

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, June 22, 1944, at 11:00 a.m.

PRESENT: Mr. Eccles, Chairman
Mr. Ransom, Vice Chairman
Mr. Szymczak
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 21, 1944, were approved unanimously.

Memorandum dated June 20, 1944, from Mr. Morrill, submitting the resignation of Miss Ruth Somers as a clerk in the cafeteria, Office of the Secretary, and recommending that it be accepted as of the close of business on June 15, 1944.

The resignation was accepted as recommended.

Letter to Mr. Creighton, Chairman of the Federal Reserve Bank of Boston, reading as follows:

"This refers to your letter of June 5, 1944, advising that the procedure adopted by your directors on May 24, 1943, with respect to the annual reports of officers and employees regarding personal indebtedness, outside business activities, and ownership of stock in banks and bank affiliates, had been amended so as to provide that the request for such reports be sent out by, and such reports be submitted to, the President instead of the Chairman.

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"It is noted that, in bringing to the attention of the directors the desirability of modifying the procedure, you reported to them your understanding that the Board of Governors was in agreement with such modification.

"It is assumed that you had in mind the discussion which took place during Mr. Szymczak's conference with you and Mr. Paddock, attended by members of the Board's staff, in March of last year. It was the consensus of those present that it was not particularly important whether the reports went to the Chairman or to the President in the first instance provided that they were brought to the Chairman's attention at some stage. Accordingly, it is assumed that the procedure which you plan to follow at Boston will be along these lines and that the directors, or the appropriate committee thereof, will have an opportunity to review the reports. In the circumstances, therefore, the Board sees no objection to your directors handling the matter in this manner."

Approved unanimously.

Letter to "The Security State Bank", Comanche, Oklahoma, reading as follows:

"The Board is glad to learn that you have completed all arrangements for the admission of your bank to the Federal Reserve System and takes pleasure in transmitting herewith a formal certificate of your membership.

"It will be appreciated if you will acknowledge receipt of this certificate."

Approved unanimously.

Letter to Mr. William A. Coolidge, Chief of Finance Section, Navy Department, reading as follows:

"In accordance with the request contained in your memorandum of June 20, 1944, the Board of Governors approves a guarantee fee of zero on a loan to be made by the Reconstruction Finance Corporation to the Winslow Marine Railway and Shipbuilding Company, Seattle, Washington, (given in your memorandum as Winslow Marine

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"Railway Company) and to be guaranteed by the Navy Department pursuant to Executive Order 9112 and the Board's Regulation V, with the understanding that all the resulting benefit will be passed on to the borrower."

Approved unanimously.

Letter to Mr. Woolley, Vice President and Cashier of the Federal Reserve Bank of Kansas City, reading as follows:

"This refers to your letter of June 13, 1944 in which you ask whether, for the purposes of section 13(d) of Regulation W, the price of a radio or heater installed in a used car may be added to the appraisal guide value in determining the maximum amount of credit which may be extended.

"The form of letter notifying guide book publishers of their designation under date of March 20, 1942, to which you refer, states that the 'estimated average retail values' for purposes of Regulation W should be values without any additions for cars having a radio or heater. The Board has not changed its position with respect to this matter and therefore the answer to your first question is in the negative.

"You also ask whether such accessories may be sold under a separate contract. It would seem that the principle referred to in W-116 should be applied in a case of this kind; that is, the accessories could be sold under a separate contract if they were sold at a different time, but if they were in the car when it was sold, it would be an evasion to sell them under a separate contract in order to increase the amount of credit which could be extended.

"Since your letter was written, Amendment No. 12 to Regulation W has been issued and this amendment, of course, will render the above questions moot as of July 10, 1944."

Approved unanimously.

Memorandum dated June 21, 1944, from Mr. Paulger, Director of the Division of Examinations, submitting the travel expense vouchers

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of Mr. G. R. Murff, Federal Reserve Examiner, and Messrs. R. W. Cooke and C. R. Highfield, Assistant Federal Reserve Examiners, for the first half of June 1944, and recommending, in view of the fact that no other accommodations were procurable at the time and it was necessary for them to accept whatever space was available in order to proceed to their next assignment, that the Board approve the payment of an additional expenditure by each individual of \$6.35, representing the difference in price of a roomette from St. Louis to Denver and a standard lower berth as allowed under the Board's travel regulations.

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morrie
Secretary.

Approved:

W. S. Cullen
Chairman.