

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Saturday, May 2, 1942, at 11:00 a.m.

PRESENT: Mr. Eccles, Chairman  
Mr. Szymczak  
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 May 1, 1942, were approved unanimously.

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

"Referring to our letter, R-975, of April 17, 1942, pending an agreement with the War Department as to the kinds of reports it will want to receive with respect to outstanding loans guaranteed on its behalf by the Federal Reserve Banks as fiscal agents of the United States, it will be appreciated if you will mail to the Board at the end of each month a report in duplicate on Form F.R. 579 covering each guarantee outstanding at the end of the report month. A copy of this form is enclosed and a supply is being forwarded to you under separate cover.

"It will also be appreciated if reports on the enclosed Form (F.R. 579) and on Form F.R. 577, with appropriate changes in headings, are forwarded to the Board with respect to loans guaranteed by the Federal Reserve Banks as fiscal agents of the United States on behalf of the Navy Department and the Maritime Commission."

Approved unanimously.

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

"For Board's information, please wire each Monday morning number of applications for (a) Loans, and (b) Guarantees under Executive Order #9112 on hand at your Bank, and number of such (c) Loans, and (d) Guarantees that have been at your Bank for more than one week. This information may be wired against the letters a, b, c, and d."

Approved unanimously.

Letter to Mr. C. R. Orchard, Director of the Credit Union Section of the Farm Credit Administration, reading as follows:

"Receipt is acknowledged of your letter of April 28 requesting an answer to the following question which has been submitted to you by a Federal credit union:

'Would an installment loan made to a credit union member by a Federal credit union which was for the purpose of making a down payment on a house, come within Section 6-A of Regulation W and, therefore, not be restricted by the maturity limits established by Regulation W on installment loans under \$1,500.'

"Section 6(a) exempts any loan 'for the purpose of financing \*\*\* the purchase of' a house, and therefore the answer to the question is that the loan is not subject to the restrictions contained in Regulation W."

Approved unanimously.

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

"Re Board's telegram April 2 regarding removal of Federal tax exemption on dividends on Federal Reserve Bank stock. Matter is still pending before Bureau of Internal Revenue and we are advised that it is difficult to state definitely when matter may be settled. It may be two weeks or even longer. In the meantime suggest that you continue to withhold issuance of stock certificates

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"incident to adjustments. We will advise you as soon as there is any further information regarding this matter."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morris  
Secretary.

Approved:

[Signature]  
Chairman.