

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Saturday, November 23, 1940, at 11:00 a.m.

PRESENT: Mr. Eccles, Chairman
Mr. Draper
Mr. Szymczak
Mr. McKee
Mr. Davis

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 November 22, 1940, were approved unanimously.

Memorandum dated November 22, 1940, from Mr. Nelson, Assistant Secretary, submitting the resignation of John C. Harvey as a plumber in the Building Operation and Maintenance Section of the Secretary's Office, effective as of the close of business on November 20, 1940, and recommending that the resignation be accepted as of that date.

The resignation was accepted.

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

"In accordance with letter X-9371 of November 26, 1935 (Loose Leaf Service #3270), the Federal Reserve

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"Banks compute semi-annually each member bank's required holdings of Federal Reserve Bank stock and request member banks to file applications for such adjustments in their holdings as may be necessary because of changes in their capital and surplus. It has recently come to the Board's attention that, although many of the resulting applications involve only a few shares of Federal Reserve Bank stock, a considerable amount of work is required in making the semi-annual computations, handling the applications, and issuing and cancelling stock certificates. In the circumstances you are authorized to substitute an annual review of member bank holdings of Federal Reserve Bank stock, to be made as soon as practicable after February 1 of each year, in place of the semi-annual reviews now provided for.

"There is attached a copy of form F.R. 533 to be used hereafter in reporting changes in Federal Reserve Bank stock holdings during the semi-annual periods ending on June 30 and December 31, respectively, of each year. This form, a supply of which is being sent to you under separate cover, is to be used in submitting the report outlined in paragraph 7 of the Board's letter X-9371 of November 26, 1935. It will be noted that form F.R. 533 provides for the inclusion in the figures reported against items 2b and 3b, respectively, of increases and decreases in holdings of Federal Reserve Bank stock resulting from consolidations of member banks (of the type described in section 5 of Regulation I). The form also provides for the listing, in the last section on page 4, of consolidations of member banks and of conversions (as described in footnote 3 of Regulation I) of State member banks into national banks.

"The Federal Reserve Banks now advise the Board by wire against code FAZOI of the issuance of Federal Reserve Bank stock to a newly organized national bank. Such telegraphic advice may be discontinued, since the information furnished in the semi-annual reports on form F.R. 533 covering the issuance of Federal Reserve Bank stock will suffice for the Board's purposes."

Approved unanimously.

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Thereupon the meeting adjourned.

Chester Morris
Secretary.

Approved:

W. Stables
Chairman.