

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Wednesday, July 7, 1943, at 11:00 a.m.

PRESENT: Mr. Eccles, Chairman
 Mr. Ransom, Vice 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 July 6, 1943, were approved unanimously.

Letter prepared for the signature of Mr. Leonard, as Chairman of the Agency Committee on Deferment of Government Employees, to Mr. Robert M. Barnett, Chairman of the Review Committee, Deferment of Government Employees, War Manpower Commission, reading as follows:

"Under the provisions of Section IV, 1-b, of Executive Order 9309, the Agency Committee submits herewith in triplicate, a request for the deferment for six months from August 3, 1943, of Mr. J. Burke Knapp, Assistant Head of the International Section of the Board's Division of Research and Statistics.

"The Agency Committee requests an extension of Mr. Knapp's deferment because of the importance of his work which is directly related to the war effort. In fact, Mr. Knapp's principal work in recent months and for the next few months is in connection with the direction of an important project undertaken at the specific request of the War Department and which is described more fully in the attached memorandum.

"Mr. Knapp is uniquely fitted for his work in the International Section. Following graduation from college in 1933,

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"where he majored in economics, he was a Rhodes Scholar at Oxford University in England for three years and then for three years was associated with an international banking firm serving in the Berlin and London offices. He has been in the Board's International Section since February 1940, when he returned from Europe."

Approved unanimously, Mr. Draper stating that he was not in favor of any further deferment for Mr. Knapp and that he would vote "no" in the event the same request were made six months from now.

Telegram to Mr. Day, President of the Federal Reserve Bank of San Francisco, reading as follows:

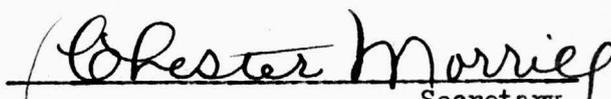
"See our July 5 letter. Treasury advised today that reply to your letter regarding expansion of fiscal agency operations at Branches is being held up, due in part to Mr. Bell's absence from the office. They state, however, that majority of Branches are now accounting directly with Treasury in case of Series E, F, and G Bonds and tax notes and if your Bank will send a brief wire request to Mr. Broughton for necessary authority in this respect, the change could be made effective August 1. As mentioned in our letter, Treasury feels that this would be helpful as the first step in expanding fiscal agency operations at the Branches as it would give the Department an opportunity to set up accounts with all the Branches and would give the Branches desirable experience in compiling reports and in dealing with the Treasury in general."

Approved unanimously.

Thereupon the meeting adjourned.

Approved:


Chairman.


Secretary.