

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, December 4, 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
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 3, 1942, were approved unanimously.

Telegrams to Messrs. Treiber, McCreedy, Hays, and Dillard, Secretaries of the Federal Reserve Banks of New York, Philadelphia, Cleveland, and Chicago, respectively, Mr. Caldwell, Chairman of the Federal Reserve Bank of Kansas City, Mr. Gilbert, President of the Federal Reserve Bank of Dallas, and Mr. Hale, Secretary of the Federal Reserve Bank of San Francisco, stating that the Board approves the establishment without change by the Federal Reserve Bank of San Francisco on December 1, and by the Federal Reserve Banks of New York, Philadelphia, Cleveland, Chicago, Kansas City, Dallas, and San Francisco on December 3, 1942, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

12/4/42

-2-

Memorandum dated December 2, 1942, from Mr. Morrill, recommending that Daniel M. Derrick be appointed as a guard in the Secretary's Office on a temporary basis for an indefinite period, with salary at the rate of \$1,500 per annum, effective as of the date upon which he enters upon the performance of his duties.

Approved unanimously.

Memorandum dated December 2, 1942, from Mr. Morrill, recommending that Michael L. Jamison be appointed as a laborer in the Secretary's Office on a temporary basis for an indefinite period, with salary at the rate of \$1,200 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.

Memorandum dated December 1, 1942, from Mr. Paulger, Chief of the Division of Examinations, submitting the resignation of Arch B. Brown as a senior clerk in that Division, to become effective as of the close of business on December 31, 1942, and recommending that the resignation be accepted as of that date.

The resignation was accepted.

Memorandum dated December 1, 1942, from Mr. Goldenweiser, Director of the Division of Research and Statistics, submitting the resignation of Mrs. Margaret Mitchell as a clerk in that Division, to become effective as of the close of business on December 11, 1942, and

12/4/42

-3-

recommending that the resignation be accepted as of that date.

The resignation was accepted.

Letter to the board of directors of the "Danville Loan and Savings Bank", Danville, Virginia, 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 Richmond:

- "4. Prior to admission to membership, such bank, if it has not already done so, shall charge off or otherwise eliminate estimated losses of \$11,228.50 as shown in the report of examination of such bank as of September 28, 1942, made by an examiner for the Federal Reserve Bank of Richmond."

The letter also contained the following special comment:

"It appears that the bank possesses certain 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:

12/4/42

-4-

"The Board of Governors of the Federal Reserve System approves the application of the 'Danville Loan and Savings Bank', Danville, 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 practices with respect to time and savings deposits, and that of reducing to within statutory limits the excess balance in a nonmember bank."

Thereupon the meeting adjourned.

Chester Morie
Secretary.

Approved:

W. S. Coles
Chairman.