

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, October 20, 1941, at 11:30 a.m.

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

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 October 13, 1941, were approved unani-mously.

The minutes of the meetings of the Board of Governors of the Federal Reserve System held on October 14, 15, 16, 17, and 18, 1941, were approved and the actions recorded therein were ratified unani-mously.

Memorandum dated October 18, 1941, from Mr. Nelson, Assistant Secretary, submitting the resignation of Elizabeth Williams as a charwoman in the Building Operation and Maintenance Section of the Secretary's Office, to become effective as of the close of business on October 31, 1941, and recommending that the resignation be accepted as of that date.

The resignation was accepted.

Letter to Mr. Knoke, Vice President of the Federal Reserve Bank of New York, reading as follows:

10/20/41

-2-

"Receipt is acknowledged of your letter of October 17, 1941 stating that the board of directors of your bank has authorized the officers of your bank, subject to the approval of the Board of Governors, to advise the Banco Nacional de Nicaragua of your willingness to make at any time and from time to time any loan or loans to it on the following terms and conditions:

1. The amount to be advanced not to exceed in the aggregate at any one time \$500,000 to be secured by refined gold bars earmarked in your vaults in its name having a value equivalent to at least 111% of the aggregate amount of loan or loans outstanding from time to time.

2. Such loans to run from three months but no loans to mature later than a year from the date of the first loan under this arrangement.

3. Interest to be at your discount rate (now 1% per annum) on amounts actually advanced.

"The Board approves the authorization of your board of directors, described above.

"Participation in such loan or loans by the other Federal Reserve Banks is also approved and they are being advised by letter accordingly."

Approved unanimously.

Letter to Mr. Phillips, Assistant Cashier of the Federal Reserve Bank of Kansas City, reading as follows:

"Your telegram of October 15, 1941, asked whether furnaces and heating units designed for actual net output in excess of 240,000 B.t.u. per hour are excluded from all classifications in Regulation W.

"The figure of 240,000 B.t.u. was chosen in order to exclude heating equipment generally employed in commercial and industrial establishments. In some cases this larger equipment will be used in residential properties, but such instances will be relatively few. It was decided that it would be better for the dealers, for the finance companies, and for the enforcing agencies, if subject items could be determined by reference to design rather than the place of actual installation.

"It should be noted that large heating units excluded from Group D-1, on the basis of this rule, are not to be

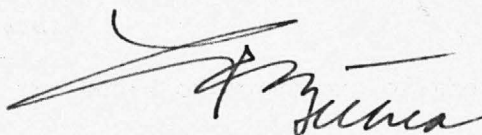
10/20/41

-3-

"considered as included in Group E even though all of the other circumstances would meet the specifications of Group E."

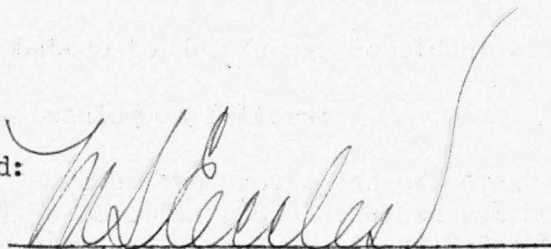
Approved unanimously.

Thereupon the meeting adjourned.



Assistant Secretary.

Approved:



Chairman.