

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Saturday, November 2, 1940, at 11:30 a.m.

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

Mr. Morrill, 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 November 1, 1940, were approved unanimously.

Letter to the board of directors of the "Peoples' Bank of Mount Jackson", Mount Jackson, Virginia, stating that, subject to conditions of membership numbered 1 to 3 contained in the Board's Regulation H, the Board approved the bank's application for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of Richmond.

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 business, such as the power to guarantee the payment of bonds. 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

11/2/40

-2-

"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 for transmission through the Federal Reserve Bank of Richmond.

Memorandum dated October 30, 1940, from Mr. Morrill, Secretary, recommending, for the reasons stated in the memorandum, that the Board authorize the Fiscal Agent to make payment of the unpaid salary earned by a deceased employee to the person who, on the basis of such evidence of the right to receive the payment as appears to the Fiscal Agent to be reasonably necessary in the circumstances, is entitled to receive the payment. The memorandum stated that if this suggestion were approved it would be understood that whenever the Fiscal Agent had any material doubt as to whom payment should be made, he would confer with the appropriate member of the Office of the General Counsel as to the action to be taken.

Approved unanimously.

Letter to Dr. Paul P. Cret, Philadelphia, Pennsylvania, reading as follows:

"Receipt is acknowledged of your letter of October 31 signed in your behalf by Mr. Wm. H. Livingston. Your understanding that, with your acceptance as set forth in your letter of the modifications stated in our letter of October 30, they are automatically in effect, is correct.

"We believe also that you are correct in your assumption that should the Board elect to expedite the work

11/2/40

-3-

"as provided for in the last sentence of Par. (a), it would indicate the Board's intention of taking bids following the completion of the work, although we cannot at this time foresee precisely all the circumstances which might dictate such a course. In any event, as stated in the agreement, the decision would be reached only after consultation with you.

"We are pleased to have your continued cooperation in this matter."

Approved unanimously.

Thereupon the meeting adjourned.

Chester M. Muel
Secretary.

Approved:

W. S. C. C. C.
Chairman.