

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Wednesday, January 21, 1942, 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 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 January 20, 1942, were approved unanimously.

Bond in the amount of \$10,000, executed under date of January 2, 1942, by Henry F. Grady as Federal Reserve Agent at the Federal Reserve Bank of San Francisco.

Approved unanimously.

Memorandum dated January 20, 1942, from Mr. Nelson, Assistant Secretary, recommending, at the request of Mr. Szymczak, that Miss Melania K. Sokol be appointed as a stenographer in the office of Governor Szymczak, with salary at the rate of \$2,000 per annum, effective as of the date upon which she enters upon the performance of her duties after having passed satisfactorily the usual physical examination.

Approved unanimously.

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Memorandum dated January 17, 1942, from Mr. Nelson, Assistant Secretary, (1) submitting the resignation of Leon A. LeBuffe as a clerk in the Secretary's Office, to become effective as of the close of business on February 11, 1942, and recommending that the resignation be accepted as of that date, (2) recommending that Harry L. Edwards, a page, be promoted to the position of clerk in the Secretary's Office on a permanent basis and that his salary be increased from \$1,260 to \$1,440 per annum, effective February 1, 1942, with the understanding that if he performs his duties as expected a recommendation will be submitted at a later date that his salary be increased to \$1,620 per annum, and (3) recommending that L. Paige McLeod be appointed on a temporary basis for an indefinite period as a page in the Secretary's Office, with salary at the rate of \$1,260 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.

The resignation was accepted and the promotion and appointment approved unanimously.

Memorandum dated January 20, 1942, from Mr. Nelson, Assistant Secretary, submitting the resignation of Frank H. Grimes, Jr., as voucher clerk in the Secretary's Office, to become effective as of the close of business on January 30, 1942, and recommending that the resignation be accepted as of that date.

The resignation was accepted.

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Telegram to Mr. Evans, Vice President of the Federal Reserve Bank of Dallas, reading as follows:

"In accordance with the requests contained in your letters of January 17, the Board approves the appointments of Ernest O'Hearn, Jr., at present an assistant examiner, as an examiner for the Federal Reserve Bank of Dallas and of John H. Neill, Jr., as an assistant examiner. If the appointments are not made effective on the dates planned please advise us."

Approved unanimously.

Letter to Mr. Hale, Vice President and Secretary of the Federal Reserve Bank of San Francisco, reading as follows:

"Receipt is acknowledged of your letter of January 8, 1942 inquiring as to the length of time for which Registrants should retain copies of the 'Statement of Borrower' and 'Statement of Necessity' required under Regulation W.

"You state that you have been answering such inquiries by suggesting that the Statements should be retained for at least a reasonable length of time after payment of the obligation to which they refer, probably for one or two years after the obligation has been fully liquidated.

"This would seem to be a suitable answer, although it might be desirable to explain that the Statements should not be destroyed until the procedure under section 9(g) and section 9(h) has been established. If the Statements are retained for the length of time which you have been mentioning, they will undoubtedly not be destroyed before the procedure is established."

Approved unanimously.

Letter to Mr. Alton Crispe, Secretary of the Cumberland Maytag Company, Martin, Kentucky, reading as follows:

"Receipt is acknowledged of your letter of January 8 enclosing a form of contract and inquiring whether, in

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"view of the provisions of section 4(f) of Regulation W, it is necessary to attach a written statement of the transaction to the contract.

"As you point out, section 4(f) provides 'there shall be incorporated therein or attached thereto a written statement' and since the form of contract which you enclose includes all 7 items required by section 4(f) there would be no need for attaching a statement of the transaction. The last part of the provision quoted above was inserted to take care of cases where the contract form did not include all the items listed in section 4(f).

"It is assumed of course that a copy of the contract form which you enclose is delivered to the purchaser.

"The administration of the Regulation has been decentralized and therefore any further inquiries which you may have regarding it should be addressed to the Louisville Branch of the Federal Reserve Bank of St. Louis, 5th and Market Streets, Louisville, Kentucky.

"In view of the fact that the form which you enclose appears to be a signed copy, it is returned to you herewith."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morris
Secretary.

Approved:

W. S. [Signature]
Chairman.