A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, January 23, 1942, at 10:00 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 22, 1942, were approved unanimously.

Telegram to Mr. Young, President of the Federal Reserve Bank of Boston, Mr. Sanford, Secretary of the Federal Reserve Bank of New York, Mr. Leach, President of the Federal Reserve Bank of Richmond, Mr. Bowman, Assistant Vice President of the Federal Reserve Bank of Atlanta, and Messrs. Dillard, Stewart, Powell, and Hale, Secretaries of the Federal Reserve Banks of Chicago, St. Louis, Minneapolis, and San Francisco, stating that the Board approves the establishment without change by the Federal Reserve Bank of San Francisco on January 20, by the Federal Reserve Banks of New York, Richmond, Atlanta, Chicago, St. Louis, and Minneapolis on January 22, 1942, and
by the Federal Reserve Bank of Boston today, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Letter to Mr. Fleming, President of the Federal Reserve Bank of Cleveland, reading as follows:

"Referring to your letter of January 8, 1942, the Board of Governors approves payment of salaries to Mr. E. A. Carter, Assistant Vice President, and to Mr. Clyde Harrell, Assistant Cashier, at the rates of $7,500 and $4,000 per annum, respectively, as fixed by your Board of Directors, for the period January 8, 1942 to April 30, 1942.

"For reasons stated orally to Mr. Brainard by Governor Szymczak, the Board is not willing to approve salaries at the rates of $10,000 and $6,500 per annum fixed by your Directors for C. W. Arnold, Vice President, and J. W. Kossin, Cashier, Pittsburgh Branch, respectively, but approves for the period January 8 to April 30, 1942, a salary at the rate of $9,000 per annum for Mr. Arnold and a salary at the rate of $6,000 per annum for Mr. Kossin, if fixed by your Directors at such rates.

"The Board approves giving the title of Assistant Vice President to Mr. K. H. MacKenzie, now Manager, Business Statistics Function."

Approved unanimously.

Telegrams to the Presidents of all Federal Reserve Banks transmitting a draft of Amendment No. 3 (consolidated) to Regulation W. The telegrams stated that the trade would not be asked to send representatives to Washington and that the Reserve Banks were requested to consult with the trade and the members of the Federal Advisory Council from the respective districts with respect to the draft of amendment, and to forward their comments and the comments and suggestions of the
Letter to the Presidents of all the Federal Reserve Banks, reading as follows:

"In the Board's bank debits statement for the first week ending in March, or possibly April, it is proposed to insert the following announcement:

Beginning with the month of March (or possibly April), only monthly bank debits figures will be collected by the Board; weekly bank debits statements will be discontinued after issuance of the statement covering the week ending March 4 (or possibly April 1). The monthly figures, which are available from the beginning of 1919, are more significant than the weekly figures for most purposes, since they smooth out the wide and frequently random weekly variations. A considerable reduction in the work of reporting debits will be achieved by the shift to a monthly basis.

On the monthly basis, if it is adopted, only 12 reports per year, instead of 52, will have to be compiled from primary data, and it will no longer be necessary to prorate and combine weekly figures 12 times per year to obtain monthly figures. In addition to the large saving in time and other costs to the Federal Reserve System, a considerable reduction in paper consumption would be achieved by the discontinuance of the weekly debits statement. Incidentally, an article in the American Banker for December 31 states that 'the weekly figures (of bank debits) reported by the Federal Reserve Board fluctuate widely and are meaningless unless leveled out or accumulated'."
"The attached form has been drafted for the use of banks in recording and reporting their figures. If this proposal is adopted, a supply of the suggested form will be forwarded to you, in order that you may furnish enough copies to cover several months' reports to the clearing houses, banks, or other agencies that submit debits reports directly to your bank. The banks presumably will want to retain duplicate copies for their files. Space for daily figures has been provided on the form in the belief it will facilitate the job of reporting for many banks and some errors and inconsistencies can be detected thereby. If a substantial number of banks prefer not to report their daily figures, a smaller form may subsequently be provided for their individual use.

"It will be observed that provision has been made for the reporting of month-end deposits other than interbank deposits.

"It is contemplated that the reports of the individual banks would be collected by the clearing house or other reporting agency, as at present, but that they would be mailed or delivered to the Reserve Banks with or without a summary thereof; and that the Reserve Banks' reports to the Board would give monthly debits and deposits for each reporting bank, instead of merely total debits for the reporting center as at present.

"Before passing finally on the proposal outlined above, the Board will be glad to receive any comments or suggestions you wish to make concerning the revision in the reporting of bank debits. Please also advise whether or not you think any changes should be made in the list of reporting centers in your district, assuming that only monthly bank debits statistics are collected and published."

Approved unanimously.

Memorandum dated January 21, 1942, from Mr. Wingfield, Assistant General Counsel, recommending that there be published in the February issue of the Federal Reserve Bulletin statements in the form attached to the memorandum with respect to the following subjects:

Report by Executive Officer of Loans from Another Bank Which Existed at Time of Admission to Federal Reserve System
Consumer Credit
  Interpretations of Regulation W

Censorship
  Executive Order Establishing Office of Censorship
  Designation of Authority to Issue Licenses and Exemptions

Government Contracts
  Executive Order Dealing with War Contracts

War Production Board
  Executive Order Establishing War Production Board

Foreign Funds Control
  Executive Order on Transfers of Property of Foreign Countries and Their Nationals
  General Ruling, General Licenses and Public Circulars Issued by the Secretary of the Treasury

Approved unanimously.

Thereupon the meeting adjourned.

Approved: [Signature]

Chairman.