

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Wednesday, June 24, 1942, at 10:15 a.m.

PRESENT: Mr. Eccles, Chairman  
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 June 23, 1942, were approved unani-  
mously.

Memorandum dated June 24, 1942, from Mr. Nelson, Assistant Secretary, submitting the resignation of William A. Steinacker as an operator (duplicating devices) in the Secretary's Office, to become effective as of the close of business on June 30, 1942, and recom-  
mending that the resignation be accepted as of that date.

The resignation was accepted.

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

"There are enclosed for your information two copies of a definition by the Comptroller of the Currency, dated June 22, 1942, of the term 'unconditional' as that term is used in exception 10 of section 5200 of the United States Revised Statutes, as amended by the Act of June

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"11, 1942.

"There are also enclosed copies of a letter dated June 18, 1942 which the Board has received from the Comptroller of the Currency regarding compliance with this definition of the standard form of Guarantee Agreement of May 14, 1942 in use by the War Department, Navy Department and United States Maritime Commission under Executive Order No. 9112."

Approved unanimously.

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

"This is with reference to your letter of June 15 concerning the mailing of copies of Regulation W, and possibly also registration statements, to a list of individuals and organizations (presumably subject to Regulation W) that you expect to purchase from R. L. Polk and Company.

"You ask whether, in these circumstances, a Reserve Bank would be expected to print the necessary additional copies of the regulation. The answer is that when the regulation was revised effective May 6, 1942, lithographic negatives were sent to each Federal Reserve Bank and it was expected that each Bank would reproduce the regulation, in such quantities as were needed, whenever any distribution was made.

"If you decide to supply copies of the registration statement, Form F. R. 563-a, to all or part of this list, please give us as much advance notice as possible as to the number required."

Approved unanimously.

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

"As stated in the Board's letter S-514 of June 23, the instructions governing the preparation of member bank call reports have been amended so as to provide that reciprocal interbank demand balances with banks in the United States, except private banks and American branches of foreign banks, should be reported net hereafter, instead of gross. In order that the member bank

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"reports of deposits for reserve computation purposes may continue to be consistent with the call reports, the formula for computation of reserves (form F.R. 414) has been amended by the addition of a footnote to the effect that such reciprocal interbank balances are to be reported net. A copy of the revised form is attached.

"It is suggested that all member banks be advised of this change on or after July 1."

Approved unanimously.

Memorandum dated June 23, 1942, from Mr. Wingfield, Assistant General Counsel, supplementing his memorandum of June 18, 1942, and recommending that there be published in the July issue of the Federal Reserve Bulletin statements in the form attached to the memorandum with respect to the following subjects:

Consumer Credit  
 Interpretation of Regulation W  
 Draperies - Slip Covers  
 Reupholstering

Approved unanimously.

Thereupon the meeting adjourned.

Charles Morris  
 Secretary.

Approved:

[Signature]  
 Chairman.