

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, November 17, 1941, at 12:45 p.m.

PRESENT: Mr. Eccles, Chairman
Mr. Ransom, Vice Chairman
Mr. Szymczak
Mr. McKee
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 November 15, 1941, were approved unanimously.

Memorandum dated November 7, 1941, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending that Milton Moss be appointed as an economic assistant in that Division, with salary at the rate of \$2,400 per annum, effective as of the date upon which he enters upon the performance of his duties after having passed satisfactorily the usual physical examination.

Approved unanimously.

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

"This refers to your letter of November 10, 1941, and a letter from Mr. Diercks of the same date with regard to the possible termination of membership of The

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"St. Charles State Bank, St. Charles, Michigan, in connection with proceedings instituted by the Federal Deposit Insurance Corporation looking toward the possible termination of the insurance of this bank. You requested advice as to what procedure should be followed by your office with respect to termination of the bank's membership in the Federal Reserve System.

"As indicated in Mr. Diercks' letter, it now appears probable that it will not be necessary for the Federal Deposit Insurance Corporation to terminate the insurance of the bank but that it will be reorganized. If it is reorganized, it appears that it may be (1) through the creation of a new bank to take over certain assets and liabilities of the old bank, or (2) through the strengthening of the capital structure of the existing institution and the making of other satisfactory corrections.

"If the latter procedure is followed, there would seem to be no necessity of the bank's terminating its membership in the Federal Reserve System and, accordingly, no steps to this end would be necessary by your office. If a new bank is formed to take over the assets of the present institution, it is understood that the present institution will be placed in receivership and its membership should then be terminated in accordance with the procedure outlined in section 6 of the Board's Regulation I.

"In the event the Federal Deposit Insurance Corporation should decide that it is necessary to follow out the proceedings it has instituted and terminate the insurance of the bank, we will then advise you as to the procedure which you should follow in terminating the membership of the bank in the Federal Reserve System."

Approved unanimously.

Letter to the Simplex Manufacturing Company, New Orleans, Louisiana, reading as follows:

"Reference is made to your request for an amendment of Regulation W, which deals with consumer credit.

"Your request, as we understand it, is that the Board should remove motor bicycles from the list of articles specified in the Supplement or that, in case the Board should decide against doing this, the required down payment be reduced.

