

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, January 3, 1944, at 11:30 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 January 1, 1944, were approved unani-mously.

Mr. Morrill reported that the Comptroller of the Currency today issued a call on all national banks for reports of condition as of the close of business on December 31, 1943, and that, in accordance with the usual practice, a call was made today on behalf of the Board of Governors of the Federal Reserve System on all State member banks for reports of condition as of the same date.

The call made on behalf of the Board was approved unanimously.

Memorandum of this date from Mr. Morrill submitting the res-ignation of Mrs. Vera Petrovich as a cafeteria helper in the Secretary's

1/3/44

-2-

Office, to become effective as of the close of business on January 3, 1944, and recommending that the resignation be accepted as of that date.

The resignation was accepted.

Letter to Mr. Hitt, First Vice President of the Federal Reserve Bank of St. Louis, reading as follows:

"In accordance with the request contained in your letter of December 28, 1943, the Board approves the appointment, effective January 15, 1944, of Alfred H. Powers, at present an assistant examiner, as an examiner for the Federal Reserve Bank of St. Louis."

Approved unanimously.

Telegram to the Presidents of all the Federal Reserve Banks, reading as follows:

"The following joint statement is being issued today:

'The Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, and the Executive Committee of the National Association of Supervisors of State Banks make the following statement of their examination and supervisory policy with special reference to investments in Series G Savings Bonds (Series 1944):

'In conformity with the principles applying to the treatment of other Government securities in reports of examination, Series G Savings Bonds (Series 1944) purchased by banks under the terms of Treasury Department circulars Nos. 729 and 730 will be valued at par and not at pre-maturity redemption values.'

"Please give the matter full publicity, sending copies of the statement to all banks, member and non-member, in your district."

Approved unanimously.

1/3/44

-3-

Letter to the Presidents of all the Federal Reserve Banks,
reading as follows:

"In compliance with the Board's letters of February 4, 1933 (B-876) and September 26, 1938 (S-117), all Federal Reserve Banks now forward to the Board each month a list of all holidays scheduled to be observed in the several districts in the following calendar month together with a statement in regard to official opening and closing hours of the Federal Reserve Bank and each branch, if any. In the future the statement in regard to holidays need not include any State other than those in which the Federal Reserve Bank city or a Federal Reserve branch city is located.

"At the present time when legal holidays are not observed by the Federal Reserve Bank or a branch, the reports commonly state that the Federal Reserve Bank or branch will be open for business as usual or will be open for such business as may be legally transacted. In the Board's letter to the Federal Reserve Banks in regard to holidays that will be observed in any given month, it has been our practice to follow rather closely the language used in the statements furnished by the various Federal Reserve Banks. This sometimes results in uncertainty as to whether differences in phraseology used in referring to different Federal Reserve Banks have any significance. Accordingly, it is suggested that where a legal holiday is not observed by a Federal Reserve Bank or branch, advice to the Board merely state that the Federal Reserve Bank or branch will be open during the usual business hours, unless it will be open for a specific purpose only, such as to perform fiscal agency operations. If a Federal Reserve Bank or branch that participates in the Interdistrict Settlement Fund clearing is open during the usual business hours on a legal holiday it will be assumed that it will participate in the Interdistrict Settlement Fund clearing (if there is a clearing on that day) unless advice to the contrary is received from the Federal Reserve Bank."

Approved unanimously.

1/3/44

-4-

Letter prepared for the signature of Mr. Clayton to Mr. John M. Hancock, Advisory Unit for War and Postwar Adjustment Policies, Office of War Mobilization, reading as follows:

"In the absence of Mr. Eccles from the city, I am acknowledging your letter of January 1, 1944, in which you enclosed copies of drafts of the proposed Uniform Termination Article and a Statement of Principles for Determination of Costs Upon Termination for Fixed-Price Supply Contracts. You advise that these drafts have been agreed to by the Joint Contract Termination Board.

"I have brought your communication to the attention of the Members of the Board, except Chairman Eccles. I am directed to advise you that since the documents in question deal with subjects as to which the Board does not have any special knowledge or experience, and since you have had the benefit of views of agencies and individuals who have special knowledge, we have no suggestions with respect to these particular drafts."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morley
Secretary.

Approved: [Signature]
Vice Chairman.