liabilities of The Lorain Street Bank by The Cleveland Trust Company, provided prior approval of the appropriate State authorities is obtained and with the understanding that Counsel for the Reserve Bank will review and satisfy himself as to the legality of all steps taken to effect the proposed transaction and provide for the continued operation of the branch."

Approved unanimously.

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

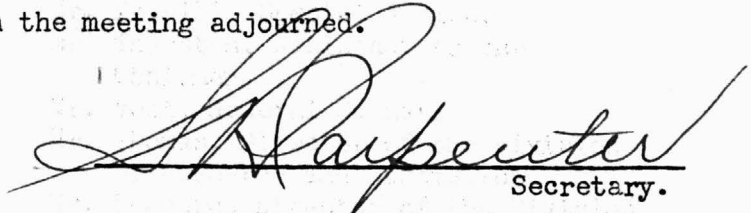
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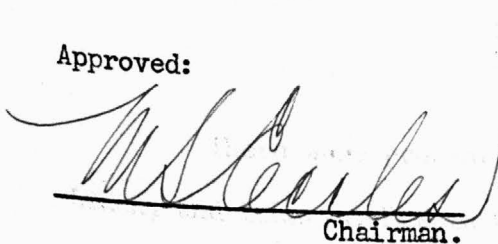
"Re tel. April 10 regarding Regulation T. Cash distributions paid on securities as part of the complete or partial dissolution or liquidation of the issuing corporation are not considered 'cash dividends' under section 6(g). Therefore, the section does not authorize withdrawal of such amounts."

Approved unanimously.

Thereupon the meeting adjourned.

  
Secretary.

Approved:

  
Chairman.