

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, November 22, 1943, at 10:30 a.m.

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

Mr. Morrill, 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 November 20, 1943, were approved unanimously.

Memorandum from Mr. Thomas, Assistant Director of the Division of Research and Statistics, submitting the resignation of Miss Helen T. Manning as an economic assistant in that Division, to become effective as of the close of business on November 26, 1943, and recommending that the resignation be accepted as of that date.

The resignation was accepted.

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

"This refers to your letter of October 6, 1943, regarding the question of whether the membership of Mr. Robert D. Calkins on the National Railway Labor Panel is inconsistent with the Board's resolution of December 23, 1915 regarding the holding of political or public office by officers and directors of Federal Reserve Banks.

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"The Board understands that the National Railway Labor Panel consists of nine members from whom emergency fact-finding boards are to be chosen to adjust disputes between railways and their employees before disputes have reached the stage of a vote to strike, and that members of the Panel other than the chairman do not receive any compensation.

"On the basis of such understanding, the Board does not consider membership on the National Railway Labor Panel as a political or public office of the kind contemplated by the Board's resolution of December 23, 1915. Accordingly, the Board of Governors will offer no objection to Mr. Calkins' continued service as a member of the Panel while a director of the Federal Reserve Bank of New York."

Approved unanimously.

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

"As you were advised in a telegram and letter dated June 21, 1943, the War Manpower Commission had designated the operations of the Federal Reserve Banks and Branches an essential activity.

"Pursuant to such action, National Headquarters of Selective Service System, in a Supplement to Activity and Occupation Bulletins issued July 24, 1943, amended its Activity and Occupation Bulletin 34-1 by adding to the list of Federal Government Agencies 'Federal Reserve Banks and branches, excluding member banks'.

"The Selective Service System Activity and Occupation Bulletins have been further amended, in a supplement dated October 21, 1943, with respect to Federal Reserve Banks by eliminating reference to the Federal Reserve Banks from the Activity and Occupation Bulletin relating to Governmental Services, and adding 'Services of Federal Reserve System district banks and branches; does not include services of member banks of the Federal Reserve System' to the List of Essential Activities covered by Activity and Occupation Bulletin No. 35, entitled Technical, Scientific, and Management Services.

"This change was made to avoid confusion and to make it clear that the Federal Reserve Banks are not subject to Executive Order 9309 and Public Law 23 with respect to the deferment of Federal employees. There had been some confusion in certain areas as to this point."

Approved unanimously.

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

"For your information and guidance, there are enclosed copies of memoranda received by the Board from the Navy Department and War Department, dated November 16, and November 17, 1943, respectively, regarding the interpretation of certain provisions of section 6(B) of the April 6, 1943, form of guarantee agreement."

Approved unanimously.

Letter to the Retail Stores Department, Remington Rand Inc., Buffalo, New York, reading as follows:

"Your recent advertisement relative to cycle billing, published in the November 1943 edition of 'The Credit World', has come to our attention. It contains a reference to the Board which is apparently based on a recent amendment to the Board's Regulation W, Amendment No. 10, effective September 1, 1943.

"The only object of this amendment was to make it possible for those merchants who wish to use cycle billing, and who can show that the system is intended to effectuate operating economies with respect to manpower or office machinery, to depart from the general rule that requires charge accounts to be frozen if purchases are not paid for by the 10th day of the second month. The amendment permits these merchants to use the 40th day after the end of the billing period as the default date.

"The Board has consciously avoided any recommendation or suggestion as to the office methods a Registrant should employ in complying with Regulation W. Consequently, the Board neither approves nor disapproves of the use of cycle billing and we regard the subcaption in your advertisement, 'Approved on August 30th, 1943, by the Federal Reserve Systems Board of Governors', as incorrect and misleading.

"May we ask your cooperation that in your future advertisements such references to the Federal Reserve System be omitted?"

Approved unanimously, together with the following letter to Mr. L. S. Crowder, Editor of The Credit World, St. Louis, Missouri:

"We are enclosing a copy of our letter to Remington Rand Inc., relative to their advertisement in 'The Credit World' in your November edition.

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"As we pointed out in our letter to Remington Rand Inc., the Federal Reserve System has strictly refrained from expressing any endorsement of specific equipment or office methods which a Registrant might employ.

"May we ask that you exercise your right as a publisher to refuse to accept advertisements which carry a similar reference to the Federal Reserve System?"

Thereupon the meeting adjourned.

Chester Morris
Secretary.

Approved:

W. C. ...
Chairman.