

11/10/43. A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Wednesday, November 10, 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 hereinafter referred to was taken by the Board:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on November 9, 1943, were approved unanimously.

Memorandum dated November 5, 1943, from Mr. Smead, Chief of the Division of Bank Operations, recommending that the basic salary of Mr. L. S. Myrick, Assistant to Chief, Division of Bank Operations, be increased from \$7,000 to \$7,500 per annum, effective November 16, 1943.

Approved unanimously.

Memorandum dated November 8, 1943, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending, with the concurrence of Mr. Paulger, Chief of the Division of Examinations,

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that Miss Violet M. Rice, a stenographer in the latter Division, be transferred to the Division of Research and Statistics, with no change in her present basic salary at the rate of \$1,440 per annum, effective November 8, 1943.

Approved unanimously.

Letter to Mr. C. B. Upham, Deputy Comptroller of the Currency, reading as follows:

"This refers to recent discussions between you, Mr. Rusch of your Office, and Mr. Smead with respect to the practice of making two 100 per cent counts in Washington of Federal Reserve notes sent in for redemption by the Federal Reserve Banks.

"We have taken this matter up with the Federal Reserve Banks and none of them feels that two 100 per cent counts are necessary, except possibly for notes in the \$50 denomination and above. If agreeable to you, therefore, the Board will appreciate it if, beginning as soon as the necessary arrangements can be made conveniently, a 100 per cent count be given by your Office to the upper halves of Federal Reserve notes in the \$50 denomination and above sent in by the Federal Reserve Banks for redemption, and a package count only to notes in the \$5, \$10, and \$20 denominations. In this connection, the Board understands that the Treasury Department is now giving a single 100 per cent count to United States notes and silver certificates received for redemption from the Federal Reserve Banks. It is understood that this change, if adopted, will result in a saving in excess of \$30,000 a year.

"The change in procedure is suggested with the understanding that the Office of the Treasurer of the United States will continue to give a 100 per cent count to the lower halves of Federal Reserve notes sent in by the Federal Reserve Banks for redemption."

Approved unanimously, together with the following letter to the Presidents of all the Federal Reserve Banks:

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"Referring to our wire of October 11 and your reply thereto, there is enclosed for your information a copy of a letter written to Mr. C. B. Upham, Deputy Comptroller of the Currency, with respect to the count to be accorded upper and lower halves of Federal Reserve notes sent in for redemption by the Federal Reserve Banks.

"In this connection, there is enclosed the portion relating to your Bank and Branches, if any, of a statement prepared by the Federal Reserve Issue and Redemption Division of the Office of the Comptroller of the Currency, showing the number of sorting errors and overs and shorts in shipments of Federal Reserve notes received during September 1943.

"For the System as a whole the number of notes contained in the shipments was 16,436,684. There were 13,888 sorting errors in these shipments, of which 1,193 were found by the Federal Reserve Issue and Redemption Division of the Office of the Comptroller of the Currency but missed by the Currency Redemption Division of the Treasurer's Office, and 182 were found by the Currency Redemption Division of the Treasurer's Office but missed by the Federal Reserve Issue and Redemption Division of the Comptroller's Office. Overs amounted to \$545, and shorts to \$610. It is understood that there were no overs and shorts in denominations of \$50 and above.

"There is also enclosed a tabulation showing by months for the period January-September 1943 the number of Federal Reserve notes in denominations of \$50 and over returned to Washington for destruction and the number of errors found in such shipments."

Thereupon the meeting adjourned.

Robert Morie
Secretary.

Approved:

W. C. C. C.

Chairman.