A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, December 8, 1941, at 12:30 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 hereinafter 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 6, 1941, were approved unanimously.

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

"In accordance with the request contained in your letter of December 2, 1941, the Board approves the appointment of Joseph Edward Cameron, at present an assistant examiner, as an examiner for the Federal Reserve Bank of Atlanta. If the appointment is not made effective on January 1, 1942, as planned, please advise us."

Approved unanimously.

Letter to the board of directors of the "Rising Sun State Bank", Rising Sun, Indiana, stating that, subject to conditions of membership numbered 1 to 6 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 Chicago.

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

"The Board of Governors of the Federal Reserve System approves the application of the 'Rising Sun State Bank', Rising Sun, 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.

"The report of examination for membership indicates that as a result of a speculative policy the bank has suffered severe losses in the past in its securities account, and that the account still contains a substantial proportion of defaulted and other sub-standard issues. The report reflects also the need for a policy of requiring amortization on real estate loans. The application has been approved with the expectation that the Reserve Bank will follow the situation closely and see that the assurances with respect to investment policy are carried out and that, as a member bank, the institution's affairs are soundly administered."

Letter to the board of directors of the "City State Bank", Ogden, Iowa, stating that, subject to conditions of membership numbered 1 to 3 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:

"4. Prior to admission to membership, such bank, if it has not already done so, shall charge off or otherwise eliminate estimated losses of $2,238.50, as shown in the report of examination of such bank as of October 13, 1941, made by an examiner for the Federal Reserve Bank of Chicago."

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

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

"Reg. W-114. Instalment sale or loan credit granted to a farmer before December 1 may be revised after December 1 on any terms which would have been permitted if section 9(f) had been in effect when the credit was originally granted."

Approved unanimously.

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

"At the recent Fiscal Agency Conference held at the Federal Reserve Bank of Atlanta, the Reserve Bank representatives were requested to furnish the Treasury with their suggestions and comments with respect to a number of topics after returning to their respective Banks. It will be appreciated if you will have your representatives at the Conference furnish the Board with copies of all letters and memoranda forwarded to the Treasury in response to such requests.

"Some of the Federal Reserve Banks had a senior employee in the Fiscal Agency Department accompany the officer in charge of that Department when he attended the Atlanta Conference. This policy seems to the Board to be a good one, particularly since it gives senior employees who are good prospects for further advancement an opportunity to get a broader viewpoint of System problems
"which relate to their particular assignments. "The Board will appreciate being advised of all Fiscal Agency and allied matters of importance taken up with the Treasury by the Federal Reserve Banks and by the Treasury with the Federal Reserve Banks. 
"In order to facilitate closer relations between the Treasury, the Board and the Federal Reserve Banks in this field, the Board is arranging for a conference with the Treasury on this subject and will advise you of the outcome of the conference. In the meantime, your courtesy in keeping us informed in respect to these matters will be appreciated."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morris
Secretary.

Approved:

Chairman.