

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, August 24, 1942, at 4:55 p.m.

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

Mr. Morrill, Secretary  
Mr. Clayton, Assistant to the Chairman  
Mr. Knapp, Associate Economist in the  
Division of Research and Statistics

Mr. Ransom stated that Mr. Knapp had informed him of a telephone conversation which he had had with Mr. F. P. Farish, Chief of the French Desk of the Office of War Information, in which the latter referred to a news item that had come from the United Press upon which the Office of War Information would like to comment by short-wave broadcast to Europe this afternoon or tonight and would like to make the comment in the name of the Board of Governors. The proposed statement, as prepared by Mr. Farish and dictated over the telephone to Mr. Knapp, was read and discussed and changes were suggested therein.

At the conclusion of the discussion, upon motion by Mr. Szymczak and by unanimous vote, the statement was approved as follows, with the understanding that Messrs. Morrill and Knapp would advise Mr. Farish by telephone of the Board's action:

"The Board of Governors of the Federal Reserve System in Washington commented on the news concerning Norwegian finances in the following terms:

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"The latest information to come from Norway indicating that the Nazis have now exacted from the Norwegian State Bank a total of 4 billion kroner in special advances for costs of occupation, in addition to 800 million kroner from private banks for other German purposes, merely shows how ruthless and barbaric has been the loot of Europe by the Nazis.

'This sum, amounting to the total expenditures of the Norwegian Government for the ten years prior to the invasion, is, of course, in addition to the regular expenses for civil administration of the country.

'Four billion eight hundred million kroner represent 3-1/2 times the national debt of Norway before the war, and eight times the total amount of currency in circulation in Norway at the time of the invasion.'"

Secretary's Note: Messrs. Morrill and Knapp called Mr. Farish at 5:05 p.m. and, after the statement approved by the Board was read, Mr. Farish said that the changes were entirely satisfactory to him and, in response to an inquiry from Mr. Morrill, that the statement would be broadcast by short wave to Europe sometime tonight or tomorrow morning.

At this point, Mr. Knapp left the meeting, and the action stated with respect to each of the matters hereinafter referred to was then taken by the Board:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on August 20, 1942, were approved unanimously.

The minutes of the meetings of the Board of Governors of the Federal Reserve System held on August 21 and 22, 1942, were approved and the actions recorded therein were ratified unanimously.

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Letter to Mr. Rice, Vice President of the Federal Reserve Bank of New York, reading as follows:

"In accordance with your request the Board of Governors approves page 289-f in the personnel classification plan of your Bank covering the new position of Special Attorney, as submitted with your letter of August 19, 1942.

"The Board also approves the amended page 290 covering the position of Law Clerk, as submitted with your letter of August 7, 1942."

Approved unanimously.

Letter to Mr. Day, President of the Federal Reserve Bank of San Francisco, reading as follows:

"In view of the circumstances described in your letter of August 20, 1942, the Board will interpose no objection to the proposed retention of Mrs. Martha G. Riley in the service of your bank until June 30, 1943, although she will reach the age of 65 in November of this year."

Approved unanimously.

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

"Referring our July 1 telegram, we are advised that in future copy of each certificate of deposit covering interest, fees, and other charges derived from War Department loans and guarantees should be sent to Major W. E. Schooley, 4E 437, Pentagon Building, War Department, Arlington, Virginia, instead of to Advance Payment and Loan Section, Office of Under Secretary of War."

Approved unanimously.

Telegram to Mr. G. A. Leukhart, General Manager of National Used Car Market Report, Inc., Chicago, Illinois, reading as follows:

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"Board's designation of July-August edition of Wisconsin Automobile Guide (for purposes of Regulation W) is extended to September 30, as requested in your letter of August 21."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morier  
Secretary.

Approved:

Walter S. Johnson  
Vice Chairman.