

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Saturday, May 16, 1942, at 11:00 a.m.

PRESENT: Mr. Eccles, Chairman  
Mr. Szymczak  
Mr. McKee  
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 15, 1942, were approved unanimously.

Memorandum dated May 12, 1942, from Mr. Nelson, Assistant Secretary, recommending, with the concurrence of Mr. Clayton, that Miss Julia B. Godwin be appointed as a stenographer in Mr. Clayton's office, with salary at the rate of \$1,800 per annum, effective as of the date upon which she enters upon the performance of her duties after having passed satisfactorily the usual physical examination.

Approved unanimously.

Letter to Mr. Fleming, President of the Federal Reserve Bank of Cleveland, reading as follows:

"In accordance with the request contained in your letter of May 13, the Board approves the appointment of Archibald W. McLean as an examiner for the Federal Reserve Bank of Cleveland. Please advise us of the

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"effective date and also of the salary rate."

Approved unanimously.

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

"There is enclosed herewith one signed copy of instructions of the United States Maritime Commission to all Federal Reserve Banks, dated May 7, 1942, signed by Mr. W. C. Peet, Jr., Secretary, on behalf of the Maritime Commission, which have been issued pursuant to Executive Order No. 9112, of March 26, 1942, after consultation with the Board of Governors of the Federal Reserve System."

Approved unanimously.

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

"The Board has received from the War Department and from the United States Maritime Commission advice of the approval by each of those agencies of a standard form of guarantee agreement, dated May 14, 1942, in the form enclosed herewith for use in operations under Executive Order No. 9112 which has been adopted after consultation between representatives of the War Department, Navy Department and Maritime Commission and the Board of Governors of the Federal Reserve System and after careful consideration of all suggestions received from the Federal Reserve Banks with respect to the form of the agreement.

"In this connection, the Board has received from the War Department a letter to all Federal Reserve Banks, dated May 15, 1942, signed by Brigadier General A. H. Carter, Director, Fiscal Division, regarding the adoption by the War Department of the standard form of agreement; and a similar letter has been received from the Maritime Commission, dated May 15, 1942, addressed to all Federal Reserve Banks and signed by Mr. R. E. Anderson, Director of Finance. Copies of these letters are enclosed. It will be noted that each of these letters refers to the form of agreement as 'Guarantee Agreement with Financing Institution (Other Than Federal Reserve Bank)'; but we

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"will undertake to confirm the fact that this reference should be to the form entitled 'Guarantee Agreement' identified by the date of May 14, 1942, in the form as herewith enclosed.

"Photostats of the letters above-mentioned from the War Department and Maritime Commission, together with duly authenticated copies of the form of guarantee agreement as approved by those agencies, will be sent you as soon as possible.

"While the Board has not yet received formal advice of the adoption by the Navy Department of the standard form of guarantee agreement, it is expected that such advice will shortly be forthcoming, and we will, of course, promptly transmit such advice to you."

Approved unanimously.

Letter to Mr. Gilmore, Assistant Cashier of the Federal Reserve Bank of St. Louis, reading as follows:

"This refers to your letter of May 4, 1942, with regard to an apparent violation of the Board's Regulation W by a large automobile dealer in your district. After describing the circumstances in the case you inquired whether it would be proper to obtain sworn statements from purchasers of automobiles from the dealer of all the facts surrounding the purchases and subsequent transactions.

"As you know, consideration is being given to the formulation of a general program for enforcement of Regulation W and we had hoped that we would be able to advise you of that program by this time, and for this reason we have delayed an earlier reply to your letter. While we expect to be able to advise you of the program at an early date, the determination of certain of its details may result in some delay. In the meantime, however, there is no objection to your obtaining statements from purchasers regarding transactions with the automobile dealer you suspect of having violated Regulation W, and taking such other steps to investigate the matter as you feel are appropriate. It is not necessary that these statements be under oath, but if you feel the obtaining of them in this

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"form would serve a useful purpose there is no objection to requesting the purchasers to make their statements under oath if they are willing to do so."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morrie  
Secretary.

Approved:

W. S. ...  
Chairman.