

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, November 9, 1944, at 10:30 a.m.

PRESENT: Mr. Eccles, Chairman  
Mr. Ransom, Vice Chairman  
Mr. Szymczak  
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 November 7, 1944, were approved unanimously.

Letter to Mr. Sproul, Chairman of the Presidents' Conference Committee on Personnel Selection and Training, Federal Reserve Bank of New York, reading as follows:

"Receipt is acknowledged of your letter of November 6 advising that the Presidents' Conference Committee on Personnel Selection and Training is arranging for a conference of the directors of personnel of the Federal Reserve Banks to exchange views and discuss current personnel problems, to be held in New York at an early date.

"The Board will be glad to have Mr. Leonard attend the conference and he will await further advice as to the time of the meeting."

Approved unanimously.

Letter to the board of directors of "The Citizens Bank of Owensville", Owensville, Missouri, stating that, subject to conditions

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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 St. Louis.

Approved unanimously, together with the following letter to Mr. Davis, President of the Federal Reserve Bank of St. Louis:

"The Board of Governors of the Federal Reserve System approves the application of 'The Citizens Bank of Owensville', Owensville, Missouri, for membership in the Federal Reserve System, subject to the conditions prescribed in the enclosed letter which you are requested to forward to the Board of Directors of the institution. Two copies of such letter are also enclosed, one of which is for your files and the other of which you are requested to forward to the Commissioner of Finance for the State of Missouri, for his information.

"It is assumed that you will follow the matter of the bank's reducing to within statutory limits the excess balance in a nonmember bank."

Letter to the "Flint Creek Valley Bank", Philipsburg, Montana, reading as follows:

"The Board is glad to learn that you have completed all arrangements for the admission of your bank to the Federal Reserve System and takes pleasure in transmitting herewith a formal certificate of your membership.

"It will be appreciated if you will acknowledge receipt of this certificate."

Approved unanimously.

Memorandum to all employees of the Board reading as follows:

"The Individual Income Tax Act of 1944, passed by

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"Congress last spring, revised withholding exemptions effective January 1, 1945, and requires each employee to file with his employer a new Withholding Exemption Certificate on or before December 1, 1944, and thereafter it requires each new employee to file such a certificate on or before commencement of employment. You should therefore fill out the attached Withholding Exemption Certificate, Form W-4 (Rev. 1944), and return it promptly to the Accounting Section, Room 1025.

"The attached leaflet prepared by the Bureau of Internal Revenue entitled 'Your Withholding Exemptions' explains the new requirements in considerable detail through a series of questions and answers. The leaflet also tells you when to file an amended certificate if a change occurs in the number of your withholding exemptions. Therefore, it is suggested that you preserve the leaflet for future reference. An amended certificate will take effect not later than the beginning of the first pay roll period following its receipt by the Accounting Section. A copy of the form for use in submitting an amended certificate may be obtained upon request from the Accounting Section.

"The employer is given the option of making deductions in accordance with the 'Wage-Bracket Table Method of Withholding' or the 'Percentage Method of Withholding'. The Board has adopted the former method and, therefore, will withhold tax beginning with salary payments on and after January 1, 1945 in accordance with the attached table. Under the new law the withholding will be larger in some cases, and smaller in others, than at present."

Approved unanimously, with the understanding that the memorandum would be sent to each member of the Board's staff under date of November 16, 1944.

Thereupon the meeting adjourned.

Chester Morrie  
Secretary.

Approved:

W. C. Cullen  
Chairman.