

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Saturday, February 6, 1943, at 1:30 p.m.

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

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:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on February 5, 1943, were approved unanimously.

Memorandum dated January 27, 1943, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending that the services of Alfred Bettman, a Special Consultant in that Division, be retained for an additional period of 60 days on the same basis as originally approved by the Board on June 23, 1942, and amended August 18, 1942, i.e., salary at the rate of \$50 for each eight-hour work day and reimbursement for actual necessary traveling expenses or payment of \$6 per diem in lieu of actual subsistence expenses.

Approved unanimously.

Memorandum dated February 2, 1943, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending, with the concurrence of the Division of Security Loans, that effective

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February 6, 1943, Miss Alice Lutz, a stenographer in the Division of Security Loans, be transferred to the Division of Research and Statistics as a clerk-stenographer, with no change in her present basic salary at the rate of \$1,800 per annum.

Approved unanimously.

Memorandum dated February 6, 1943, from Mr. Morrill, submitting the resignations of Misses Henrietta Thompson and Juanita Miles as kitchen helpers in the Secretary's Office, and recommending that they be accepted as of the close of business on February 1, 1943, and at 10:30 a.m. on February 6, 1943, respectively.

The resignations were accepted.

Letter to Mr. Stewart, Secretary of the Federal Reserve Bank of St. Louis, reading as follows:

"Referring to your letter of February 1, 1943, the Board of Governors approves the reappointment of Messrs. Wm. K. Norris, Jacob VanDyke, Maurice Weil, and M. E. Finch, as members of the Industrial Advisory Committee for the Eighth Federal Reserve District to serve for terms of one year each beginning March 1, 1943."

Approved unanimously.

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

"Pending the issuance of further instructions, the War Department has requested that all guarantees of loans to Reconstruction Finance Corporation of \$100,000 or under be submitted to the Advance Payment and Loan Branch for prior approval, as in the case of other nondelegated guarantees."

Approved unanimously.

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

"After consultation with the War Department, Navy Department and Maritime Commission the Board is considering the adoption of a minimum fee of twenty per cent and a maximum fee of fifty per cent of the loan rate to be charged on guarantees on loans made by the Reconstruction Finance Corporation. Please advise by wire not later than Monday whether you see any objection to the proposed range of fees.

"The Board and the services contemplate that the same range of charges will apply on guarantees executed on loans made by the Federal Reserve Banks under section 13(b)."

Approved unanimously.

Letter to Mr. E. L. Blaine, Jr., Vice President of the Peoples National Bank of Washington, Seattle, Washington, reading as follows:

"This will acknowledge your letter of January 30, 1943, referring to a possible modification of Regulation W. It is probable that your letter was prompted by the Board's inquiry dated January 1, 1943 to a number of trade associations asking for certain information concerning practices which are known as 'add-ons' in the instalment selling business and as 'Loans to present borrowers' and 'consolidations' in the instalment lending business.

"The Board does not have any proposal for change in the regulation before it at this time, but was seeking this information as a part of its continuing study of the various aspects of the consumer credit business. This is a feature of the business which is of considerable importance and you can readily understand that we would like to know as much about it as we can learn.

"We were gratified to learn of your reaction to the regulation and we know that its success depends upon the cooperation of people such as yourself. We agree with you that regulation must not go so far as to cause extreme hardship, although we have the feeling that the country has not realized as yet the extent to which it must sacrifice its standard of living.

"We are glad to have your comments and shall give them careful consideration."

Approved unanimously.

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Letter to Mr. Fleming, Chairman of the Presidents' Conference
Committee Appointed to Review the Operation of the Retirement System,
Federal Reserve Bank of Cleveland, reading as follows:

"This refers to your letter of January 25, 1943, advising the Board of Governors that by formal action the Presidents, at their Conference in Philadelphia on January 23, 1943, voted to recommend changes in organization of the Retirement System to the Board of Trustees of the Retirement System, provided no objection is voiced by the Board of Governors to amending the by-laws and rules and regulations of the Retirement System to accomplish the changes.

"The proposed changes in the organization of the Retirement System, as set forth in your letter, have been brought to the attention of the Members of the Board and I have been authorized to advise you that the Board of Governors will voice no objection to the contemplated changes in organization, provided it is understood that the 'Members' Advisory Council' will be represented on the Executive Committee."

Approved unanimously.

Thereupon the meeting adjourned.

Cobester Morrie
Secretary.

Approved:

W. S. ...
Chairman.