

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Saturday, October 24, 1942, at 11:00 a.m.

PRESENT: Mr. Eccles, Chairman  
Mr. McKee  
Mr. Draper

Mr. Morrill, Secretary  
Mr. Bethea, Assistant Secretary  
Mr. Clayton, Assistant to the Chairman

The action stated with respect to each of the matters hereinafter referred to was taken by the Board:

Letter to Mr. J. Raymond Tiffany, General Counsel of the Book Manufacturers' Institute, Inc., New York, New York, reading as follows:

"In your letter of October 20, 1942, you ask about the effect of the Board's Regulation W on the purchases of books in charge accounts.

"You will have noted that the scheme of control for charge accounts is that a retailer may not sell a listed article to a customer whose charge account is in default. In determining the default status of an account, however, charges for all articles are taken into consideration and this would include charges for books. Consequently, if the customer has not paid for his book purchases by the 10th day of the second calendar month following the month of purchase, the account is deemed to be in default and he cannot buy any listed article.

"As you have noted, books are not included in the list of articles mentioned in the regulation. This has the effect of permitting a customer to buy books in his charge account even if it is in default."

Approved unanimously.

Memorandum dated October 23, 1942, from Mr. Wingfield, Assistant General Attorney, recommending that there be published in the November issue of the Federal Reserve Bulletin statements in the form attached to

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the memorandum with respect to the following subjects:

Consumer Credit

Amendment to Regulation W

Interpretation of Regulation W

Rediscounts

Eligibility of Notes Evidencing Guaranteed Loans

Emergency Price Control

Economic Stabilization Board

Federal Reserve Bank Stock

Tax on Dividends

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morrie  
Secretary

Approved:

W. C. ...  
Chairman.