

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, February 13, 1942, at 10:30 a.m.

PRESENT: Mr. Ransom, Vice Chairman
Mr. Szymczak
Mr. Draper

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:

Telegrams to Mr. Hays, Secretary of the Federal Reserve Bank of Cleveland, Mr. Leach, President of the Federal Reserve Bank of Richmond, Messrs. Stewart and Powell, Secretaries of the Federal Reserve Banks of St. Louis and Minneapolis, respectively, Mr. Caldwell, Chairman of the Federal Reserve Bank of Kansas City, Mr. Gilbert, President of the Federal Reserve Bank of Dallas, and Mr. Hale, Secretary of the Federal Reserve Bank of San Francisco, stating that the Board approves the establishment without change by the Federal Reserve Bank of San Francisco on February 10, by the Federal Reserve Banks of Cleveland and Minneapolis on February 11, by the Federal Reserve Banks of Richmond, St. Louis, and Kansas City on February 12, 1942, and by the Federal Reserve Bank of Dallas today, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Memorandum dated February 11, 1942, from Mr. Nelson, Assistant

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Secretary, recommending that the following increases in salaries of employees in the Secretary's Office be approved, effective as of February 16, 1942:

<u>Name</u>	<u>Designation</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
Bass, Sampson H.	Supervisor, Accounting Section	\$3,200	\$3,600
Pollard, Wayne A.	Accountant	2,400	2,900
Poundstone, John M.	Clerk	1,620	1,800
Goodloe, Ida	Stenographer	1,740	1,860
Crews, Mildred	Stenographer	1,740	1,860

Approved unanimously.

Letter to Mr. Sproul, Chairman of the Presidents' Conference Committee on Defense Savings Securities, reading as follows:

"In our letter of October 17, we told you that active consideration was being given to the recommendation of the Presidents' Conference that an article be prepared 'combining in some degree public relations work on Regulation W with the defense saving bond program'. We have given considerable study to the preparation of this article, and our efforts have not been very successful. Largely as a result of events that have occurred since the idea was first taken up, the situation is such that general agreement upon what should be said as a matter of public relations is difficult to attain. Differences of opinion have arisen in the Board's own staff, and it is anticipated that greater difficulty would arise in clearing such a discussion with the Treasury. In fact, what could be said would have to depend to a considerable degree upon the outcome of discussions now in progress with the Treasury. Furthermore, it appears likely that such an article might now have to be submitted to the Office of Facts and Figures for approval.

"Meanwhile, in public discussions of Regulation W, officers and representatives of the Federal Reserve Banks have explained the regulation as an element in the general

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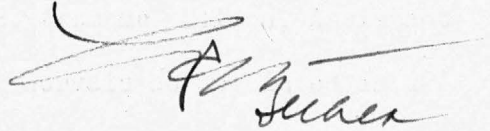
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"program of combating inflation and have related it to the sale of defense bonds. These discussions have certainly gone far to lessen the need for the article as originally contemplated.

"In the light of these considerations we should like to have your opinion whether efforts to prepare the article should be continued."

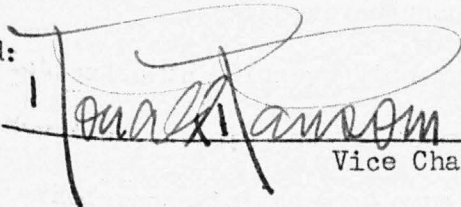
Approved unanimously.

Thereupon the meeting adjourned.



Assistant Secretary.

Approved:



Vice Chairman.