

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Saturday, April 3, 1943, at 11:30 a.m.

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

Mr. Morrill, Secretary
 Mr. Bethea, 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 April 2, 1943, were approved unanimously.

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

"This is to advise you that the Board of Governors notes without objection the salaries paid to employees of your Bank as of January 1, 1943, as shown in the statement accompanying Mr. Clark's letter of February 2, 1943."

Approved unanimously.

Letter to the board of directors of "The Fahey Banking Company", Marion, Ohio, 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 Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of Cleveland.

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

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"The Board of Governors of the Federal Reserve System approves the application of 'The Fahey Banking Company', Marion, Ohio, 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 Superintendent of Banks for the State of Ohio 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 savings accounts listed on page 16(1) of the report of examination for membership."

Letter to the board of directors of "The Loramie Banking Company", Fort Loramie, Ohio, 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 Cleveland:

- "4. Prior to admission to membership, such bank, if it has not already done so, shall charge off or otherwise eliminate estimated losses of \$597.63, as shown in the report of examination of such bank as of February 27, 1943, made by an examiner for the Federal Reserve Bank of Cleveland."

Approved unanimously, for transmission through the Federal Reserve Bank of Cleveland.

Letter to "The First National Bank of Wayne", Wayne, Nebraska, reading as follows:

"This refers to the resolution adopted on July 24, 1940, by the board of directors of your bank, signifying the bank's desire to surrender its right to exercise fiduciary powers heretofore granted to it.

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"The Board, understanding that your bank has been discharged or otherwise properly relieved in accordance with the law of all of its duties as fiduciary, has issued a formal certificate to your bank certifying that it is no longer authorized to exercise any of the fiduciary powers covered by the provisions of section 11(k) of the Federal Reserve Act, as amended. This certificate is enclosed herewith.

"In this connection, your attention is called to the fact that, under the provisions of section 11(k) of the Federal Reserve Act, as amended, when such a certificate has been issued by the Board of Governors of the Federal Reserve System to a national bank, such bank (1) shall no longer be subject to the provisions of section 11(k) of the Federal Reserve Act or the regulations of the Board of Governors of the Federal Reserve System made pursuant thereto, (2) shall be entitled to have returned to it any securities which it may have deposited with the State or similar authorities for the protection of private or court trusts, and (3) shall not exercise any of the powers conferred by section 11(k) of the Federal Reserve Act except with the permission of the Board of Governors of the Federal Reserve System."

Approved unanimously.

Letter to the Comptroller of the Currency, reading as follows:

"This refers to the Board's letter of March 16, 1943, enclosing a copy of the draft of revision of the form of guarantee agreement, identified by the words '(Form of March 26, 1943)', for use in connection with Executive Order No. 9112 and the Board's Regulation V.

"Since the date of the Board's letter, certain slight changes in the language of sections 1(C), 4(A), 6(A), 6(B), 6(G), 8(A), 8(B), and 17(B) of the revised form of guarantee agreement have been agreed to by the War Department, the Navy Department, and the United States Maritime Commission; and a copy of a new draft of the revision of the form of guarantee agreement containing these changes and identified by the words '(Form of April 6, 1943)' is enclosed herewith.

"Before the final adoption of the revised form of guarantee agreement of April 6, 1943, it will be appreciated if you will advise us whether, in your opinion, this form of guarantee agreement, as enclosed herewith, will comply with the definition of the term 'unconditional', as used in Exception 10 to Section 5200 of the Revised Statutes, which was issued by you on June 18, 1942.

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"In view of the above-mentioned changes in the revised form of guarantee agreement, the request made herein, of course, supersedes the request contained in the Board's letter of March 16, 1943."

Approved unanimously.

Memorandum dated March 19, 1943, from Mr. Goldenweiser, Director of the Division of Research and Statistics, reading as follows:

"In view of the significance from a money market standpoint of changes in Reserve System holdings of Treasury bills on option account, figures on these holdings should be published. They could be shown in the regular weekly press release or, if not released weekly, could be published in the Bulletin in the regular table corresponding to that on page 229 of the March Bulletin.

"This information is also of some significance by districts, as indicating the extent to which member banks in the various districts have resorted to sales of bills to obtain additional reserve funds. If the figures are shown in the regular weekly release, they could be shown by districts as well as for the country as a whole.

"Another item of public interest is the figure showing the System's holdings of special one-day certificates of indebtedness. This figure is already published in the Treasury Daily Statement and it is our plan to include it in the Bulletin table for Wednesday and end of month dates. It might also be advisable to show the figure in the regular weekly release.

"I would recommend the publication of both of these figures in the weekly release and in Bulletin tables, but if not included in the release, they should be published in the Bulletin."

Attached to the above memorandum was a memorandum dated March 24, 1943, addressed to Mr. Goldenweiser by Mr. Smead, Chief of the Division of Bank Operations, in which the former concurred, stating that he (Mr. Smead) felt that both figures should be published in the Bulletin, that the amount of the System's certificate holdings should likewise be shown in the regular weekly press release, preferably in the text only, and that United

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States Government securities should be shown ahead of bills discounted.

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morris
Secretary.

Approved:

W. C. ...
Chairman.