

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

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

Mr. Morrill, 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:

Memorandum dated September 29, 1944, from Mr. Goldenweiser, Director of the Division of Research and Statistics, submitting the resignation of Mrs. Florence R. Cox as a clerk-typist in that Division, to become effective as of the close of business on October 5, 1944, and recommending that the resignation be accepted as of that date and that appropriate deduction be made from her salary for overdrawn sick leave.

The resignation was accepted as recommended.

Letter to the "Peoples State Bank of Bloomer", Bloomer, Wisconsin, stating that, subject to conditions of membership numbered 1 to 3 contained in the Board's Regulation H, the Board approves the bank's application for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of Minneapolis.

Approved unanimously for transmission through the Federal Reserve Bank of Minneapolis.

9/30/44

-2-

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

"For your information and guidance there is enclosed a copy of a memorandum received from the War Department, dated September 28, 1944, signed by Colonel Paul Cleveland, Chief, Advance Payment and Loan Branch, regarding the procedure to be followed with respect to the deposits of guarantee fees, refunds and other payments in connection with loans guaranteed by the War Department."

Approved unanimously.

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

"This refers to Treasury Department Circular No. 750 and related documents regarding the redemption of United States savings bonds on and after October 2, 1944. Inquiries have been received as to how member banks should report bonds redeemed on reports of condition, whether the redemption will affect net demand deposits subject to reserve, and how reimbursements received for services in paying bonds should be shown on reports of earnings and dividends.

"If the banks' practice is to forward the bonds daily or every other day, the redeemed bonds should be reported as cash items in process of collection in weekly and semi-monthly reports of deposits submitted for reserve purposes and in call reports of condition. If the banks' practice is to hold the bonds for a longer period, the redeemed bonds should be reported as cash items not in process of collection, Schedule H, item 4, in call reports of condition, until such time as they are forwarded for collection, when, as described above, they should be reported as cash items in process of collection.

"The reimbursements received for services in paying savings bonds should be reported on earnings and dividends reports, form F. R. 107, against item 1(e), other service charges, commissions, fees, collection and exchange charges, etc.

9/30/44

-3-

"This letter has been cleared with the Comptroller of the Currency and with the Federal Deposit Insurance Corporation with respect to the reporting of redeemed bonds in reports of condition and of reimbursements received for paying such bonds in reports of earnings and dividends of national banks and of insured nonmember banks, respectively."

Approved unanimously.

Letter to Eduardo Villasenor, Director General, Banco de Mexico, reading as follows:

"This will acknowledge your letter of September 12, to Mr. Bray Hammond, who has been absent from his office on account of illness. He is about recovered, however, and will probably return to his desk within a week or so. Meanwhile, I assure you that we are much interested in your suggestion that closer relations between our neighboring central banks be developed and shall be happy to work with you to that end. Upon Mr. Hammond's return your invitation and the substance of his conversations with Mr. Urquidi will be discussed and Mr. Hammond will be able to write you more fully."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morrie
Secretary.

Approved:

Donald Hanson
Vice Chairman.