

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, March 8, 1943, at 11:00 a.m.

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

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 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 March 6, 1943, were approved unanimously.

Memorandum dated March 2, 1943, from Mr. Dreibelbis, General Attorney, with respect to the possibility of Howard H. Hackley, Assistant Attorney, being drafted for military service. The memorandum stated that no recommendation was being made in connection with the matter but that the facts were being brought to the attention of the Board so that it might consider whether it desired to do anything with respect to the case.

Noted without action.

Letter to Mr. Swanson, Vice President of the Federal Reserve Bank of Minneapolis, reading as follows:

"In accordance with the request contained in your letter of March 1, 1943, the Board approves the designation of J. B. Johnson as a special assistant examiner for the Federal Reserve Bank of Minneapolis."

Approved unanimously.

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Letter to Mr. Strathy, Assistant Cashier of the Federal Reserve Bank of Richmond, reading as follows:

"This is with reference to your letter of March 3, 1943, which enclosed a copy of a letter dated March 1, 1943 from the Richmond office of the General Motors Acceptance Corporation. Your correspondent asked whether consideration had been given to changing the provisions of Regulation W relating to the use of automobile appraisal guides in connection with down payment requirements for automobiles.

"It has been our thought that reference to the guides should be continued for the 1935 models even though they are now one year older than they were at the time the present rule was originally adopted. The very fact that automobile production has been discontinued tends to create more interest in the older models and it appears that there is sufficient trading in them to justify the current quotations in the guides. Added to this is the fact that the 1935 models are selling at about the price they did a year ago which indicates that the market has moved up by the amount of the normal depreciation. The principal reasons for the exclusion of the 1934 and older models were that they were sometimes not quoted in the guides and the prices were relatively low, usually under \$100.

"This is, of course, a decision which can be changed at any time, and we shall be very glad to have your views if you think a different course of action is desirable."

Approved unanimously.

Letter to Mr. Stroud, First Vice President and General Counsel of the Federal Reserve Bank of Dallas, reading as follows:

"Receipt is acknowledged of your letter of February 26 enclosing a copy of a letter from Mr. L. D. French regarding renewals under Regulation W.

"There appears to be no reason to differ with the comments made in your letter with regard to the conditions under which re-lending should be considered the renewal of a loan. However, in view of the last part of section 7(c)(2), a curtail may be required in connection with a renewal even if the renewal does not extend the maturity beyond 90 days from the original making of the loan.

"In view of Mr. French's mention of a ruling from the Richmond Bank, we have asked that Bank to give us any

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"information which it may have, in order to avoid the possibility of a conflict of interpretations.

"It might be mentioned that according to Mr. Elattner's recollection someone from Houston visited him last spring, but there was nothing in their conversation which would bear upon the present situation.

"You will of course be advised of any developments."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morrie

Secretary.

Approved:

W. S. Coates

Chairman.