

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, April 10, 1941, at 11:30 a.m.

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

Mr. Morrill, Secretary
Mr. Bethea, Assistant 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 April 9, 1941, were approved unanimously.

Letter to the board of directors of "The Garrett State Bank", Garrett, Indiana, stating that, subject to conditions of membership numbered 1 to 6, inclusive, contained in the Board's Regulation H and the following special condition, 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 Chicago:

- "7. Prior to admission to membership, such bank, if it has not already done so, shall charge off or otherwise eliminate estimated losses of \$500 as shown in the report of examination of such bank as of March 10, 1941, made by an examiner for the Federal Reserve Bank of Chicago."

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

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"The Board of Governors of the Federal Reserve System approves the application of 'The Garrett State Bank', Garrett, Indiana, 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, Department of Financial Institutions for the State of Indiana for his information.

"Since it is understood that in the State of Indiana trust funds deposited in the banking department of a bank are preferred claims in the event of liquidation of the bank, you are authorized, in accordance with the general authorization previously granted by the Board, to waive compliance with condition of membership numbered 6 until further notice.

"It has been noted that the supervising examiner for the Federal Deposit Insurance Corporation advised that his office has an understanding with the bank that when and as the remaining \$15,000 debentures held by the Reconstruction Finance Corporation are retired, common stock will be increased from \$65,000 to \$75,000 by means of a dividend payable in common stock. It is assumed, of course, that the Reserve Bank will see to it that the understanding is carried out."

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

"Reference is made to my letter of October 30, 1940, to you in regard to the provisions of the Agreement dated July 8, 1940 between the Board and your firm with respect to the erection of an Addition on the lot north of 'C' Street. The Board of Governors at its meeting on yesterday instructed me to request you to expedite and complete as rapidly as possible the contract drawings and specifications for this proposed Addition.

"It will be appreciated if you will advise me at your earliest convenience what in your opinion would be the shortest period of time that would be reasonable for the purpose of enabling the Board to make the determination contemplated by the last sentence of paragraph (a) of my letter of October 30, 1940.

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"With respect to the question whether the exterior facing of the Addition should be of marble or of limestone, I am advised by Chairman Eccles that he will take this matter up with Mr. Delano next week. In this connection, I understand from a telephone conversation with Mr. Livingston that you are preparing alternates for both marble and limestone.

"I further understand that within the next few days you will submit to me the revised preliminary drawings and sketches for the approval of the Board in accordance with paragraph (b) of my letter of October 30, 1940.

"It will be appreciated if you will advise me as promptly as possible as to any questions which may not have been disposed of upon which you will need decisions in order to enable you to proceed without delay."

Approved unanimously.

Thereupon the meeting adjourned.

Ernest Morrie

Secretary.

Approved:

W. S. Eccles

Chairman.