

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, March 26, 1943, at 11:30 a.m.

PRESENT: Mr. Eccles, Chairman
 Mr. Ransom, Vice Chairman
 Mr. Szymczak
 Mr. Draper
 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 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 March 25, 1943, were approved unanimously.

Telegrams to Mr. Treiber, Secretary of the Federal Reserve Bank of New York, Mr. Laning, Cashier of the Federal Reserve Bank of Cleveland, Mr. Leach, President of the Federal Reserve Bank of Richmond, Messrs. Dillard, Powell, and Woolley, Secretaries of the Federal Reserve Banks of Chicago, Minneapolis, and Kansas City, respectively, Mr. Gilbert, President of the Federal Reserve Bank of Dallas, and Mr. Hale, Secretary of the Federal Reserve Bank of San Francisco, stating that the Board approves the establishment without change by the Federal Reserve Bank of San Francisco on March 23, by the Federal Reserve Bank of Dallas on March 24, and by the Federal Reserve Banks of New York, Cleveland, Richmond, Chicago, Minneapolis, and Kansas City on March 25, 1943, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

3/26/43

-2-

Memorandum dated March 19, 1943, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending that Miss Julia L. Wooster be appointed as a junior economist in that Division, with basic salary at the rate of \$2,600 per annum, effective as of the date upon which she enters upon the performance of her duties after having passed satisfactorily the usual physical examination.

Approved unanimously.

Memorandum dated March 25, 1943, from Mr. Goldenweiser, Director of the Division of Research and Statistics, submitting the resignation of Mrs. Natalie Boiseau as a clerk-stenographer in that Division, to become effective as of the close of business on March 31, 1943, and recommending that the resignation be accepted as of that date.

The resignation was accepted.

Letter to Mr. Neely, Chairman of the Federal Reserve Bank of Atlanta, reading as follows:

"In response to my telegram of February 4, 1943, with reference to the Board's letter of November 18 regarding action by your directors on the resolution adopted at the Conference of Chairmen on October 5 relating to auditing procedure, Mr. McLarin's letter of February 15 transmitted extracts from the Minutes of the meeting of the Board of Directors of your Bank on December 11, 1942.

"Although the information furnished did not make specific reference to each of the eight points in the Statement of Principles, a copy of which is enclosed, relative to Topic 2, 'Relationship of Reserve Bank Auditors', it is assumed that your Board of Directors is in accord with the various principles enumerated and that they will be recognized and maintained in your Bank. If we are incorrect in this assumption, it will be appreciated if you will advise us.

"According to the extracts from the Minutes, the Chairman of the Auditing Committee was requested to include a periodic review of the reports of indebtedness of officers and key

3/26/43

-3-

"employees as a part of the duties of that Committee. However, the information in our files does not indicate that each of the five points agreed upon at the Chairmen's Conference, with respect to Topic 3, 'Procedure for Reporting Indebtedness of Reserve Bank Officers and Employees', is being followed at your Bank. Enclosed for convenient reference is a mimeographed copy of the suggested procedure entitled, 'Reports of Personal Indebtedness, etc.'.

"The Board of Governors approved, among others, the resolution adopted at the Conference relative to the procedure for reporting indebtedness of Reserve Bank officers and employees and, although you and I have covered certain phases of this matter in a general way by correspondence and in discussion, it would be helpful if you could advise as to the action taken by your directors with respect to each of the various numbered paragraphs of the suggested procedure.

"We appreciate very much the information you and Mr. McLarin have furnished us relative to the actions taken by the directors and wish to assure you of our interest in learning of the further developments at your Bank regarding the various matters discussed at the Chairmen's Conference."

Approved unanimously.

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

"There recently arose at one of the Federal Reserve Banks a question as to what procedure should be followed with regard to a person subject to Regulation W who had failed to register as required by that Regulation. For your information in case of similar situations which may arise in your district, there are enclosed copies of correspondence between Governor Ransom and the President of the Federal Reserve Bank involved."

Approved unanimously.

Letter to Mr. Kennel, Assistant Counsel of the Federal Reserve Bank of Boston, reading as follows:

"This is with further reference to the inquiry of the Blackstone Valley Gas and Electric Company, Pawtucket, Rhode Island, as mentioned in your letters of February 8, 1943 and March 9, 1943.

"Because of the fact that we are reluctant to amend Regulation W any more than is necessary and because of the fact that the problem seems to affect only a very few dealers, we

3/26/43

-4-

"are not planning to take any action on the matter in the near future. This decision, of course, is not a final one as new facts may enter the picture.

"It is our feeling that the utility company has exaggerated the difficulties it would get into if it merely went ahead without warning customers of the remote possibility that they might want listed articles and could not get them on credit. There would be so few cases, if any, where the problem would cause any trouble that they do not seem worth worrying about. The utility company might lose a sale or two, but it will certainly be able to sell all the listed articles it can get to others and the particular customers involved certainly will have other sources of supply.

"We nevertheless do not consider this matter as closed, and shall be glad to hear from you if additional cases come to your attention."

Approved unanimously.

Letter to Mr. William D. Wright, Service Operations Officer of the Office for Emergency Management, reading as follows:

"In accordance with the request contained in your letter of March 19, 1943, regarding the reimbursement of the Federal Reserve Banks for their expenses incurred in handling out-of-town ration banking checks, I have signed the letter in the place indicated by a red X and am returning herewith the original and one signed copy."

Approved unanimously, together with a letter to the Presidents of all the Federal Reserve Banks transmitting copies of the incoming letter from Mr. Wright and the above reply.

Thereupon the meeting adjourned.

Approved:



Chairman.



Secretary.