

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Wednesday, October 27, 1943, at 11:00 a.m.

PRESENT: Mr. Eccles, Chairman
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 October 26, 1943, were approved unanimously.

Memorandum dated October 25, 1943, from Mr. Paulger, Chief of the Division of Examinations, submitting the resignation of Mrs. Helen Berg as a stenographer in that Division, and recommending that it be accepted as of the close of business on October 31, 1943.

The resignation was accepted.

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

"In accordance with the request contained in your letter of October 21, 1943, the Board approves the appointment of William C. Fuller as an assistant examiner for the Federal Reserve Bank of Cleveland. Please advise us of the date upon which the appointment becomes

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"effective and also of the salary rate."

Approved unanimously.

Letter to Mr. Young, President of the Federal Reserve Bank of Chicago, reading as follows:

"The Board notes with real interest the steps taken as reported in your letter of October 8 to inaugurate a program of aid to employees who are seeking through study to improve themselves in value to the bank. It is understood from your discussions when in Washington recently, that the program has been proposed as an experiment, that it will be followed closely and that reports will be submitted to the board of directors from time to time as to developments.

"The Board shares your view that a program which would aid carefully selected employees in pursuing studies which relate to their work should be helpful to the bank. Accordingly, the Board will watch with interest the results of the program and requests that it be kept advised from time to time as to developments."

Approved unanimously.

Under date of October 19, 1943, the Board received from Mr. W. Dale Clark, President of The Omaha National Bank, a copy of a resolution which was adopted on October 18 by nine banks in Omaha and Lincoln, Nebraska, and which read as follows:

"Recognizing the equity intended by Regulation Q, and desiring to further clarify this regulation for the guidance of the undersigned banks, and assuming ratification by the Kansas City and St. Joseph Clearing Houses, we resolve as follows:

"Effective November 15, we will not absorb exchange or collection charges for depositors. Absorption of charges against one customer aggregating less than one dollar (\$1.00) per month will be considered as trivial

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"and not a violation of this compliance resolution.

THE OMAHA NATIONAL BANK - Dale Clark,
President

CONTINENTAL NATIONAL BANK - Edw. A. Becker,
Vice President

STOCK YARDS NATIONAL BANK - W. A. Sawtell,
President

PACKERS NATIONAL BANK - A. L. Coad,
President

FIRST NATIONAL BANK, LINCOLN - P. R. Easterday
Executive Vice President

UNITED STATES NATIONAL BANK - H. M. Bushnell,
President

LIVE STOCK NATIONAL BANK - Alvin E. Johnson,
President

FIRST NATIONAL BANK OF OMAHA - T. L. Davis,
President

NATIONAL BANK OF COMMERCE, LINCOLN - Byron Dunn,
Executive Vice President"

Upon recommendation by Mr. Ransom, the following telegraphic reply to Mr. Clark's letter was approved unanimously, with the understanding (1) that copies thereof would be sent to the Comptroller of the Currency and by wire to the Presidents of all the Federal Reserve Banks and (2) that the resolution (with the names of the banks deleted) and the Board's reply would be published in the next issue of the Federal Reserve Bulletin:

"This will acknowledge receipt of your letter of October 19 enclosing copy of resolution adopted by representatives of nine member banks in Omaha and Lincoln, which recognizes the equity intended by Regulation Q and resolves that effective November 15 the signatory banks will not absorb exchange or collection charges for depositors. The Board notes, however, that the resolution was adopted upon the assumption of a ratification by the Kansas City and St. Joseph Clearing Houses. In the September 1943 issue of the Federal Reserve Bulletin

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"the Board published a ruling to the effect that the absorption of exchange and collection charges under the facts of the specific case stated constituted an indirect payment of interest on demand deposits within the meaning of the general law. The Board would like to have you call the attention of the signatory banks to the fact that failure of one bank or group of banks to comply would be no excuse for any other bank or group of banks to violate the law. In due course of examination of banks, violations of this statute will be investigated, reported, and treated in the same manner as are violations of any other Federal laws relating to banks."

Thereupon the meeting adjourned.

Chester Morrie
Secretary.

Approved:

W. C. C. C.
Chairman.