

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Saturday, October 11, 1941, at 11:30 a.m.

PRESENT: Mr. Eccles, 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 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 October 10, 1941, were approved unanimously.

Memorandum dated October 3, 1941, from Mr. Nelson, Assistant Secretary, recommending that Paul H. Berntson be appointed as a clerk in the Secretary's Office for a period of six months, with salary at the rate of \$2,000 per annum, effective as of the date upon which he enters upon the performance of his duties after having passed satisfactorily the usual physical examination, with the understanding that if his services prove satisfactory during this probationary period his appointment will be made permanent.

Approved unanimously.

Memorandum dated October 9, 1941, from Mr. Smead, Chief of the Division of Bank Operations, recommending that Mrs. Helen C. Roome be appointed on a temporary basis for a period of not to exceed two

10/11/41

-2-

months as a clerk in that Division, with salary at the rate of \$1,800 per annum, effective as of the date upon which she enters upon the performance of her duties.

Approved unanimously.

Letter to Mr. Woolley, Vice President of the Federal Reserve Bank of Kansas City, reading as follows:

"Receipt is acknowledged of your letter of October 6, 1941 regarding Regulation W.

"You are correct in saying that the regulation does not prevent an automobile dealer from 'packing' the price of a new car provided he collects the entire amount of the 'pack' in addition to the required down payment. The regulation does not limit the price which the dealer may charge but merely prohibits extending credit in excess of 2/3 of the bona fide cash purchase price or of the total of items 1 through 4 in part 3(a) of the Supplement, whichever is less."

Approved unanimously.

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

"The question has again been raised whether it is worth while for the Board to continue compiling excerpts from the monthly Bank Relations Reports and also whether it is worth while for the Reserve Banks to continue their reports, as requested in the Board's letter of August 25, 1936 (X-9680), -- especially at a time like the present when the Banks and the Board are busy with other duties imposed by a national emergency. The Board doubts whether the Banks' reports and the Board's mimeographed excerpts are worth the expense that their preparation and distribution entails: however, before reaching a decision on the question, the Board would like to have your views regarding their value to you and your Directors.

"In the event that you favor discontinuing the Bank Relations Reports, the Board would also like to know whether you think it worth while for the Banks to continue reporting

10/11/41

-3-

"the number of visits made each month to member and non-member banks and the number of meetings attended by members of the Banks' staffs, and for the Board to compile and circulate these reports in tabular form, together with a summary table showing the progress made in increasing membership in the System.

"In raising this question the Board implies no relaxation of interest in the cultivation of good public relations, and, even though it be decided that the regular reports now being submitted should be discontinued, the Board would be glad to receive advice from time to time regarding new activities or interesting developments in this field."

Approved unanimously.

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

"It is understood that each Federal Reserve Bank has established a pay roll deduction plan to provide a convenient means by which officers and employees may set aside regularly a part of their earnings for the purchase of Defense Savings securities.

"The Board wishes to be in a position, if called upon, to furnish figures indicating the extent to which officers and employees of the Reserve Banks and its own organization are participating in pay roll deduction plans, and for that reason would appreciate your furnishing it as of the last pay day in June and September 1941 the following information for your head office and branches (if any) combined:

1. Total number of officers and employees.
2. Number participating in pay roll deduction plan.
3. Aggregate (gross) dollar amount of pay roll deductions made during the second and third quarters of the current year.

"It is realized that data for the second quarter of the current year, during which the deduction plans were inaugurated, will not be representative, but such data may prove useful for possible future comparisons.

"For the purpose of determining currently the progress that is being made in the sale of Defense Savings securities to Federal Reserve Bank personnel through pay roll deduction plans, it will also be appreciated if you will furnish the

10/11/41

-4-

"Board with similar data for each succeeding three-month period until further notice."

Approved unanimously.

Letter to Mr. Sproul, President of the Federal Reserve Bank of New York, prepared in accordance with the action taken at the meeting of the Board on October 3, 1941, and reading as follows:

"As stated in his reply to your letter of September 23, 1941, Mr. Ransom has drawn to the attention of the Board of Governors your suggestion that the Board may wish to turn back to the Presidents the draft of replies of the Federal Reserve Banks to the Wagner Questionnaire. As you indicate, there is no particular urgency about the matter at this time and in fact it would seem preferable to do nothing until there is some change in the situation, especially as Mr. Ransom is taking a much needed rest and is not available for consultation about it. It may be added, as perhaps you know, that the Board's replies have not been completed. It might be well, therefore, to bring the matter up for discussion the next time the Presidents meet with the Board."

Approved unanimously.

Thereupon the meeting adjourned.

Rester Morice
Secretary.

Approved:

W. C. C. C.
Chairman.