

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Tuesday, November 17, 1942, at 11:00 a.m.

PRESENT: Mr. Eccles, Chairman  
Mr. Ransom, Vice Chairman  
Mr. Szymczak  
Mr. Draper  
Mr. Evans

Mr. Morrill, Secretary  
Mr. Bethea, Assistant Secretary  
Mr. Carpenter, Assistant Secretary

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 November 16, 1942, were approved unanimously.

The minutes of the meeting of the Board of Governors of the Federal Reserve System with the Federal Advisory Council held on November 16, 1942, were approved unanimously.

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

"In accordance with the request contained in your letter of November 12, 1942, the Board approves the designation of Daniel B. Elliott as a special assistant examiner."

Approved unanimously.

Letter to the board of directors of "The Bank of Waverly, Incorporated", Waverly, Virginia, stating that, subject to conditions of membership numbered 1 to 3 contained in the Board's Regulation H, the Board approves the bank's application for membership in the Federal

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Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of Richmond.

The letter also contained the following special comment:

"It appears that the bank is authorized to exercise trust powers but is not doing so and that it possesses certain other powers which are not being exercised and which are not necessarily required in the conduct of a banking business, such as the power to guarantee the payment of bonds. Attention is invited to the fact that if the bank desires to exercise any powers not actually exercised at the time of admission to membership, it will be necessary under condition of membership numbered 1 to obtain the permission of the Board of Governors before exercising them. In this connection, the Board understands that there has been no change in the scope of the corporate powers exercised by the bank since the date of its application for membership."

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

"The Board of Governors of the Federal Reserve System approves the application of 'The Bank of Waverly, Incorporated', Waverly, Virginia, 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 Commissioner of Banking for the Commonwealth of Virginia for his information.

"It is assumed that you will follow the matter of the bank's bringing into conformity with the provisions of law and the Board's regulations the requirements with respect to savings deposit withdrawals."

Telegram prepared for the signature of Chairman Eccles to the Presidents of all the Federal Reserve Banks, reading as follows:

"In view of the increasing amount of war financing and the consequent large temporary shifts in reserves accompanying each financing operation, banks should be encouraged to make greater use of war loan deposit accounts. The next financing operation will be substantially larger than usual

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"making it highly important that war loan deposit accounts be used to the fullest possible extent. Accordingly, it is suggested that you get in touch with member and nonmember banks in your district that do not now have such accounts and explain to them the importance and mechanics of the accounts in the present situation and encourage them to open accounts.

"It is important that this be done promptly in order that the necessary action may be taken by applying banks in time to be prepared for the forthcoming Treasury financing. As you know, the limitations on the size of such accounts have been removed by the Treasury subject to the recommendations of the Federal Reserve Banks.

Approved unanimously.

Letter to Mr. Joseph B. Eastman, Director of the Office of Defense Transportation, Office for Emergency Management, reading as follows:

"This will acknowledge receipt of your letter of November 10, 1942, addressed to Chairman Eccles, enclosing a copy of your circular letter of the same date addressed to all Government Agencies, requesting that travel of Government employees be curtailed as much as possible over the Thanksgiving and Christmas holiday periods.

"In accordance with your wishes this correspondence has been brought to the attention of all members of the Board and its staff, and the Board has asked that all officers and employees in its organization cooperate in meeting the requests contained in your circular letter. A copy of the Board's memorandum to all division heads on this subject is enclosed."

Approved unanimously.

Thereupon the meeting adjourned.

Approved:

  
Chairman.

  
Secretary.