

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, September 30, 1943, at 11:00 a.m.

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

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 September 29, 1943, were approved unanimously.

Memorandum of this date from Mr. Morrill, submitting the resignation of Stanley M. Love as a laborer in the Secretary's Office, and recommending that it be accepted as of the close of September 19, 1943.

The resignation was accepted.

Telegram to Mr. Clark, Vice President of the Federal Reserve Bank of Atlanta, referring to the application of "The Central Bank", Swainsboro, Georgia, for permission to withdraw immediately from membership in the Federal Reserve System, and stating that the Board waives the usual requirement of six months' notice of intention to

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withdraw, and that, accordingly, upon surrender of the Federal Reserve Bank stock issued to "The Central Bank", the Federal Reserve Bank of Atlanta is authorized to cancel such stock and make appropriate refund thereon.

Approved unanimously, together with a letter to Mr. Neil G. Greensides, Acting Chief of the Division of Examination, Federal Deposit Insurance Corporation, reading as follows:

"In accordance with the request contained in your letter of September 27, 1943, the Board of Governors of the Federal Reserve System hereby grants written consent, pursuant to the provisions of subsection (k)(2) of Section 12B of the Federal Reserve Act, for examiners for the Federal Deposit Insurance Corporation to make an examination of The Central Bank, Swainsboro, Georgia, in connection with its application for continuation of insurance after withdrawal from membership in the Federal Reserve System.

"There are no unfulfilled conditions nor incomplete corrective programs with respect to the member bank in connection with which the Board would suggest incorporation of conditions for continuing its status as an insured bank."

Letter to Mr. Walter C. Louchheim, Jr., Assistant Director of the Trading and Exchange Division, Securities and Exchange Commission, reading as follows:

"Mr. Parry has informed the Board that the Commission would like to have the Board's reaction to a proposal it is considering which would have the effect of admitting to trading on national securities exchanges certain securities for which the market is predominantly within the State in which the exchange is located, without the filing of the usual registration statement by the issuer of the security but upon certain conditions governing information to be filed with the Commission and rules to which transactions

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"on the exchanges would be subject. The proposed rule is given in a release of the Commission dated July 7, 1943.

"The Board does not believe that it is in a position to express any opinion on the desirability or undesirability of this proposal but can see no objection to the plan in so far as it might be related to the Board's responsibilities for margin requirements under section 7 of the Securities Exchange Act of 1934.

"You have also asked what would be the Board's attitude toward a rule of the Commission which would exempt such securities from the provisions of section 7(c)(2) of the Act, thereby giving these securities loan value for purposes of Regulation T on the same basis as registered securities.

"The Board believes that if the plan is adopted it would be reasonable to give loan value to these securities. They would be treated for purposes of the regulation in the same way as other securities traded on the exchanges and the confusion of having two different rules would be avoided."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morrie
Secretary.

Approved:

Donald R. Hanson
Vice Chairman.