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 Dallas on September 25, 1941, and approved
 A meeting of the Board of Governors of the Federal Reserve
 System was held in Washington on Friday, September 26, 1941, at
 11:30 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

The action stated with respect to each of the matters here-
 inafter referred to was taken by the Board:

The minutes of the meeting of the Board of Governors of the
 Federal Reserve System held on September 25, 1941, were approved
 unanimously.

Telegrams to Messrs. Sanford and Hays, Secretaries of the
 Federal Reserve Banks of New York and Cleveland, respectively, Mr.
 Leach, President of the Federal Reserve Bank of Richmond, Messrs.
 Dillard and Powell, Secretaries of the Federal Reserve Banks of
 Chicago and Minneapolis, respectively, Mr. Caldwell, Chairman of
 the Federal Reserve Bank of Kansas City, and Mr. Coleman, Vice Pres-
 ident of the Federal Reserve Bank of Dallas, stating that the Board
 approves the establishment without change by the Federal Reserve
 Bank of Kansas City on September 22, and by the Federal Reserve
 Banks of New York, Cleveland, Richmond, Chicago, Minneapolis, and

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Dallas on September 25, 1941, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Telegram to Mr. Stewart, Secretary of the Federal Reserve Bank of St. Louis, replying to his wire of September 25, 1941, and stating that on advances to established industrial or commercial businesses under section 13b of the Federal Reserve Act, when a financing institution was also making an advance, the Federal Reserve Bank of St. Louis, effective September 27, 1941, was authorized to charge same rate as was charged the borrower by the financing institution if such rate was lower than Reserve Bank's established rate. The telegram also stated that the Board approves the establishment by the Bank without change of the other rates of discount and purchase in its existing schedule, advice of which was contained in Mr. Stewart's telegram of September 25, 1941.

Approved unanimously.

Mr. Morrill reported that the Comptroller of the Currency today issued a call on all national banks for reports of condition as at the close of business on September 24, 1941, and that, in accordance with the usual practice, a call was made on behalf of the Board of Governors of the Federal Reserve System today 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.

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

"There are enclosed for your information a copy of a letter addressed to Governor Ransom by the President of a Federal Reserve Bank under date of September 17, 1941, a copy of our reply, and a copy of a proposed draft of a letter which might be used in answering requests for advice as to the legality of forms of instalment contracts."

Approved unanimously. The letter to a President of a Federal Reserve Bank referred to in the above letter was addressed to President Young of the Boston Bank and read as follows:

"This is in response to your letter of September 17, 1941, regarding requests made by various dealers that the Federal Reserve Bank examine forms of instalment contracts submitted by such dealers and advise whether they comply with Regulation W and are otherwise legal.

"It is unfortunate that your inability to comply with such requests is creating bad feeling but we agree with you that it is neither feasible nor appropriate for a Federal Reserve Bank to undertake to give such legal advice.

"It is noted that you are writing a courteous letter in each case explaining why you cannot assume this responsibility; and it is believed that, if such letters are phrased in such a way as to enable the persons to whom they are addressed to understand clearly why the Federal Reserve Banks cannot comply with such requests, it will tend to reduce any resulting bad feeling to a minimum.

"In an effort to be helpful in this connection, a draft of a letter which might be used for this purpose is enclosed for your consideration. It is believed that form letters should not be used for this purpose and that individual letters should be written in each case."

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

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"In accordance with the practice followed in recent years, a supply of form F.R. 456, revised September 1941 (copy enclosed), is being sent you under separate cover for use in connection with the preparation of member bank operating ratios for 1941. The printing of this work sheet was delayed for a time pending consideration of suggested revisions of the earnings and dividends report form. The only revision that has been decided upon is the addition of a column in which total-year figures are to be reported. This change will reduce the time required to compile the work sheets.

"It is requested that, upon completion of the operating ratio tabulations usually made at your Bank, these work sheets be sent to the Board. As in past years the data will be transferred to punched cards, which in turn will be used in making tabulations for publication in the Bulletin and for other purposes. In order that any memorandum ratios used this year may be computed accurately without additional work, particular attention should be paid to the distinction between very small amounts or percentages and absolute zero items (see instructions on reverse side of the form).

"To avoid the inconvenience of being without the information shown on the work sheets during the period that it is being recorded on punched cards here, you may want to consider the possibility of having the data reproduced on Recordak film. Such reproduction was employed at the Board's offices this year as a means of keeping readily and permanently available the information shown on the operating ratio forms for 1940, and the process was found to be both satisfactory and inexpensive. If your Bank duplicates these forms next year by the Recordak process, you may not care to have the original work sheets returned to you; also, the Banks that have heretofore prepared duplicate forms manually for the Board's use may no longer need to do this and may require fewer blank forms than were used in the past. Consequently, it will be appreciated if you will advise whether or not you will want the work sheets returned and how many blank forms (if any), in addition to the supply now being sent to you, will be needed."

Approved unanimously.

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Thereupon the meeting adjourned.

Chester Morril

Secretary.

Approved:

W. S. [Signature]
Chairman.