

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Wednesday, April 15, 1942, at 11:00 a.m.

PRESENT: Mr. Ransom, Vice Chairman  
Mr. McKee  
Mr. Draper  
Mr. Evans

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 April 14, 1942, were approved unanimously.

Memorandum dated April 11, 1942, from Mr. Nelson, Assistant Secretary, recommending that George R. Kay, operator (duplicating devices) in the Secretary's Office, be granted leave of absence without pay beginning April 17, 1942, so that he might enter active duty with the United States Coast Guard, and that he be granted the benefits provided in the policy adopted by the Board on November 14, 1940, and amended August 20, 1941, for all employees entering military service.

Approved unanimously.

Memorandum dated April 10, 1942, from Mr. Nelson, Assistant Secretary, submitting the resignation of Miss Charlotte N. Mitchell as a stenographer in the Secretary's Office, to become effective as

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of the close of business on May 26, 1942, and recommending that the resignation be accepted as of that date.

The resignation was accepted.

Letter to Mr. Hays, Vice President and Secretary of the Federal Reserve Bank of Cleveland, reading as follows:

"The Board of Governors approves the changes in the personnel classification plan of your Bank as requested in your letter of April 10, 1942."

Approved unanimously.

Letter to Mr. Young, President of the Federal Reserve Bank of Chicago, reading as follows:

"With reference to your letter of April 2, 1942 to Mr. Paulger regarding the transfer of Examiner Newman to the Personnel Department of the Reserve Bank, the Board approves the designation of Mr. Newman as a special examiner in order that he may on occasion assist the Examination Department with examinations if necessary."

Approved unanimously.

Telegram to Mr. West, Vice President of the Federal Reserve Bank of San Francisco, reading as follows:

"The Board approves the appointment of George M. Walker as an examiner for the Federal Reserve Bank of San Francisco. Please advise us of effective date."

Approved unanimously.

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

"Representatives of War Department and of Board have

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"been considering form of guarantee agreement under Executive Order 9112 to be used with respect to a loan made or participated in by a Federal Reserve Bank. Opening paragraph of proposed form will read:

'The War Department of the United States (herein called "War Department"), in accordance with the provisions of Executive Order No. 9112 of March 26, 1942, hereby agrees with the Federal Reserve Bank of \_\_\_\_\_

(herein called "Financing Institution") as follows:'.  
 \_\_\_\_\_

Remainder of proposed form is substantially same as form of guarantee agreement with Financing Institution other than Federal Reserve Bank adopted by War Department April 10, 1942, except (1) War Department is substituted for 'Reserve Bank' throughout, (2) the last clause of section 1 relating to loans payable on demand is eliminated, (3) the first clause of paragraph 10 reads: 'The Financing Institution shall pay to the War Department at the end of each \_\_\_\_\_ period an amount', etc., and (4) the last sentence of paragraph 11 is eliminated.

"Please wire whether you have objection to adoption of proposed form by War Department, bearing in mind that suggestions made by Federal Reserve Banks regarding form of guarantee agreement approved April 10, 1942, have already been considered by War Department. It is contemplated, of course, that the agreement could include such special conditions as may be appropriate in particular cases."

Approved unanimously.

Telegram to Mr. Olson, Assistant Vice President of the Federal Reserve Bank of Chicago, reading as follows:

"Your wire as to who has authority to sign guarantees when loan made or participated in by Federal Reserve Bank pending designation of liaison officer. We are advised by War Department that the officers named in General Styer's memorandum of April 6, 1942, will promptly be authorized by War Department to execute guarantees. Until liaison or other local financing contracting officer is designated,

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"guarantees of loans made by or participated in by a Federal Reserve Bank will have to be executed in Washington."

Approved unanimously.

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

"This is in reply to your letter of April 4, addressed to Mr. Hodgson, with respect to cases in which a Registrant under Regulation W moves from a location in your district to a town in another Federal Reserve District.

"The Board agrees with your opinion that the Registrant has done what is required under section 3 of the regulation, by filing his original Registration Statement, and should not be required to file again. The Board sees no objection to your suggested procedure whereby the Federal Reserve Bank into whose district the Registrant has moved would issue a new Registration Certificate, recalling the one outstanding, and sending it to the issuing Federal Reserve Bank for cancellation."

Approved unanimously.

Letter to Mr. G. A. Leukhart, General Manager of the National Used Car Market Report, Inc., Chicago, Illinois, reading as follows:

"This will acknowledge your letter of April 10 calling our attention to the fact that the 'Market Record' refers to its designation under Regulation W in a manner that may imply that it is the only designated publication. The Board has not issued any more detailed requests with respect to the publishers' treatment of this subject than the requests that were included in the letters of March 21 to the respective publishers. As a general principle, as you know, the Board feels that the use of designations under Regulation W in a promotional way to advance the interests of a particular guide book is distinctly undesirable, and the Board hopes that publishers will refrain from such use of their designations because it wishes to avoid the necessity of specifying in detail the language and methods that publishers may use if they wish to retain their designations.

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"We have also received your letter of April 10 enclosing a copy of your letter of March 25 with respect to the designation of your publications in certain territories. We trust that you have now received our letter of April 9 in reply to yours of March 25.

"You also inquire as to our views on the quotation of retail values of used cars in case price ceilings on used cars should be established by the Office of Price Administration. While it is impossible for us to give you any advice on this subject, we do not at present see any reason why you should not continue to publish average sales figures, supplementing this by publishing also the ceiling figures, as you outline in your letter."

Approved unanimously.

Memorandum dated April 14, 1942, from Mr. Morrill, submitting a letter dated April 12, 1942, from Mr. Paul V. McNutt, Administrator of the Federal Security Agency, with reference to the campaign to raise funds for United China Relief, and suggesting that it be ascertained whether Mr. Hersey, Associate Economist in the Division of Research and Statistics, would be willing to represent the Board in the campaign.

Approved unanimously.

At Chairman Eccles' request, Mr. Kenton R. Cravens came to Washington on April 5, 1942, from Cleveland, Ohio, for conferences on matters arising under Executive Order No. 9112, prior to his temporary employment by the Board on April 6, 1942, and it was recommended that the Board authorize the payment to him of a per diem of \$10.00 in lieu of subsistence for the one day.

Approved unanimously.

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Thereupon the meeting adjourned.

Chester Morris  
Secretary.

Approved:

Donald Johnson  
Vice Chairman.