

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Monday, December 9, 1946.

PRESENT: Mr. Eccles, Chairman
Mr. Draper
Mr. Evans
Mr. Vardaman

Mr. Carpenter, Secretary
Mr. Sherman, Assistant Secretary
Mr. Morrill, Special Adviser
Mr. Thurston, Assistant to the Chairman

Minutes of actions taken by the Board of Governors of the Federal Reserve System on December 6, 1946, were approved unanimously.

Letter to the board of directors of "The Bank of Houston", Houston, Missouri, 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 St. Louis.

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

"The Board of Governors of the Federal Reserve System approves the application of The Bank of Houston, Houston, Missouri, 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 Commissioner of Finance for the State of Missouri for his information.

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"Since the amount of estimated losses shown is relatively small, the usual condition of membership requiring elimination of losses has not been prescribed. It is noted, however, that the bank agreed to charge off the estimated losses without delay.

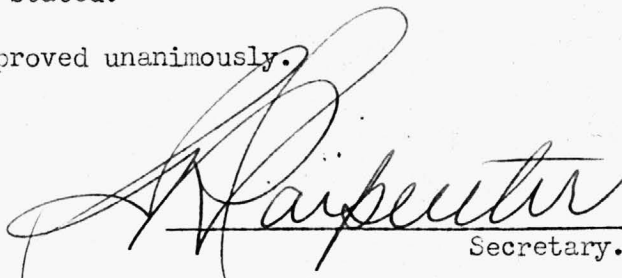
"The report of examination for membership shows that the bank's internal operations are inefficiently managed and its records poorly maintained. Credit data is inadequate, supporting papers are lacking in connection with several real estate loans and overdrafts appear to be freely granted. It is noted, however, that the management expressed a desire to effect corrections and the examiner felt that satisfactory improvement would be attained under firm supervision. It is assumed, of course, that the matter will be followed closely and counsel and assistance given as the need may appear."

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

"Reference is made to your letter of November 25, 1946, regarding the proposal of the Union Trust Company of Maryland, Baltimore, Maryland, to remodel the premises at 2056 Harford Road, Baltimore, Maryland, acquired in 1945, in order that a branch may be established at that location.

"In view of your recommendation, the Board of Governors will interpose no objection, under the provisions of condition of membership numbered 8 to which the trust company is subject, to the investment of approximately \$10,000 for the purpose stated."

Approved unanimously.


Secretary.

Approved:


Chairman.