A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, September 3, 1943, at 10:30 a.m.

PRESENT: Mr. Eccles, Chairman
         Mr. Ransom, Vice Chairman
         Mr. Szymczak
         Mr. McKee
         Mr. Draper
         Mr. Evans
         Mr. Bethea, Assistant Secretary
         Mr. Carpenter, Assistant Secretary
         Mr. Clayton, Assistant to the Chairman
         Mr. Goldenweiser, Director of the Division of Research and Statistics
         Mr. Dreibelbis, General Attorney
         Mr. Wyatt, General Counsel
         Messrs. Piser and Kennedy, Chief and Assistant Chief, respectively, of the Government Securities Section, Division of Research and Statistics.

There were presented telegrams to Mr. Paddock, President of the Federal Reserve Bank of Boston, Messrs. Treiber and McCreedy, Secretaries of the Federal Reserve Banks of New York and Philadelphia, respectively, Mr. McLarin, President of the Federal Reserve Bank of Atlanta, Mr. Dillard, Vice President of the Federal Reserve Bank of Chicago, Mr. Stewart, Secretary of the Federal Reserve Bank of St. Louis, 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 Banks of St. Louis and San Francisco on August 31, by the Federal Reserve Bank of Atlanta on September 1, by the Federal Reserve Banks of New York, Philadelphia, Chicago,
Dallas, and San Francisco on September 2, 1943, and by the Federal Reserve Bank of Boston today, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Reference was made to the meeting which had been called to convene in Washington on Monday, September 6, 1943, of the special committee of the Presidents' Conference on lending under Regulation V, and there was a discussion of some of the problems involved in the reconversion of industry following the war and the adjustments to be made in the postwar period.

It was stated that it had been decided that the next meeting of the Federal Open Market Committee should be held in Washington on October 18, 1943, and there was agreement with a suggestion made by Mr. Evans that a meeting of Federal Reserve Bank economists should be held in Washington immediately following the meeting of the Federal Open Market Committee.

At this point Messrs. Goldenweiser, Dreibelbis, Wyatt, Piser, and Kennedy withdrew from the meeting, and the action stated with respect to each of the matters hereinafter referred to was then taken by the Board:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on September 2, 1943, were approved unanimously.

Memorandum dated September 1, 1943, from Mr. Thomas, Assistant Director of the Division of Research and Statistics, submitting the resignation of Miss Louise H. Larson as clerk in that Division, to become effective as of the close of business on September 17, 1943, and recommending that the resignation be accepted as of that date.

The resignation was accepted.
Memorandum dated September 2, 1943, from Mr. Paulger, Chief of the Division of Examinations, submitting the resignation of Miss Nancy Lee Chelberg as a stenographer in that Division, to become effective as of the close of business on September 18, 1943, and recommending that the resignation be accepted as of that date.

The resignation was accepted.

Memorandum dated September 1, 1943, from Mr. Dreibelbis, General Attorney, recommending, for the reasons stated in the memorandum, that liquidation of the 30 days' sick leave advanced John H. Hunley, a messenger in the Legal Division, for the period January 20 through February 23, 1943, be waived, and that in this respect the three advances of sick leave to Hunley, including the second advance for the period February 24 through March 30 and the third for the period March 31 through May 4, 1943, which were granted with the understanding that such leave would not be charged against any annual or sick leave which he might accumulate in the future, be treated as one period for which liquidation need not be made.

Approved unanimously.

Letter to Mr. Paddock, President of the Federal Reserve Bank of Boston, reading as follows:

"Reference is made to your letter of August 24, 1943, submitting the request of The Merrill Trust Company, Bangor, Maine, for permission to acquire and carry on its books at not more than $300,000 the bank buildings occupied by the head office and six of its branches, which properties are now held by the Merrill Mortgage Company, an affiliate of the bank through common ownership and which is now in process of liquidation. The Board's permission is requested pursuant to the provisions of
"an applicable condition of membership, numbered 8, which pro-
vides, in part, that:

'....before any investment is made in a bank
building or in a site for a bank building the
bank shall refer the matter to the Federal
Reserve Board for consideration.'

"It is understood that the trust company now carries in its
investments $375,000 par value of debentures of the Merrill Mort-
gage Company which have been shown in condition reports submitted
by the bank as investments indirectly representing bank premises,
and that, in effect, the debentures are to be exchanged for the
properties to be acquired and the difference of $75,000 charged
off. It is noted, also, that you consider $300,000 a fair value
for the buildings and that the bank's total investment in bank-
ing premises, including vaults and furniture and fixtures, will
amount to 20.3 per cent of its capital account after completion
of the proposed transaction. In the circumstances, the Board
will interpose no objection."

Approved unanimously.

Letter to Mr. Hult, Vice President of the Federal Reserve Bank of
Boston, reading as follows:

"Reference is made to your letter of August 21, enclosing
a copy of a letter received by you from the First National Bank
of Boston inquiring whether the War and Navy Departments and
Maritime Commission will permit the continuance of commitment
fees in excess of 1/4 of one per cent in cases where the new
form of guarantee agreement is substituted for guarantees now
outstanding.

"For your information there is enclosed a memorandum, dated
August 24, from the Navy Department regarding this matter. The
position taken by the Navy Department is agreeable to the Board.
It is also agreeable to both the War Department and the Maritime
Commission."

Approved unanimously.

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

"It is respectfully requested that you place an order with
the Bureau of Engraving and Printing, supplementing the order
of June 15, 1943, for printing of Federal Reserve notes of the
1934 Series for the Federal Reserve Bank of St. Louis in the
"following denomination and amounts:

<table>
<thead>
<tr>
<th>Denomination</th>
<th>Number of Sheets</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,000</td>
<td>100</td>
<td>$6,000,000</td>
</tr>
<tr>
<td>10,000</td>
<td>50</td>
<td>6,000,000</td>
</tr>
</tbody>
</table>

Approved unanimously.

Thereupon the meeting adjourned.

Approved:

Chairman.