

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, November 3, 1941, at 11:30 a.m.

PRESENT: Mr. Eccles, 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 October 30, 1941, were approved unanimously.

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on October 31 and November 1, 1941, were approved and the actions recorded therein were ratified unanimously.

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

"The Board of Governors concurs in the action taken by the Conference of Presidents at the meeting held on September 27-28, 1941, in accepting and approving the September 17, 1941 report and recommendations of the Committee on Handling of U. S. Postal Money Orders together with the suggested circular letter, as revised.

"As soon as formal approval of the Treasury Department is obtained of the tentative arrangements worked out between the Committee and the Treasury with respect to collecting certain money orders deposited with the Federal Reserve Banks by Government agencies and officials, the Board will advise the Chairman of the Presidents'

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"Conference thereof so that a date may be fixed for issuing the circular and making the revised procedure effective."

Approved unanimously.

Letter to Mr. Day, Chairman of the Presidents' Conference, reading as follows:

"It has been noted from the minutes of the last meeting of the Presidents' Conference that the report of the Insurance Plan Committee, which recommended an insurance plan for adoption by the Federal Reserve Banks, was referred to the Insurance Committee and that the latter Committee was requested to discuss the subject with insurance companies or their representatives with a view to obtaining their comments and suggestions with respect to competitive plans that might be offered by such companies, it being understood that the Committee would report its findings with appropriate recommendations to the Presidents' Conference.

"The Board has read with much interest the record of the Presidents' discussion of this subject and agrees that no hasty action should be taken to change the method of insurance. Since System self-insurance has been under consideration for a number of years and since the Committee appointed to study the subject, after carefully considering the matter for approximately a year, rendered a comprehensive report on August 23, 1941, setting forth both the advantages and disadvantages to the System of carrying its own blanket bond and registered mail and express insurance, the Board believes that the report should receive prompt consideration. As pointed out in its report, the Committee estimates that the System can save at least \$250,000 a year by adopting the plan recommended. This saving seems to the Board to warrant the System's carrying its own insurance on the type of risks referred to and the Board agrees in principle with the report of the Committee although it has not considered any of its details. In view of these circumstances, it is hoped that the Insurance Committee of the Presidents' Conference will submit a prompt report on this matter so that it can be acted upon by the Presidents not later than at the next meeting of the Presidents' Conference."

Approved unanimously.

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Letter to Mr. Day, Chairman of the Presidents' Conference, reading as follows:

"Copies of the minutes of the Conference of Presidents held in Washington on September 27-28, 1941, have been received, and it is noted that the Conference agreed that, as an experiment, a meeting of senior officers of the Federal Reserve Banks, who are in charge of and conversant with operating problems, should be held at some central point preferably outside of Washington, it being felt that if such meetings proved to be practicable and useful they would relieve the Presidents of the burden of discussing operating details at their stated meetings and enable them to devote more time to broader questions of policy and program.

"The Board will appreciate it very much if you will keep it advised of the plans for the experimental meeting as they are developed."

Approved unanimously.

Mr. Szymczak suggested that the Board authorize the payment of the cost of luncheons served in the Board's dining room today to Mr. Rolf Nugent, Consultant in the Office of Price Administration, and Mr. K. R. Cravens, Vice President of the Cleveland Trust Company and Chairman of the American Bankers Association Committee on Consumer Credit.

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morris  
Secretary.

Approved:

W. C. C. C.  
Chairman.