

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, November 21, 1941, at 11:00 a.m.

PRESENT: Mr. Ransom, Vice Chairman
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:

Telegrams to Messrs. Sanford and Post, Secretaries of the Federal Reserve Banks of New York and Philadelphia, respectively, Mr. Wagner, Vice President of the Federal Reserve Bank of Cleveland, Mr. Stewart, Secretary of the Federal Reserve Bank of St. Louis, Mr. Caldwell, Chairman of the Federal Reserve Bank of Kansas City, and Mr. West, Vice President of the Federal Reserve Bank of San Francisco, stating that the Board approves the establishment without change by the Federal Reserve Bank of St. Louis on November 13, by the Federal Reserve Bank of San Francisco on November 18, by the Federal Reserve Banks of New York and Cleveland on November 19, 1941, and by the Federal Reserve Banks of Philadelphia and Kansas City today, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Letter to the board of directors of "The Peoples Banking Company", McComb, Ohio, stating that, subject to conditions of membership numbered

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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 Cleveland.

Approved unanimously for transmission through the Federal Reserve Bank of Cleveland.

Letter to "The First National Bank of Austin", Austin, Minnesota, reading as follows:

"The Board of Governors of the Federal Reserve System has given consideration to your application for fiduciary powers, and grants you authority to act, when not in contravention of State or local law, as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics, the exercise of all such rights to be subject to the provisions of the Federal Reserve Act and the regulations of the Board of Governors of the Federal Reserve System.

"This letter will be your authority to exercise the fiduciary powers granted by the Board pending the preparation of a formal certificate covering such authorization, which will be forwarded to you in due course."

Approved unanimously.

Memorandum dated November 14, 1941, from Mr. Dreibelbis referring to the decision reached at the meeting of the Board on October 25, 1940, that in connection with the examination of the New York Bank confirmations should not be requested of certain accounts maintained with the Federal Reserve Bank of New York by foreign banks and foreign governments, and stating that the examiner in charge of the current examination of the New York Bank had discussed the matter again with Mr.

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Logan, General Counsel for the Bank, who had submitted a memorandum setting forth reasons why it was felt confirmations of the following accounts should not be requested in connection with the current examination:

Dollar and gold accounts in the names of de Nederlandsche Bank, Banque Nationale de Belgique, The Government of Lithuania, The Government of Latvia, The Government of Estonia;

Dollar, gold and securities custody accounts in the name of Banque de Grece;

Account in the name of Narodni Banka Cesko-Slovenska; and

Belgian franc account in the name of the Federal Reserve Bank of New York with Banque Nationale de Belgique.

Mr. Dreibelbis' memorandum stated that, in the absence of objection on the part of the Board, the examiner in charge would follow the practice established last year and would not endeavor to obtain the usual confirmations of these accounts.

It was agreed that the confirmations of the accounts in question should not be requested.

Telegram to the Presidents of all of the Federal Reserve Banks reading as follows:

"Reg. W-111. The classification 'automobiles' under Group A-1 of the Supplement includes station wagons."

Approved unanimously.

Telegram to the Presidents of all of the Federal Reserve Banks

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reading as follows:

"To facilitate early action by the Board on the form of Statement of Borrower (purpose test) will you kindly send by wire to reach here not later than four o'clock next Monday afternoon any comments on the form you and your staff may wish to make."

Approved unanimously.

Telegram to Mr. Leedy, President of the Federal Reserve Bank of Kansas City, reading as follows:

"Retel tenth due to nation-wide publication and acceptance of farmer plan date and confusion that would result from sudden change at this time, advance of effective date is considered inadvisable."

Approved unanimously.

Letter to Mr. John H. Fahey, Chairman of the Federal Home Loan Bank Board, reading as follows:

"This will acknowledge receipt of your letter of November 13 addressed to Chairman Eccles, enclosing proposed instructions to be sent with the Registration Statement Form F.R. 563, to all member institutions of the Federal Home Loan Bank System and other institutions of the building and loan type.

"This proposed draft appears to be correct in substance. It is noted, however, that there are a few minor points as to which the proposed instructions might be further clarified before they are duplicated and distributed; as to these points Mr. Dembitz has communicated with Mr. R. W. Brown of your office. It is understood that the instructions in final form may differ, as to some of these details, from the form which you sent us on November 13, but will not differ in any major respect.

"When the instructions are duplicated for distribution, it will be appreciated if you will send 75 copies to the Board of Governors, addressed to the attention of Mr. Dembitz.

"We wish again to express our appreciation to you

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"and your organization for your generous cooperation in distributing registration statements under Regulation W and in other matters pertaining to this regulation."

Approved unanimously.

Memorandum dated November 19, 1941, from Mr. Wingfield, Assistant General Counsel, recommending that there be published in the December issue of the Federal Reserve Bulletin statements in the form attached to the memorandum with respect to the following subjects:

Interpretations of Regulation W; and
General Licenses and Public Circulars
Issued by the Secretary of the
Treasury.

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morrie
Secretary.

Approved:

Donald J. Johnson
Vice Chairman.