

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Saturday, July 18, 1942, at 11:30 a.m.

PRESENT: Mr. Eccles, Chairman  
Mr. Ransom, Vice Chairman  
Mr. Szymczak  
Mr. Evans

Mr. Morrill, Secretary  
Mr. Bethea, Assistant Secretary

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 July 17, 1942, were approved unanimously.

Memorandum dated July 17, 1942, from Mr. Morrill, recommending that Grover C. Knight, index clerk in the Secretary's Office, be granted leave of absence without pay beginning July 15, 1942, so that he might enter active duty with the United States Army, and that he be granted the benefits provided in the policy adopted by the Board on November 14, 1940, and amended August 20, 1941, for all employees entering military service.

Approved unanimously.

Memorandum dated July 16, 1942, from Mr. Smead, Chief of the Division of Bank Operations, reading as follows:

"Yesterday, July 15, Mr. Upham called me on the telephone and said that the Comptroller's Office would like to omit the fall call for condition reports and wanted to know whether the Board would see any objection thereto. I told Mr. Upham that I would try to find out within the next day or two and call him back.

"After giving the matter some thought and discussing it with Dr. Goldenweiser and Mr. Thomas, it is felt that the short form used for the spring and fall calls, which gives no classification of loans and Government securities,

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"is not of much value in following portfolio changes at the smaller member banks. For this reason it is recommended that I be authorized to advise Mr. Upham that the Board concurs in his viewpoint that the fall call should be omitted, with the understanding that the Board may wish to ask the Federal Reserve Banks, some time between June and December, to obtain from member banks, other than weekly reporting member banks, a classification of their loans and investments in the same form as that contained in the weekly press statement of condition of reporting member banks in 101 leading cities.

"The Federal Reserve Banks now get current reports of gross demand, net demand, and time deposits from member banks for the purpose of determining whether reserves are maintained in accordance with legal requirements and these reports, together with the loans and investments reports above referred to, would make available much more satisfactory information regarding condition of the country member banks than can be obtained from the short form call report."

Mr. Ransom had attached a memorandum to the file stating that he could agree to the omission of the fall call only on the condition that the Board would ask the Federal Reserve Banks some time between June and December to obtain from all member banks the total of their personal and retail instalment loans.

The omission of the fall call was approved, subject to the understanding that the Board would ask the Federal Reserve Banks some time during the last half of the year to obtain from member banks a classification of their loans and investments, including information with respect to personal loans and retail instalment paper.

Thereupon the meeting adjourned.

Chester Morrie  
Secretary.

Approved:

W. C. C. C.  
Chairman.