

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Tuesday, April 21, 1942, at 11:00 a.m.

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

Mr. Morrill, Secretary
Mr. Bethea, Assistant Secretary
Mr. Carpenter, Assistant Secretary

The action stated with respect to each of the matters herein-after referred to was taken by the Board:

Bond in the amount of \$10,000, executed under date of April 3, 1942, by Mrs. Genevieve M. Barnett as Alternate Assistant Federal Reserve Agent at the Federal Reserve Bank of Atlanta.

Approved unanimously.

Memorandum dated April 17, 1942, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending that the salary of Mrs. Maxine Glad Stewart, a clerk in that Division, be increased from \$1,620 to \$2,000 per annum.

Approved unanimously, effective May 1, 1942.

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

"Reference is made to your letter of April 13, 1942, enclosing a request from First Trust and Savings Bank of Pasadena, Pasadena, California, for an extension of time of 45 days for the filing of reports of affiliates of the bank as of April 4, 1942. It is noted that the bank is affiliated with Transamerica Corporation and the required information must be accumulated from more than forty affiliates.

"In the circumstances, the Board extends to May 19,

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"1942, the time within which First Trust and Savings Bank of Pasadena, Pasadena, California, shall file the reports of affiliates as of April 4, 1942."

Approved unanimously.

Letter to Mr. E. H. Foley, Jr., Acting Secretary of the Treasury, reading as follows:

"This refers to your letter of April 15, 1942 requesting copies of certain correspondence between the Board and The Chase Bank, a foreign banking corporation organized under the provisions of section 25(a) of the Federal Reserve Act. Pursuant to your request, there are enclosed herewith copies of letters addressed to the Board by The Chase Bank under date of August 24, 1938 and February 10, 1939, together with the Board's replies to these letters under date of September 23, 1938 and February 17, 1939.

"It may be mentioned that the requests contained in the letters of The Chase Bank were made in view of a provision in section 25(a) of the Federal Reserve Act to the effect that no foreign banking corporation organized thereunder shall carry on any part of its business in the United States except such, as in the judgment of the Reserve Board, shall be incidental to its international or foreign business. The Board has no information indicating that the requests involved any transactions by The Chase Bank in the 'Rueckwanderer Marks' mentioned in your letter and, of course, the approval of the Board contained in its letters of September 23, 1938 and February 17, 1939 was on the assumption that any actions taken thereunder would be in conformity with any applicable laws."

Approved unanimously.

Letter to Mr. Sproul, President of the Federal Reserve Bank of New York, reading as follows:

"The Board of Governors will be pleased if, as stated in your letter of April 16, a visit is made by Mr. Rouse to the Bank of Canada for the purpose of making some first-hand observations of the methods being followed in Canada in financing the war.

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"We will appreciate it very much if you will forward to the Board for its information copies of any reports prepared by Mr. Rouse in connection with the trip."

Approved unanimously.

Letter to Mr. Raisty, Manager of the Consumer Credit Department, Federal Reserve Bank of Atlanta, reading as follows:

"This is with reference to your letter of April 9, 1942, enclosing correspondence in connection with ruling W-21 on the classification of water pumps for purposes of Regulation W.

"W-21 does not cover every kind of pump which is subject to the Regulation. However, any pump which is of a kind described in W-21, and which is of a larger size than that specified for the particular kind of pump, is not subject to the Regulation; for example, a shallow-well or reciprocating deep-well pump with a capacity of over 300 gallons per hour is not subject to the Regulation; also, any deep-well jet type or centrifugal pump having a motor of more than 1/3 horsepower is not subject to the Regulation. Moreover, the actual use to which the pump is put does not affect the result.

"Copies of this letter and the correspondence which you sent to us are being made available to the Federal Reserve Bank of San Francisco."

Approved unanimously.

Thereupon the meeting adjourned.

Bester Morrie
Secretary.

Approved:

Arnold Jensen
Vice Chairman.