

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Saturday, December 6, 1941, at 11:30 a.m.

PRESENT: 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 December 5, 1941, were approved unanimously.

Telegram to Mr. Peyton, President of the Federal Reserve Bank of Minneapolis, reading as follows:

"In accordance with the request contained in your letter of December 2, the Board approves the appointment of Maurice Henry Strothman, Jr. as an examiner for the Federal Reserve Bank of Minneapolis. It is understood that Mr. Strothman is to handle the trust examination work. If the appointment is not made effective on January 1, 1942 as planned, please advise us."

Approved unanimously.

Memorandum dated December 1, 1941, from the Division of Examinations relating to the report of examination made as of November 1, 1941, of the head office of The Chase Bank, New York, New York, a corporation organized in 1930 under Section 25(a) of the Federal Reserve

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Act, by examiners for the Board. The memorandum stated that the examination developed no matters which it was felt necessary to bring to the attention of The Chase Bank, and submitted for approval the following letter to Mr. Winthrop W. Aldrich, Chairman of the Board of Directors of The Chase Bank:

"There is enclosed a copy of the report of examination of the Head Office of The Chase Bank, New York, New York, made as of November 1, 1941 by an examiner for the Board of Governors of the Federal Reserve System. The figures for the foreign branches shown in the consolidated statement of condition were supplied by the Head Office.

"Your courtesy in acknowledging receipt of the report will be appreciated."

Approved unanimously.

Letter to Mr. Ruml, Chairman of the Conference of Chairmen, reading as follows:

"From time to time in the past the question has arisen as to the policy to be followed in connection with conferences of auditors of the Federal Reserve Banks and, therefore, the Board of Governors would appreciate it if the matter could be given consideration by the Chairmen at their forthcoming conference.

"Inasmuch as the auditor of a Federal Reserve Bank is responsible directly to the board of directors, through its chairman or an auditing committee, it seems to the Board that the policies governing activities of the auditors of the Banks as a group should be determined by the Conference of Chairmen in consultation with the Presidents of the Federal Reserve Banks, and that when conferences of auditors are desirable they should be called by or with the approval of the Chairman of the Conference of Chairmen in accordance with the policies agreed upon.

"A copy of this letter is being sent to the Chairman of the Presidents' Conference with the suggestion that the Presidents might wish to consider the matter at their Conference to be held in Washington next week with a view

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"to the individual Presidents discussing it with the Chairmen of their respective Banks prior to the Chairmen's Conference."

Approved unanimously, together with a telegram to Mr. Day, Chairman of the Presidents' Conference, reading as follows:

"Following letter being sent today to Mr. Ruml as Chairman of Conference of Chairmen:

'From time to time in the past the question has arisen as to the policy to be followed in connection with conferences of auditors of the Federal Reserve Banks and, therefore, the Board of Governors would appreciate it if the matter could be given consideration by the Chairmen at their forthcoming conference.

'Inasmuch as the auditor of a Federal Reserve Bank is responsible directly to the board of directors, through its chairman or an auditing committee, it seems to the Board that the policies governing activities of the auditors of the Banks as a group should be determined by the Conference of Chairmen in consultation with the Presidents of the Federal Reserve Banks, and that when conferences of auditors are desirable they should be called by or with the approval of the Chairman of the Conference of Chairmen in accordance with the policies agreed upon.

'A copy of this letter is being sent to the Chairman of the Presidents' Conference with the suggestion that the Presidents might wish to consider the matter at their Conference to be held in Washington next week with a view to the individual Presidents discussing it with the Chairmen of their respective Banks prior to the Chairmen's Conference.'

"Board will appreciate it if Presidents will consider this matter at their conference next week as suggested in last paragraph of letter to Mr. Ruml. Board will be glad to discuss matter with Presidents while they are here in event they wish to do so."

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Thereupon the meeting adjourned.

Chester Morrie  
Secretary.

Approved:

Donald Johnson  
Vice Chairman.