

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Wednesday, June 23, 1943, at 11:30 a.m.

PRESENT: Mr. Eccles, Chairman  
Mr. Ransom, Vice Chairman  
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 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 June 22, 1943, were approved unanimously.

Memorandum dated June 21, 1943, from Mr. Paulger, Chief of the Division of Examinations, recommending that Miss Nancy Lee Chelberg be appointed as a stenographer in that Division on a temporary basis for an indefinite period, with basic salary at the rate of \$1,440 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 June 18, 1943, from Mr. Paulger, Chief of the Division of Examinations, recommending, for the reasons stated in the memorandum, that the Board grant Willis G. Brown, Federal Reserve Examiner, 24 days and 6 hours of sick leave in addition to that accumulated

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by him, to cover a period of illness from January 7 to May 27, 1943, inclusive, with the understanding that such leave will not be charged against any annual or sick leave which he may accumulate in the future.

Approved unanimously.

Letter to Mr. Lassiter, Chairman of the Federal Reserve Bank of Richmond, reading as follows:

"In accordance with the request contained in Mr. Leach's letter of June 21, 1943, the Board of Governors approves the payment of a salary to Mr. T. Wesley Bagby, Federal Reserve Agent's Representative, Charlotte Branch, at the rate of \$2,040 per annum, effective July 1, 1943."

Approved unanimously.

Letter to the board of directors of "The State Savings Bank of Lincoln Park, Michigan", Lincoln Park, Michigan, 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 Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of Chicago.

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

"The Board of Governors of the Federal Reserve System approves the application of 'The State Savings Bank of Lincoln Park, Michigan', Lincoln Park, Michigan, 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, State Banking Department for the State of Michigan for his information.

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"Since the amount of estimated losses shown in the report of examination for membership is relatively small, the usual condition of membership requiring elimination of losses has not been prescribed. It has been noted, however, that the bank has agreed to make proper provision for losses and it is assumed that this will be done."

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

"You will find enclosed a memorandum from the Navy Department, dated June 21, 1943 signed by William A. Coolidge, Chief of Finance Section, regarding payments received on Regulation V loans which have been purchased on behalf of the Navy Department."

Approved unanimously.

Letter to Mr. Hays, Vice President and Secretary of the Federal Reserve Bank of Cleveland, reading as follows:

"This refers to your letter of May 13, 1943 enclosing copies of a letter from Mr. Francis H. Beam, Vice President of The National City Bank of Cleveland, requesting an interpretation of the provisions of the standard form of guarantee agreement regarding adjustments based on the cancellation of war production contracts.

"Copies of your letter and of Mr. Beam's letter were transmitted to the War and Navy Departments on May 19, 1943; and there is enclosed a copy of a letter in reply received from the Navy Department dated May 22, 1943, signed by Mr. William A. Coolidge, Assistant Chief of Finance Section. We understand that the War Department still has the matter under consideration and we will, of course, advise you promptly upon receipt of the War Department's comments in this connection.

"Under both the old and the new standard forms of guarantee agreement, a 'cancelled contract' may include either a war production contract in its entirety or a part of such a war production contract; and, accordingly, we agree with you that the question raised by Mr. Beam must depend entirely upon the form and effect of the notice of termination or cancellation in each particular case."

Approved unanimously.

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

"This refers to your letter of June 1, 1943, which, pursuant to an understanding with the Federal Reserve Banks of New York and Kansas City, requests the Board's advice as to the proper classification of window shades and Venetian blinds under section 13(a) of Regulation W. With your letter you enclosed certain Reserve Bank correspondence indicating some lack of harmony in the views of the Banks on this subject.

"Venetian blinds and shades are purchased for use in a particular building and as a general rule cannot be used elsewhere without alteration. In effect, they become a part of the building. In this respect they are like screens, awnings, and storm windows which the Board has ruled are included in Group C of section 13(a) (See S-437). There may be instances in which the blinds or shades are not made to fit a particular building, but this fact is not considered to be controlling, and consequently all blinds and shades purchased for residential structures are included in Group C just as all screens, awnings, and storm windows so purchased are included.

"A letter expressing the foregoing views of the Board is being mailed to all of the Reserve Banks."

Approved unanimously.

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

"Board of Governors approves payment of regular semi-annual dividend by your Bank on June 30, 1943."

Approved unanimously.

Thereupon the meeting adjourned.

Roberta Morris  
Secretary.

Approved:

W. C. C. C.  
Chairman.