

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Saturday, May 20, 1944, at 11:00 a.m.

PRESENT: 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 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 19, 1944, were approved unanimously.

Letter to the Civil Service Commission reading as follows:

"Miss Judith Fishburn, a former employee of the Board of Governors of the Federal Reserve System, has advised us that she desires to be accorded a classified Civil Service status under the provisions of Civil Service Departmental Circular No. 457.

"Miss Fishburn was an employee of the Board of Governors of the Federal Reserve System from September 20, 1939 to March 23, 1943, and employees of the Board are not under the classified Civil Service. She was in the Division of Research and Statistics from September 1939 through June 1942, where she performed personnel work and other administrative work within the Division. Miss Fishburn was transferred to the Board's Division of Personnel Administration in July 1942, at the time the Division was organized, and continued in personnel work, particularly interviewing, recruiting, and placement, with some administrative work as well. She was a capable member of the staff, and was voluntarily separated by resignation as of March 23, 1943.

"Miss Fishburn has informed us that she was on the following registers--Junior Professional Assistant as of

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"April 1939, Junior Personnel Assistant as of January 1942, and Personnel Assistant as of June 1942, and that her name was certified by the Commission to several Government agencies during the time she was at the Board.

"Miss Fishburn's record at the Board of Governors is altogether favorable and we would be glad to see her accorded a classified status if the facts as stated above permit the granting of such status.

"Miss Fishburn has furnished us with Forms 124, 2413 and 2390, which are enclosed."

Approved unanimously.

Letter to Transamerica Corporation, San Francisco, California, reading as follows:

"The Board has received your letter of May 9, 1944, in response to its letter of April 19, 1944, in which it requested that the examiners be given access to the books and records of Pacific Coast Mortgage Company.

"The Board has noted particularly the underscored reference in the letter to a 'statement of purported facts'; the further reference that it would not seem to be necessary 'to point out many inaccuracies among the facts stated in the letter, nor to indicate other facts which are pertinent which have been omitted'; and finally the reference that the Board should 'not consider that the statement which has been quoted is accepted by us as correct'.

"Since the Board is interested in ascertaining the facts, it requests that Transamerica Corporation advise it specifically which and in what respects the recitals of facts in the Board's communication of April 19, 1944 are deemed by it to be inaccurate, as well as such other facts which Transamerica Corporation deems are pertinent but which were omitted."

Approved unanimously, together with the following letter to Mr. Clerk, First Vice President of the Federal Reserve Bank of San Francisco:

"Receipt is acknowledged of your letter of May 9, 1944, enclosing the letter of the same date addressed by Transamerica Corporation to the Board.

"It will be appreciated if you will cause the enclosed response to Transamerica Corporation to be delivered to it and advise the Board when you have done so."

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

"Re S-758 enclosing form of notice of Guarantor's objection to renewal of any obligation under 1942 form of guarantee agreement, War, Navy, and Maritime Commission have informally advised that the words 'final maturity date' refer to final maturity of the credit as indicated in the loan agreement rather than the maturity date of any particular notes."

Approved unanimously, together with letters to Colonel Paul Cleveland of the War Department, Mr. William A. Coolidge of the Navy Department, and Lieutenant B. B. Griffith of the United States Maritime Commission transmitting copies of the above telegram for their information.

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

"Referring my confidential letter May 18 enclosing copy of draft of Bank Holding Company bill we have been informed today by Congressman Patman that he has decided not to introduce the bill at this time because in consultation with the Treasury he is advised that the Treasury feels that introduction of the bill would interfere with Treasury financing. Therefore please continue to keep bill entirely confidential."

Approved unanimously.

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

"This refers to your letter of May 10 advising us of your plans to complete Vault #4, which you state will increase your present vault capacity by about 33 per cent.

"In view of the statements contained in your letter with respect to the necessity for this vault space, the Board will interpose no objection to an expenditure of approximately \$230,000, the estimate given in your letter, for this purpose."

Approved unanimously.

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Letter to Mr. F. J. Bailey, Assistant Director, Legislative Reference, Bureau of the Budget, reading as follows:

"This refers to your letter of May 5, 1944, requesting an expression of the Board's views with respect to a proposed report of the Department of Agriculture on the bill H. R. 4384 'To provide credit service to farmers through an expansion of the powers of the Farmers' Home Corporation and abolish the Farm Security Administration and the Regional Agricultural Credit Corporation', a copy of which was enclosed with your letter.

"You are advised that the Board has no objection to the submission of the proposed report of the Department of Agriculture."

Approved, Mr. McKee not voting.

Memorandum dated May 15, 1944, from Mr. Smead, Director of the Division of Bank Operations, recommending, principally because of manpower problems at the reporting banks, that beginning with the week May 21-27, 1944, the Board's weekly statement of "Condition of Weekly Reporting Member Banks in Central Reserve Cities" be released on Friday afternoons, instead of Thursday afternoons as at present, and that the weekly statement of "Condition of Weekly Reporting Member Banks in Leading Cities" be issued on Tuesday afternoons, instead of on Monday afternoons as at present. The memorandum stated that the figures in the statements would continue to show the condition of the reporting banks as of the close of business on Wednesday and that no change was contemplated in the time of release of the weekly condition statement of Federal Reserve Banks which was issued on Thursday afternoons. In a postscript to the memorandum, it was stated that President Sproul of the New York Bank had told Mr. Thurston that he would like to discuss

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the release of figures for central reserve cities with newspaper correspondents in New York City, and authority was requested to fix the effective date of the proposed change after hearing further from Mr. Sproul.

In a memorandum of this date from Mr. Horbett, Assistant Director of the Division of Bank Operations, it was stated that Mr. Thurston had talked with Mr. Sproul this morning and that, in view of the circumstances mentioned in the memorandum, it had been suggested that the best thing to do was to announce today that the weekly condition statement of all reporting member banks in leading cities would be issued on Tuesday afternoons beginning next week, instead of on Monday afternoons as heretofore, and to leave the question whether there should be any change in the time of release of the weekly condition statement of reporting member banks in New York City and Chicago for later consideration and determination. The memorandum stated that Governor Evans, who had been advised accordingly, had approved this procedure on behalf of the Board. Attached to the memorandum was an announcement for immediate release to the press with respect to this change and the following telegram to the Presidents of all the Federal Reserve Banks:

"Beginning next week, Board's weekly statement of 'Condition of Weekly Reporting Member Banks in Leading Cities' will be issued on Tuesdays around 3:00 p.m., instead of on Mondays around 4:00 p.m. Announcement made to press today. This change is being made principally because of manpower problems at reporting banks. New release date will also

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"give Federal Reserve Banks more time to summarize the reports. The figures should be dispatched in time to reach Board as early as practicable on Monday of each week."

Approved unanimously, together with the following letter to Mr. Wheeler, Director of Research of the Federal Reserve Bank of San Francisco:

"This refers to your telegrams of May 11 and 12, advising that arrangements have been made with the Bank of America N. T. & S. A., San Francisco, to resume the reporting of Wednesday figures in weekly condition reports, Form F. R. 416, beginning as of May 17.

"There is enclosed a copy of a telegram sent today to all Federal Reserve Banks, from which you will note that they have been asked to dispatch their summary weekly member bank condition figures as early as practicable each Monday. In the case of your Bank, if there should be an unavoidable delay, it is requested that the report be dispatched to Chicago before your Bank closes on Monday, for relay to Washington the following morning."

Thereupon the meeting adjourned.

Chester Morrie  
Secretary.

Approved:

W. S. Dwyer  
Member.