

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Wednesday, July 22, 1942, at 10:45 a.m.

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

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 July 21, 1942, were approved unanimously.

Memorandum dated July 21, 1942, from Mr. Leonard, Director of the Division of Personnel Administration, stating (1) that, in accordance with the action taken at the meeting of the Board on July 10, 1942, a copy of a letter addressed to Dr. Barr, the Board's examining physician, by Dr. Swineford, of the medical staff of the University of Virginia, had been received by the Board, which stated that no evidence of tuberculosis was found in the examination, x-ray, and treatment of David M. Wright, and (2) that Dr. Barr had stated in a letter dated July 20, 1942, that Mr. Wright could be employed by the Board without endangering other employees by reason of exposure to tuberculosis. In these circumstances, the memorandum recommended that, as proposed in Mr. Goldenweiser's memorandum of July 7, 1942, Mr. Wright be appointed as an associate economist in the Division of Research and Statistics for a period of one year, with salary at the rate of \$4,600 per annum,

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effective as of the date upon which he enters upon the performance of his duties, with the understanding that the situation will be reviewed at the end of the one-year period and that, under the recent amendment to the rules and regulations of the Retirement System of the Federal Reserve Banks, Mr. Wright will execute a waiver of death and disability benefits for a period of ten years.

Approved unanimously.

Letter to Mr. Young, President of the Federal Reserve Bank of Chicago, reading as follows:

"Referring to your letter of July 9, 1942, the Board of Governors approves the payment of salaries to the following officers at your Bank and the Detroit Branch, effective August 1, 1942, for the period ending March 31, 1943, at the following rates as fixed by your Board of Directors:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
<u>HEAD OFFICE:</u>		
Walter A. Hopkins	Assistant Cashier	\$6,750
Mark A. Lies	" "	7,000
Frank A. Lindsten	" "	7,000
L. G. Meyer	" "	7,200
A. L. Olson	Assistant Vice President	9,000
<u>DETROIT BRANCH:</u>		
A. J. Wiegandt	Assistant Cashier	4,400
W. T. Cameron	" "	4,200
R. W. Bloomfield	" "	4,200"

Approved unanimously.

Letter to Colonel John C. Mechem, Chief of the Miscellaneous Branch, Fiscal Division of the War Department, reading as follows:

"Some time ago the Board requested the Federal Reserve Banks to advise of any action taken in the States of their respective districts, either through interpretations by the

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"State banking authorities or through legislation, with respect to the application of State laws limiting loans to one person to loans guaranteed under Executive Order No. 9112. Pursuant to this request, information has now been received with respect to all except six States, and there is enclosed herewith for your convenience a compilation of the information received with respect to the situation in each State.

"It will be noted from the recapitulation at the end of the compilation that there are 33 States in which the limitations on loans to one person are not considered to be applicable to loans to the extent that they are guaranteed under the Executive Order. However, attention is invited to the fact that the information received in some cases consists of formal rulings and in others to mere expressions of offhand opinion. Accordingly, the recapitulation should not be considered as an exact summary of the situation in every State, but reference should be made to the excerpt covering such State in the body of the compilation."

Approved unanimously, together with similar letters to Mr. Sidney A. Mitchell, Chief of Finance Section, Office of Procurement and Material of the Navy Department; Mr. B. B. Griffith, Assistant to Director of Finance of the United States Maritime Commission; and Mr. Mark Brown of the War Production Board.

Telegram to Mr. Stroud, First Vice President of the Federal Reserve Bank of Dallas, reading as follows:

"Replying your wire July 18. Second paragraph of section 12(m) of Regulation W applies to a 'charge account' which, under section 2(g), includes all indebtedness arising from charge sales to a given customer. Therefore not permissible to apply section 12(m) to charges for merchandise while applying section 5(c) to charges for gas or electricity to same customers."

Approved unanimously.

Thereupon the meeting adjourned.

Approved:

W. C. ...
Chairman.

Chester Morrie
Secretary.