

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, May 31, 1943, at 11:30 a.m.

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

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 29, 1943, were approved unanimously.

Memorandum dated May 26, 1943, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending that Mrs. Eleanor S. Frase, a junior economist in that Division who had been on leave of absence because of confinement since November 16, 1942, be placed on the pay roll as a regular full-time employee, with no change in her salary at the rate of \$2,900 per annum, effective June 1, 1943.

Approved unanimously.

Memorandum dated May 28, 1943, from Mr. Morrill, recommending that Mrs. Madelyn A. Meader be appointed as an elevator operator in the Secretary's Office on a temporary basis for an indefinite period, with basic salary at the rate of \$1,200 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.

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Memorandum dated May 24, 1943, from Mr. Morrill, recommending that the following increases in basic salaries of employees in the Secretary's Office be approved, effective June 1, 1943:

<u>Name</u>	<u>Designation</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
<u>Secretarial and Administrative</u>			
Goodloe, Ida	Supervisor, Stenographic Section	\$2,000	\$2,200
Glover, Gladys	Secretary to Mr. Carpenter	1,680	1,860
Yates, Aline L.	Index Clerk	1,440	1,620
Hurst, Donald	Clerk	1,320	1,440
<u>Building Operation and Maintenance</u>			
Steger, Karl J.	Guard	1,560	1,620
Love, Stanley M.	Laborer	1,200	1,320
<u>Service Functions</u>			
Kelleher, Joseph E.	Supervisor, Procurement Section, and Supervisor, Duplicating and Mails	2,900	3,400
Ball, L. L.	Assistant Supervisor, Telegraph Office	2,160	2,300
Bell, Robert H.	Operator (Duplicating Devices)	1,800	1,920
Crump, Allison M.	Operator (Duplicating Devices)	1,800	1,920
Washington, L.	Junior Mail Clerk	1,320	1,440

Approved unanimously.

Memorandum dated May 26, 1943, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending, for the reasons stated in the memorandum, (1) that Mrs. Anna G. Beers, a clerk-stenographer in that Division, be permitted to take the balance of her accumulated and accrued annual leave during the period June 7 to 12:45 p.m. on June 19 and that, in addition, she be granted leave without pay from 1:15 p.m. on June 19 through August 8, 1943, and (2) that the Board continue its contributions to the retirement system on Mrs. Beers' behalf

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during her leave without pay provided she continues her own contributions for the same period.

Approved unanimously.

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

"This is in reply to your letter of May 19, 1943, advising that the Directors had elected Mr. Sigurd Ueland as Vice President and Counsel of the Federal Reserve Bank of Minneapolis, effective July 1, 1943.

"In accordance with the request contained in your letter, the Board of Governors approves the payment of salary to Mr. Sigurd Ueland as Vice President and Counsel, at the rate of \$12,000 per annum, for the year beginning July 1, 1943, as fixed by your Board of Directors."

Approved unanimously.

Letter to the board of directors of the "Continental State Bank", Alto, Texas, stating that, subject to conditions of membership numbered 1 to 3 contained in the Board's Regulation H, the Board approves the bank's application for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of Dallas.

Approved unanimously, together with a letter to Mr. Gilbert, President of the Federal Reserve Bank of Dallas, reading as follows:

"The Board of Governors of the Federal Reserve System approves the application of the 'Continental State Bank', Alto, Texas, for membership in the Federal Reserve System, subject to the conditions prescribed in the enclosed letter which you are requested to forward to the Board of Directors of the institution. Two copies of such letter are also enclosed, one of which is for your files and the other of which you are requested to forward to the Commissioner, Department of Banking for the State of Texas for his information.

"It is assumed that you will follow the matter of the bank's reducing to within statutory limits the excess balance in a nonmember bank."

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

"Because some of the automobile appraisal guides have published their retail values for the 1942 models, and others have not yet done so but are expected to do so in the near future, the Board of Governors of the Federal Reserve System has ruled that until July 1, 1943 any Registrant may for purposes of Regulation W disregard the published appraisal guide values -- so far as 1942 models are concerned -- and calculate the required down payment for the sale of 1942 automobiles as one-third of the cash price in all cases. On and after July 1, 1943 the Registrant must refer to a guide that publishes such values. It is believed that this problem is not sufficiently important to warrant publication or distribution of this ruling to Registrants at this time, partly because there are so few transactions in 1942 automobiles, but some announcement by the Board will be necessary at the end of June if there are any guides which have not by that time made arrangements to publish the 1942 values."

Approved unanimously.

Telegram to Mr. Dillard, Vice President of the Federal Reserve Bank of Chicago, reading as follows:

"This is in reply to a telephone inquiry concerning Regulation W from Mr. Hodge to Mr. Brown on May 26. The question is whether or not a loan of less than \$1,500 is subject to the regulation in its entirety if a portion of the proceeds is to be used to pay off the remaining balance of a loan that was originally in excess of \$1,500. The answer is that only that part of the loan which provides new money to the borrower is subject. In such cases, however, it would ordinarily be better practice for the lending institution to keep the two credits separate. The circumstances are somewhat similar to those described in the fourth paragraph of S-490."

Approved unanimously.

Telegram to Mr. Attebery, Vice President of the Federal Reserve Bank of St. Louis, reading as follows:

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"Board approves changes in Interdistrict Time Schedule requested in your May 25 letter. Letter of advice being sent to all Presidents."

Approved unanimously, together with the following letter to the Presidents of all the Federal Reserve Banks:

"Upon request of the Federal Reserve Bank of St. Louis, the Board of Governors of the Federal Reserve System has approved the following changes in the Interdistrict Time Schedule for cash items:

	<u>From</u>	<u>To</u>
St. Louis to Cleveland	1 day	2 days
St. Louis to Charlotte	2 days	3 days
St. Louis to Jacksonville	2 days	3 days
St. Louis to Nashville	1 day	2 days
St. Louis to New Orleans	2 days	3 days
St. Louis to Denver	2 days	3 days
St. Louis to Omaha	1 day	2 days
St. Louis to El Paso	2 days	3 days
St. Louis to San Antonio	2 days	3 days
Little Rock to Jacksonville	2 days	3 days
Little Rock to New Orleans	2 days	3 days
Little Rock to Omaha	2 days	3 days
Little Rock to Dallas	1 day	2 days
Louisville to Cleveland	1 day	2 days
Louisville to Pittsburgh	1 day	2 days
Louisville to New Orleans	2 days	3 days
Louisville to Denver	2 days	3 days
Louisville to Omaha	2 days	3 days
Louisville to Houston	2 days	3 days
Louisville to San Antonio	2 days	3 days
Memphis to New York	2 days	3 days
Memphis to New Orleans	2 days	3 days
Memphis to Omaha	2 days	3 days"

Letter to Mr. Sproul, President of the Federal Reserve Bank of New York, reading as follows:

"Enclosed is a copy of a letter dated May 24, 1943 from the Under Secretary of the Treasury with a memorandum attached with reference to the method of determining taxable income on Treasury bills purchased or sold by a foreign corporation which is subject to taxation under the Internal Revenue Code.

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"You will recall that this matter was submitted to the Treasury for a ruling pursuant to your letter to the Board dated December 24, 1942."

Approved unanimously.

Thereupon the meeting adjourned.



Assistant Secretary.

Approved:



Chairman.