

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Tuesday, May 5, 1942, at 10:30 a.m.

PRESENT: Mr. Eccles, Chairman
Mr. Ransom, Vice 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
Mr. Thurston, Special Assistant to the
Chairman
Mr. Wyatt, General Counsel
Mr. Smead, Chief of the Division of Bank
Operations
Mr. Parry, Chief of the Division of Security
Loans
Mr. Leonard, Assistant Chief of the Division
of Examinations
Mr. Wingfield, Assistant General Counsel
Mr. Hodgson, Administrative Assistant to the
Chief of the Division of Security Loans

Before this meeting Mr. Szymczak had sent to the office of each member of the Board copies of memoranda from Mr. Hodgson dated April 23, 1942, submitting a draft of outline of a tentative program for the enforcement of Regulation W, which had been prepared by a committee of the staff, and April 24, submitting a draft of a press statement and a letter to Mr. Kenneth Barnard, Chairman of the Defense Committee of the National Association of Better Business Bureaus, which had also been prepared by the staff committee, with respect to the cooperation of trade associations, better business bureaus, and the press in connection with Regulation W. Reference was made to the question raised in the latter memorandum whether the proposed press statement should be issued, and

5/5/42

-2-

Mr. Thurston repeated the statement previously made that the press statement lacked news value and, for that reason, in his opinion should not be given out.

Messrs. Ransom and Szymczak concurred in this view, and Mr. Szymczak moved that the letter to Mr. Barnard be changed to eliminate any reference to a press statement or to publication of the letter by the National Association of Better Business Bureaus and to make such other minor changes as Mr. Ransom and he might wish to make, and that the letter be sent in its amended form.

Mr. Szymczak's motion was put by the chair and carried unanimously.

Secretary's Note: The letter as approved by Messrs. Ransom and Szymczak was in the following form:

"The Better Business Bureaus have informed us of their sincere efforts to guard against the advertising of terms of selling or lending that would be inconsistent with the provisions of Regulation W. Your group has asked whether the activities of the Better Business Bureaus in this field have been helpful to the System in carrying out the aims and purposes of the regulation.

"In the months following the issuance of Regulation W there were many cases of misleading advertising, but it seems that they were largely the result of misunderstanding. We believe that, as a result of the contacts of the Federal Reserve Banks and branches with the trade, and the voluntary efforts of trade associations and Better Business Bureaus and the press, the number of such cases has declined and will continue to decline and that an amendment to Regulation W to prohibit advertising of terms inconsistent with the regulation may not be necessary.

"As you know, the Board of Governors and the Federal Reserve Banks are charged with the responsibility of carrying out the provisions of the President's Executive Order and they cannot delegate this responsibility or confer

5/5/42

-3-

"authority to that end on any other group. However, the cooperation of the trade groups and other associations such as yours in helping to achieve the objectives of the regulation has been helpful and is very much appreciated. The Board and the Federal Reserve Banks will welcome the opportunity to consult from time to time with your organizations in connection with any problems that may arise. We trust that the Federal Reserve System will continue to receive your hearty cooperation.

"A copy of this letter is being sent to each of the Federal Reserve Banks and you may wish to forward a copy to the members of your Association."

The proposed program for the enforcement of Regulation W, as submitted with Mr. Hodgson's memorandum, contemplated that in the case of willful violations one copy of a report of the violation would be sent by the Federal Reserve Bank to the local United States district attorney and three copies to the Board upon receipt of which the Board would forward two copies to the Department of Justice for such action as it deemed appropriate. Mr. Hodgson's memorandum stated that this procedure was generally in accord with the procedure now followed by the bank supervisory agencies with respect to the reporting of apparent criminal violations of law.

Mr. Ransom said that he and Mr. Szymczak had discussed this matter and felt that in the case of willful violations the procedure should provide for a hearing at the Federal Reserve Bank to show cause why the violator's license should not be suspended in accordance with the provisions of the regulation, and the actual suspension of the license where justified, before the matter was reported to the Department of Justice.

5/5/42

-4-

In connection with Mr. Ransom's statement, there was a discussion of the authority of the Board to suspend the license of a registrant and the procedure that might be followed in conducting hearings in connection with such suspensions. It was pointed out that, regardless of the procedure finally adopted, it was contemplated that the subject would first be discussed with representatives of the Department of Justice.

It was the consensus of the members of the Board that the procedure should provide that in all cases of violations the Federal Reserve Banks should first undertake to persuade registrants to comply with the regulation in all material respects and to familiarize themselves thoroughly with it, that if that procedure was not effective in obtaining compliance the registrant should be notified to appear at a hearing at the Federal Reserve Bank to show cause why his license should not be suspended, and that in all such cases where a hearing was held the circumstances would be such that a public hearing would be justified. The suggestion was also made that the hearing procedure at all Federal Reserve Banks should be as uniform as possible.

At the conclusion of the discussion, upon motion by Mr. Szymczak and by unanimous vote, the draft of program submitted with Mr. Hodgson's memorandum was referred to Messrs. Ransom and Szymczak with power to take such steps as might be necessary to put the program into effect with such changes as they deemed desirable.

Mr. Ransom stated that, at his request, Mr. Leonard had discussed

5/5/42

-5-

with representatives of the Federal Deposit Insurance Corporation and the Comptroller of the Currency a possible statement for release to the press with respect to the procedure to be followed by the three Federal supervisory agencies to encourage the reduction of individual debt through amortization of bank loans which would be outstanding when Amendment No. 4 to Regulation W became effective. Mr. Ransom also said that he had discussed the matter with Mr. Delano, Comptroller of the Currency, and Mr. Crowley, Chairman of the Federal Deposit Insurance Corporation, who had approved the proposed procedure in principle, and that following Mr. Leonard's conversations with representatives of the two other supervisory agencies he had prepared drafts of a statement to the press, which it was contemplated would be released by the three agencies, and of a letter which would be sent by the Board to the Federal Reserve Banks. Mr. Ransom added that it was his suggestion that the drafts of statement and letter be considered by a committee consisting of Messrs. McKee and Szymczak and himself with the understanding that, when in final form, the statement and letter would be submitted to the Board for approval before the letter was sent to the Federal Reserve Banks and the statement was taken up again by Mr. Ransom with Messrs. Delano and Crowley.

Upon motion by Mr. Draper, Mr.

5/5/42

-6-

Ransom's suggestion was approved unanimously.

At this point, Messrs. Parry, Leonard, and Hodgson withdrew from the meeting.

Reference was then made to a letter dated April 15, 1942, from Mr. Lichtenstein, Secretary of the Federal Advisory Council, requesting a list of the subjects which the Board wished the Council to discuss at its next meeting to be held in Washington on May 17-19, 1942. In connection with this matter, attention was called to the suggestion made at the last meeting of the Board with the executive committee of the Federal Advisory Council that copies of the financing program sent to the Treasury by representatives of the Federal Open Market Committee on January 28, 1942, be sent to the members of the Federal Advisory Council with a view to discussing the program at the next meeting of the Council with the Board of Governors. This suggestion was discussed in the light of events which had taken place since the meeting with the executive committee of the Federal Advisory Council. It was agreed that, inasmuch as the program had been submitted to the Treasury as a definite recommendation with the approval of the Presidents of the Federal Reserve Banks, and there had been numerous conferences since then during which the program had been restated, there would be no purpose in sending the January 28 statement to the members of the Council, particularly

5/5/42

-7-

in view of the fact that certain members of the Council had participated in recent discussions of Treasury financing at the Treasury Department and were familiar with the substance of the January 28 program. There was also agreement with the suggestion that, looking to the future, members of the Board might discuss in general terms with members of the Council at its meetings matters which were being considered in connection with Treasury financing without disclosing the specific recommendations of the members of the executive committee of the Federal Open Market Committee.

At the conclusion of the discussion, it was agreed unanimously (1) that Mr. Morrill should advise Mr. Lichtenstein that the Board had no topics to suggest at this time for consideration by the Council at its next meeting, and (2) that no reference should be made in the letter to Mr. Lichtenstein to the Treasury financing program, it being understood that if the matter came up at the forthcoming meeting with the Council it would be discussed in accordance with the comments concurred in at this meeting.

Under date of April 9, 1942, a letter was received from Mr. Ruml as Chairman of the Federal Reserve Bank of New York, reading as follows. Copies of the letter had been furnished to all members of the Board for consideration, at a meeting of the Board at which Chairman Eccles was present, of what, if any, action should be taken in connection with the letter.

5/5/42

-8-

"I have submitted to and discussed with the directors of the Federal Reserve Bank of New York the statement of the Chairmen's Conference (adopted at its meeting in April 1941) in answer to the question 'What are the functions the Federal Reserve Banks are expected to perform?' I also told the directors 'of the discussion of this statement which took place at the meeting of the Chairmen's Conference with the Board of Governors on January 26, 1942, at which time the statement of the Chairmen was, in effect, approved as a broad outline of the functions of the Federal Reserve Banks.'

"The directors of the Federal Reserve Bank of New York are in general accord with this statement of purpose. It conveys to them, not only a call to leadership and service by the Federal Reserve Banks within their districts, but also a call to participation in the formulation of national policy. These objectives they deemed to be important for all of the Federal Reserve Banks, and particularly important for the Federal Reserve Bank of New York which, in addition to its regional interests, has a national and international field of operations by reason of its location in an area where the impact of national and international economic forces are particularly felt.

"They expressed agreement, therefore, to give effect to the principles which have been conveyed to them through the Chairmen's Conference."

There was unanimous agreement that no action was called for by the Board in connection with the letter at this time.

Consideration was given to a memorandum dated March 24, 1942, from Mr. Ransom which had been circulated among the members of the Board before this meeting and which called attention to a letter received by him from Mr. Kurtz, President of The Pennsylvania Company for Insurances on Lives and Granting Annuities, Philadelphia, Pennsylvania, suggesting that the Board amend its Regulation F, Trust Powers of National Banks, to eliminate the restriction that not more than \$25,000 of the funds

5/5/42

-9-

of any one trust might be invested in a common trust fund and to permit the investment in a common trust fund of funds of any one trust in an amount not to exceed 10 per cent of the value of the common trust fund up to \$250,000, plus 1 per cent of the value of the common trust fund in excess of \$250,000. Mr. Ransom's memorandum stated that, if the members of the Board would be willing to approve such an amendment, he would communicate with Mr. Kurtz and ask for an expression of opinion from the Common Trust Fund Committee of the American Bankers Association, following receipt of which he would submit a final recommendation to the Board.

Mr. Ransom supplemented the comments in his memorandum with the statement that he was inclined to the feeling that the amendment might be made but that he had no strong feeling about it.

Mr. McKee stated that the present limitation in the regulation had been fixed for the purpose of making it possible to invest odd amounts of trust funds and to diversify the investments of any one trust, and that it was his feeling that the amount of \$25,000 was adequate to attain that objective.

Mr. Ransom stated that, so far as he could ascertain, the provisions of Regulation F relating to common trust funds had worked satisfactorily and had produced good results, but that he did not know whether the experience under the regulation had been broad enough to justify the suggested change.

In response to an inquiry from Mr. Ransom for his comments,

5/5/42

-10-

Mr. Wingfield concurred in Mr. Ransom's comments and stated that, when the amendment to Regulation F to permit the operation of common trust funds was adopted, the committee of the American Bankers Association was advised that after there had been sufficient experience under the amendment to justify reconsideration of the limitation of \$25,000 the Board would be glad to look at the matter again. He added that during approximately the last two years there had been 15 or 20 common trust funds in operation which had resulted in substantially lower administration costs and increased returns to the trusts, but that he questioned whether the experience during that period was sufficient to justify a change in the limitation, and that his personal view would be that consideration of the matter should be deferred for approximately another two years notwithstanding the fact that the committee of the American Bankers Association was very anxious to have the limitation liberalized at the present time.

It was the consensus of the members present that it would be advisable to defer consideration of the matter, and it was understood that Mr. Ransom would advise Mr. Kurtz accordingly.

Under date of April 23, Mr. Ransom had circulated among the members of the Board, for consideration at a meeting of the Board, a memorandum from Mr. Wingfield dated April 22, 1942, giving the substance of his discussions with Mr. Robert V. Pollard, head attorney for the Federal Home Loan Bank Administration, of the amendments which would

5/5/42

-11-

be made to the Home Owners' Loan Act of 1933, the National Housing Act, and the Federal Home Loan Bank Act by bills S. 2146, S. 2147, and S. 2148. A letter had been sent by the Board under date of April 13, 1942, to Senator Wagner as Chairman of the Senate Banking and Currency Committee expressing the view that the enactment of these bills would not be desirable in the public interest, and Mr. Ransom stated that the matter was being drawn to the attention of the members of the Board at this time to determine whether any further action should be taken by the Board in connection with the three bills. The matter was considered in the light of the position which the Board had taken on these and similar bills in the past and the recent discussions of the matter with Mr. John Fahey, Commissioner of the Federal Home Loan Bank Administration.

The conclusion was reached that, while no action by the Board was called for at the present time, Counsel's Office should watch the progress of the bills so that in the event hearings were called in connection with them the Board could request an opportunity to be heard if such action appeared to be desirable.

Thereupon, Messrs. Bethea, Carpenter, Clayton, Thurston, Wyatt, Smead, and Wingfield left the meeting.

Mr. Ransom said that Mr. Davis, President of the Federal Reserve Bank of St. Louis, had called him on the telephone and stated that, because of previous engagements, he would like to be excused from attending

5/5/42

-12-

the meeting of the Board with the Presidents of the Federal Reserve Banks on Friday, May 8, and would like to send in his place Mr. Attebery, Vice President of the Bank, who would be in the East for the purpose of attending the Fiscal Agency Conference during the week of May 10.

Mr. Ransom was authorized to advise Mr. Davis that the question who should represent the St. Louis Bank at the meeting on May 8, 1942, was a matter entirely for his decision and that if it was his preference that Mr. Attebery attend the Board would have no objection.

Reference was then made to the program to be developed with the Treasury for the cooperation of the Federal Reserve System in furthering the distribution of Government securities, other than war savings bonds, and it was agreed that Chairman Eccles should represent the Board in discussions with the Treasury in connection with this program.

Attention was then called to a memorandum addressed to the Board by Mr. Szymczak under date of May 1, 1942, with respect to the salaries proposed by the boards of directors of the Federal Reserve Banks of New York and Atlanta for the officers of the respective banks, and, upon motion by Mr. Szymczak, unanimous approval was given to the following letters to the Banks. During the discussion of the salaries proposed for the officers of the Federal Reserve Bank of New York, Mr. Evans left the meeting to keep a previous engagement and, therefore, did not participate in the action.

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

5/5/42

-13-

"Referring to your letter of April 10, 1942, the Board of Governors approves payment of salaries to the following officers of the Bank for the year beginning April 1, 1942, at the rates fixed by your Board of Directors:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
Allan Sproul	President	\$45,000
L. R. Rounds	First Vice President	34,000
R. M. Gidney	Vice President	20,000
L. W. Knoke	Vice President	20,000
W. S. Logan	Vice President and General Counsel	25,000
J. M. Rice	Vice President	17,500
J. H. Williams	Vice President	<u>1/</u> 22,000
E. O. Douglas	Assistant Vice President	9,500
G. W. Ferguson	Assistant Vice President	10,000
L. B. Allen	Manager, Credit Department	6,000
D. H. Barrows	Manager, Cash De- partment	9,500
W. W. Burt	Manager, Government Bond Department	8,500
F. T. Davis	Manager, R.F.C. Custody Department	7,700
E. C. French	Manager, Collection Department	10,000
M. A. Harris	Manager, Securities Department	6,000
W. A. Heinl	Manager, Personnel Department	6,000
N. O. Johnson	Manager, Research De- partment	6,500
M. C. McCahill	Manager, Service De- partment	8,000
R. F. McMurray	Manager, Safekeeping Department	8,500
W. F. Sheehan	Manager, Bank Exami- nations Department	13,000

1/ During period of part time service to the Bank, which will involve Mr. Williams' spending two days a week at the Bank, the salary paid him by the Bank to be at the rate of one-third of his regular annual salary.

5/5/42

-14-

<u>"Name</u>	<u>Title</u>	<u>Annual Salary</u>
I. B. Smith	Manager, Bank Relations Department	\$ 7,000
Frederick Stocker	Manager, Cash Custody Department	6,000
C. N. Van Houten	Manager, Security Custody Department	8,000
R. H. Brome	Assistant Counsel	5,500
W. F. Treiber	Assistant Counsel and Secretary	8,500
R. J. Trimble	Assistant General Counsel	12,000
J. H. Wurts	Assistant Counsel	5,500
W. H. Dillistin	General Auditor	15,000
D. J. Cameron	Assistant General Auditor	9,500
	<u>Buffalo Branch</u>	
R. B. Wiltse	Managing Director	10,000
H. W. Snow	Cashier	7,000
G. J. Doll	Assistant Cashier	4,200

"The Board has requested me to advise you that it is not prepared at this time to approve the salaries fixed by your Board of Directors for the following officers, but approves payment of salaries to them during the year beginning April 1, 1942, at the rates indicated, if fixed by your Directors at such rates:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
R. G. Rouse	Vice President	\$19,500
J. W. Jones	Assistant Vice President	14,500
H. H. Kimball	Assistant Vice President	10,000
S. A. Miller	Assistant Vice President	10,000
A. Phelan	Assistant Vice President	12,000
H. V. Roelse	Assistant Vice President	12,500
Valentine Willis	Assistant Vice President	14,000
H. A. Bilby	Manager (Acting), Foreign Property Control Dept. and Asst. Secretary	7,500

5/5/42

-15-

<u>"Name</u>	<u>Title</u>	<u>Annual Salary</u>
N. P. Davis	Manager, Foreign Property Control and Security Loans Department	\$ 8,500
H. L. Sanford	Manager, Foreign Department	8,500
T. G. Tiebout	Asst. General Counsel	10,000

"The Board has also requested me to advise you that it is not prepared at this time to approve the salary fixed by your Board of Directors for Mr. O. W. Ten Eyck, Superintendent of Bank Building, but will interpose no objection to the payment of a salary to him, effective April 1, 1942, at an annual rate of not to exceed \$10,500, which is \$500 in excess of the maximum annual salary provided in the personnel classification plan of your Bank for the position occupied by Mr. Ten Eyck.

"In your letter of April 10, 1942, you suggested that, if the Board of Governors should desire, representatives of your committee of directors on welfare of the staff would be glad to discuss with the Board the salary proposals contained in your letter, and in a subsequent discussion with Mr. Szymczak you stated that you would like to arrange for two of the members of your committee to meet with members of the Board. It is suggested that you confer with Mr. Szymczak so that a mutually convenient time may be arranged for a conference of the representatives of your directors' committee with a committee of the Board of Governors."

Letter to Mr. Neely, Chairman of
the Federal Reserve Bank of Atlanta:

"Referring to your letter of April 14, 1942, the Board of Governors approves payment of salaries to the following officers of the Bank for the year beginning June 1, 1942, at the rates fixed by your Board of Directors:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
W. S. McLarin, Jr.	President	\$17,500
L. M. Clark	Vice President	12,000
H. F. Conniff	Vice President	7,500
V. K. Bowman	Assistant Vice President	7,000

5/5/42

-16-

<u>"Name</u>	<u>Title</u>	<u>Annual Salary</u>
C. R. Camp	Assistant Vice President	\$ 5,500
S. P. Schuessler	Assistant Vice President	5,500
J. E. Denmark	General Auditor	5,500
W. E. Pike	Acting Assistant Vice President	4,000
<u>Birmingham Branch</u>		
P. L. T. Beavers	Managing Director	6,000
H. J. Urquhart	Cashier	4,200
Leo W. Starr	Assistant Cashier	3,600
<u>Jacksonville Branch</u>		
Geo. S. Vardeman, Jr.	Managing Director	6,500
T. A. Lanford	Cashier	5,000
<u>Nashville Branch</u>		
Joel B. Fort, Jr.	Managing Director	6,500
E. R. Harrison	Cashier	5,000
<u>New Orleans Branch</u>		
E. P. Paris	Managing Director	8,000
M. L. Shaw	Cashier	5,000
F. C. Vasterling	Assistant Cashier	4,000
J. R. McCravey, Jr.	Acting Cashier	5,000
<u>Savannah Agency</u>		
Jas. H. Bowden	Manager	4,300
Earle Looney	Assistant Manager	2,700

"The Board has requested me to advise you that it is not prepared at this time to approve the salaries fixed by your Board of Directors for the following officers, but approves payment of salaries to them during the year beginning June 1, 1942, at the rates indicated if fixed by your Directors at such rates:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
Malcolm Bryan	First Vice President	\$11,500
Pollard Turman	Counsel	5,500"

In connection with the action on salaries at the Federal Reserve Bank of Atlanta, attention was called to a letter dated March 9, 1942, from Mr. McLarin, President of the Federal Reserve Bank of Atlanta, requesting approval by the Board of the appointment of Lloyd

5/5/42

-17-

Raisty as Manager of the Statistical and Analytical Department of the Bank, with the understanding that he would devote one-half of his time to supervising the Statistical and Analytical Department and the remaining half to supervising the Consumer Credit Control Department of the Bank. The letter also stated that, if the appointment were approved by the Board, a reclassification of the position of manager of the department would be proposed. The letter was submitted to the Board with a memorandum dated April 10, 1942, from Mr. Goldenweiser recommending that the Board approve the appointment, and the file had been held for consideration at a meeting of the Board. Reference was also made to a letter dated April 25, 1942, from Mr. Bryan, First Vice President of the Bank, requesting approval of a change in the personnel classification plan of the Bank to provide for the position of Manager, Research and Statistics, Statistical and Analytical Department, with a maximum salary of \$6,000 per annum, and for the discontinuance of the position of Statistician, Manager, Research Division and Editor Monthly Business Review, with a maximum salary of \$4,000 per annum.

Upon recommendation by Mr. Szymczak, the appointment of Mr. Raisty and the proposed change in the personnel classification plan of the Bank were approved unani-
mously.

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

5/5/42

-18-

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on May 4, 1942, were approved unanimously.

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

"Regarding telephone conversation yesterday between Ueland and Hackley we have been informally advised by War Department that conditions contained in authorization by War Department for execution of guarantee agreement need not be included in such agreement unless so indicated. Conditions in authorization with respect to security for loan are not required to be set forth in guarantee agreement but may be mentioned in description of loan."

Approved unanimously.

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

"Present Form F.R. 564, 'Statement of Borrower', is not altogether suitable for use with Regulation W as revised because present form does not provide for information concerning borrowings to repay non-instalment debt. New specimen form is consequently in preparation and should reach you in printed form next week. In the meantime, Board has prescribed, pursuant to the provisions of sections 6(d) and 7(d) of Regulation W as revised, that old Form F.R. 564 shall be used for the present provided Question 2 thereof is deleted and the word 'instalment' is deleted from Question 3. Any Registrant may, at his option, even after issuance of new form, continue to use old forms with such deletions until July 31. Reason for this permission to that date is to minimize wastage of old forms by any Registrants having large supplies."

Approved unanimously.

Letter to Mr. Brown, Managing Director of the Pittsburgh Branch of the Federal Reserve Bank of Cleveland, reading as follows:

5/5/42

-19-

"Enclosed is a copy of a letter dated April 18, 1942, from Pugh Bros. Jewelry Co., 409 Smithfield St., Pittsburgh, Pennsylvania, quoting the answers which they understand have been given to two questions under Regulation W.

"The two answers were correct under the Regulation as it stood at the time. However, the first answer is no longer correct in view of the elimination of section 6(f), and the second answer should be changed so as to refer to a maturity of 12 months instead of 15. In other respects the second answer appears to be correct since it refers to pay roll deductions, equal to the required down payment, which are paid to the seller before the watch is delivered.

"The letter was not answered when it was received, because the revision of Regulation W was imminent and it did not seem desirable to give answers which would be obsolete almost as soon as they were received. Accordingly, it would be appreciated if you would reply to the letter. The writer has not been advised of this reference to you."

Approved unanimously.

Memorandum dated May 1, 1942, from Mr. Smead, Chief of the Division of Bank Operations, recommending (1) that the fifth page of the Board's weekly statement on the condition of Federal Reserve Banks, which contains the Federal Reserve note statement, be discontinued, and that the information regarding the amount of Federal Reserve notes outstanding and collateral held by the Agents as security therefor be inserted on the page showing the liabilities of each Federal Reserve Bank, just preceding the maturity distribution of bills and securities, and (2) that the statement be reduced to two sheets by mimeographing the statement showing the assets of each Federal Reserve Bank on the reverse side of the page showing assets and liabilities of all 12 Federal Reserve Banks combined and the statement showing liabilities of

5/5/42

-20-

each Federal Reserve Bank on the reverse side of the text page.

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morie
Secretary.

Approved:

W. S. [Signature]
Chairman.