

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, May 21, 1943, at 10:45 a.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. 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 May 20, 1943, were approved unanimously.

Telegrams to Messrs. Treiber, McCreedy, and Hays, Secretaries of the Federal Reserve Banks of New York, Philadelphia, and Cleveland, respectively, Mr. Dillard, Vice President of the Federal Reserve Bank of Chicago, Mr. Stewart, Secretary of the Federal Reserve Bank of St. Louis, Mr. Caldwell, Chairman of the Federal Reserve Bank of Kansas City, and Messrs. Coleman and Hale, Vice Presidents of the Federal Reserve Banks of Dallas and San Francisco, respectively, stating that the Board approves the establishment without change by the Federal Reserve Banks of St. Louis and San Francisco on May 18, and by the Federal Reserve Banks of New York, Philadelphia, Cleveland, Chicago,

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Kansas City, Dallas, and San Francisco on May 20, 1943, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Memorandum of this date from Mr. Morrill, recommending that Ulys H. Craig be appointed as a cafeteria helper in the Secretary's Office on a temporary basis for a period of not to exceed 60 days, with salary at the rate of \$1,080 per annum, effective May 21, 1943.

Approved unanimously.

Memorandum dated May 20, 1943, from Mr. Smead, Chief of the Division of Bank Operations, submitting the resignation of Miss Mary C. Williams as a clerk-typist in that Division, to become effective as of the close of business on May 21, 1943, and recommending that the resignation be accepted as of that date.

The resignation was accepted.

Memorandum dated May 20, 1943, from Mr. Leonard, Director of the Division of Personnel Administration, recommending, for the reasons stated in the memorandum, that the resignation of Miss Mary Louise Papp as a clerk in the Division of Research and Statistics, which was submitted to the Board with a memorandum dated May 19 from Mr. Goldenweiser, Director of that Division, be accepted as of the close of business on June 2, 1943, notwithstanding the fact that she was employed by the Federal Reserve Bank of New York on May 3, 1943.

The resignation was accepted.

Letter to Mr. Paddock, President of the Federal Reserve Bank of Boston, reading as follows:

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"In accordance with the request contained in your letter of May 17, 1943, the Board approves the appointment of Philip B. Hamel as an assistant examiner for the Federal Reserve Bank of Boston. Please advise us of the date upon which the appointment becomes effective."

Approved unanimously.

Telegram to Mr. W. C. Arthur, President of Talon, Inc., Meadville, Pennsylvania, reading as follows:

"Board of Governors of the Federal Reserve System has appointed you director of Pittsburgh Branch of Federal Reserve Bank of Cleveland for the unexpired portion of term ending December 31, 1944, and will be pleased to have your acceptance by collect telegram."

Approved unanimously.

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

"For your information there is enclosed a copy of a memorandum, dated May 15, 1943 signed by B. B. Griffith, Assistant to Director of Finance, United States Maritime Commission, addressed to the four Regional Assistants to the Director of Finance. Attached to Mr. Griffith's memorandum is a memorandum, dated May 12, 1943 addressed to the Commission by Mr. R. E. Anderson, Director of Finance, regarding standard conditions in connection with Regulation V loans. It is our understanding that Mr. Anderson's memorandum has reference to applications forwarded to Washington for the consideration of the Commission rather than to applications acted on locally by Federal Reserve Banks."

Approved unanimously.

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

"There is enclosed for your information a copy of a letter, dated May 18, 1943 addressed to all Federal

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"Reserve Banks by Mr. R. E. Anderson, Director of Finance, United States Maritime Commission, advising that Mr. Ross M. Kramer has been designated as an Alternate for Regional Construction Cost Auditor for the Pacific Region of the Commission."

Approved unanimously.

Letter prepared for the signature of Mr. Dreibelbis, General Attorney, to Honorable Tom C. Clark, Assistant Attorney General, Department of Justice, reading as follows:

"This is in response to your letter of May 5, 1943, requesting access to registration statements of small loan companies, filed under Regulation W, in connection with a loan shark investigation now in process by your division. As I understand, you wish access to the registration statements of all companies which engage in this business regardless of what their names might indicate their business to be, excepting, of course, banks and trust companies. It would be your purpose to obtain from such registration statements, to the extent possible, the following information: Name and address of registrant; whether registrant is an individual, partnership, or corporation; the amount of personal instalment cash loans as shown in Section III-A-3 of the statement; the location of any branches listed on the statement; the name and address of any company owning 50 per cent or more of the registrant's voting stock; information as to whether the registrant is a successor to or connected with any other business; and the name of the signer of the registration statement.

"I have discussed the matter along the lines of our luncheon conversation and have informed the Board that you are both aware of and sympathetic with our enforcement and manpower problems, in view of which it would be your purpose to treat confidentially any information obtained and to obtain it by means of your own staff. I assured the Board that you intend to use the information only as a lead to obtain evidence from other sources rather than as evidence itself and that if for any reason the situation in this respect changed, you would either subpoena the records or we would work out the problem on some other mutually satisfactory basis. It was also suggested, and I assured the Board that the

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"Department would not consider the Board's action as establishing any precedent and that your division would use the information only in connection with the loan shark investigation your office is making.

"In these circumstances, if this is satisfactory to you and you will let me know, the Board will advise the Federal Reserve Banks accordingly."

Approved unanimously.

Memorandum dated May 17, 1943, from Mr. Smead, Chief of the Division of Bank Operations, recommending that the weekly member bank condition report (Form F. R. 416) be revised in accordance with the copy attached to the memorandum, and submitting the following proposed letter to the Presidents of all the Federal Reserve Banks:

"There is enclosed a copy of the weekly report of condition, Form F. R. 416, which has been revised to correspond with certain changes which were made last December in the form of member bank call report. The item 'Open market paper', which was discontinued in the December 1942 call report, is also being discontinued in the revised weekly report. The other revisions in the form are necessary only in order that the references to items and schedules may agree with the current call report and the instructions for its preparation.

"It is suggested that, if practicable, reports be submitted in accordance with the revised form beginning with Wednesday, June 2, 1943."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morrie

Secretary.

Approved:

W. S. Charles

Chairman.