

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Tuesday, July 5, 1949.

PRESENT: Mr. McCabe, Chairman  
Mr. Eccles  
Mr. Szymczak  
Mr. Clayton

Mr. Carpenter, Secretary  
Mr. Sherman, Assistant Secretary  
Mr. Morrill, Special Adviser  
Mr. Thurston, Assistant to the Board

Minutes of actions taken by the Board of Governors of the Federal Reserve System on July 1, 1949, were approved unanimously.

Letter to Mr. J. R. Dunkerley, Deputy Manager, The American Bankers Association, 12 East 36th Street, New York 16, N.Y., reading as follows:

"This refers to your letter of April 13, 1949 with further reference to the plan proposed by the Burroughs Adding Machine Company for the handling of savings accounts without the use of passbooks.

"Your letter suggests the possibility that the folder which would be given savings depositors under the Burroughs Plan could be considered a 'passbook' within the meaning of the present provisions of the Board's Regulation D and Regulation Q. It is understood that, under the proposed plan, banks would furnish savings depositors with a folder containing convenient compartments for the filing of official receipts issued by the bank, that is, the various deposit receipts and records of withdrawals, as well as the savings account statement which would be furnished by the bank to the depositor at the end of each interest period. Upon receipt by the depositor of each such savings account statement it is understood that he would be expected to destroy the receipts and records of withdrawal received by him during the preceding interest period, after reconciling them with the most recent statement. It appears, therefore,

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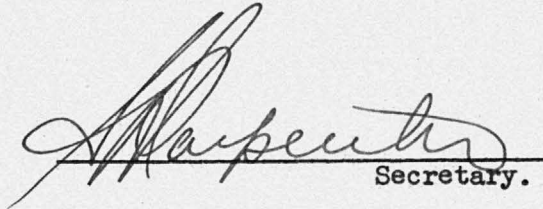
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that the contents of the folder would be in the nature of loose papers which would not be retained permanently.

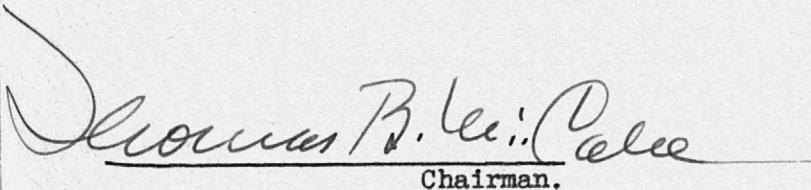
"Among other requirements, the definition of the term 'savings deposit' contained in the Board's Regulations D and Q requires that the deposit shall be 'evidenced by a passbook' which must be presented in connection with each withdrawal except where payment is made to the depositor himself. The Regulations also require that every withdrawal shall be entered in the passbook. The folder and its contents, as described above, appear to be materially different from a passbook as it is generally understood; and, accordingly, the Board would not be disposed to regard such a folder as constituting a passbook within the meaning of the provisions of the Board's Regulations.

"It is understood from your letter that your Association is giving further study to the proposed plan. When that study is completed, the Board will appreciate advice of your conclusions in order that the Board may have the benefit of your views in connection with its consideration of the proposal for the amendment of its Regulations in the manner suggested by the Burroughs Company."

Approved unanimously.

  
Secretary.

Approved:

  
Chairman.