A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, February 18, 1944, at 10:30 a.m.

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

Mr. Ransom stated that the Board had received copies of the House of Representatives report No. 1126 containing the majority and minority reports of the House Banking and Currency Committee with respect to bill H. R. 3956 (the Brown-Maybank bill), and that he and Mr. McKee wished to recommend that the report be distributed through the Federal Reserve Banks to all banks in the United States.

The suggestion was approved unanimously with the understanding that each copy of the report would be accompanied by a letter reading as follows:
"Enclosed is a facsimile of the report of the Committee on Banking and Currency of the House of Representatives on H. R. 3956, which contains the majority and minority views of its members. A reading of both the majority and minority sections of the report should assist in clarifying the issues that are involved in the proposed amendment to the Federal Reserve Act in H. R. 3956 and its companion bill, S. 1642. Because of the importance of this measure to the banks of the United States, the Board of Governors, which is charged by Congress with responsibility for enforcing the law with respect to the payment of interest on demand deposits by member banks, has instructed me to furnish a copy of the report for your information.

"One member of the Committee signing the minority report requested that reference also be made to the following excerpt from a letter filed as part of the record of the hearing but not incorporated in the report: "* * * This matter of exchange charges is nothing but a "gouge", a kind of racketeering against the depositors of banks, and, against the commerce and industry of the Nation."

"You previously have been furnished with a copy of the Board's report to Senator Wagner, Chairman of the Banking and Currency Committee of the Senate, on the companion bill, S. 1642. The views of Senator Carter Glass are set out in the report of the minority. The views of the Treasury and of the Federal Advisory Council on this subject will be sent you upon request."

In connection with this matter unanimous approval was given to a telegram to the Presidents of all the Federal Reserve Banks reading as follows:

"We are about to send to each Federal Reserve Bank a supply of copies of the majority and minority reports of the House Banking and Currency Committee on the Brown Bill together with a supply of copies of a covering letter from the Board to be sent to all banks. The Board will appreciate it if you will upon receipt at your bank send the covering letter with the copy of the reports as the enclosure to the head office of each bank in your district. Please also furnish copies of the letter and reports to all your directors, including your branches, if any. The remaining copies should be distributed to such other persons as you think would be interested. Please advise when the copies are received at your bank."
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, and Messrs. Dillard, Stewart, and Hale, Secretaries of the Federal Reserve Banks of Chicago, St. Louis, and San Francisco, respectively, stating that the Board approves the establishment without change by the Federal Reserve Banks of St. Louis and San Francisco on February 15, by the Federal Reserve Bank of Atlanta on February 16, by the Federal Reserve Banks of New York, Philadelphia, and Chicago on February 17, and by the Federal Reserve Bank of Boston today, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

At this point Messrs. Thurston, Goldenweiser, Smead, 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 February 17, 1944, were approved unanimously.

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

"As you know, more than two years have elapsed since
"the last conference of Auditors was held. It is understood that the Auditors feel that a conference at this time would be helpful, especially in connection with the problems peculiar to war-time activity. The Chairmen's Conference and the Board of Governors also deem it desirable that a conference be held in the near future. Accordingly, a conference of the Auditors of the Federal Reserve Banks will be held at the Board's offices in Washington, D. C., on April 17, 18, and 19, 1944, and it will be appreciated if you will arrange to be present and participate in the conference. We feel that it would be helpful if your assistant could attend also.

"In order that a program for the conference may be formulated, and copies thereof furnished to all interested parties well in advance of the conference, it will be appreciated if you will send your suggestions as to topics for discussion to Mr. Leo H. Paulger, Director of the Board's Division of Examinations, to reach him by March 6, 1944.

"You are, of course, aware of the fact that it is necessary to arrange railroad and hotel reservations as far in advance as possible. Mr. Paulger will be glad to assist in making hotel reservations.

"Copies of this letter are being sent to the Chairman of the Board of Directors and the President of your Bank."

Approved unanimously.

Thereupon the meeting adjourned.

Approved: [Signature]

Chairman.

Approved: [Signature]

Secretary.