

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, May 17, 1943, at 11:00 a.m.

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

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 May 15, 1943, were approved unanimously.

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

"Your letter of March 24, 1943, presents the question whether the procedure recommended at the Conference of Chairmen held October 5, 1942, relative to the reporting of information found in reports of examination of member banks concerning personal indebtedness of officers and employees of the Federal Reserve Banks is proper in view of the prohibition contained in section 22(b) of the Federal Reserve Act which provides that no examiner shall disclose the names of borrowers or the collateral for loans of a member bank 'to other than the proper officers of such bank', except under certain special conditions.

"The Board recognizes that, while this prohibition is technically a limitation only upon the 'examiner', it is based upon a principle which has been followed by all of the supervisory authorities for many years of preserving the confidentiality of reports of examination. On the other hand, some of the member banks are examined by the Federal Reserve Banks and all of them, under the law, could be. Moreover, while each Federal Reserve Bank has made its own rules with regard to its officers and employees within the bank who shall have access to the reports of examination, it has always

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"been considered proper for the Chairman and Federal Reserve Agent to have such access. Finally, the information would relate only to officers and employees of the Federal Reserve Banks and should not conflict with that given in their own reports, as contemplated under the procedure. In these circumstances the Board does not believe that the recommended procedure violates either the statute or the established principle upon which it is based."

Approved unanimously.

Letters to "The Andover Bank", Andover, Ohio, the "Sidell State Bank", Sidell, Illinois, and the "First State Bank of Forest Park", Forest Park, Illinois, reading as follows:

"The Board is glad to learn that you have completed all arrangements for the admission of your bank to the Federal Reserve System and takes pleasure in transmitting herewith a formal certificate of your membership.

"It will be appreciated if you will acknowledge receipt of this certificate."

Approved unanimously.

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

"For your information and guidance, there is enclosed a copy of a letter, dated May 11, 1943, from Mr. R. E. Anderson, Director of Finance, United States Maritime Commission, with respect to guarantees executed by the Maritime Commission for the purpose of financing War Shipping Administration contracts pursuant to Executive Order 9336.

"There is also enclosed a copy of the 'request for guarantee', referred to in the fourth paragraph of Mr. Anderson's letter. The representatives of the War Shipping Administration authorized to execute requests for guarantees are R. W. Seabury, Assistant Deputy Administrator for Fiscal Affairs, R. H. Overstreet, Director, Division of Operating Cost Control, and M. J. Kilerlane, Assistant Director, Division of Operating Cost Control. A copy of the original authorization and certified signatures of the above representatives is not enclosed."

Approved unanimously.

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

"There are enclosed for your information a copy of a letter dated May 11, 1943, and its enclosures, received from Mr. Phelan, Assistant Vice President of the Federal Reserve Bank of New York, and a copy of a reply thereto from Mr. B. B. Griffith, Assistant to Director of Finance, United States Maritime Commission.

"You will note that this correspondence relates to minor misunderstandings between the Federal Reserve Bank of New York and the Regional Office of the United States Maritime Commission at Philadelphia."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morrie
Secretary.

Approved:

W. C. C. C.
Chairman.