

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, August 4, 1944, at 11:00 a.m.

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

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 August 3, 1944, were approved unanimously.

Telegrams to Mr. Flanders, President of the Federal Reserve Bank of Boston, Mr. Brome, Assistant Secretary of the Federal Reserve Bank of New York, Mr. McCreedy, Secretary of the Federal Reserve Bank of Philadelphia, Mr. McLarin, President of the Federal Reserve Bank of Atlanta, Messrs. Dillard and Stewart, Secretaries of the Federal Reserve Banks of Chicago and St. Louis, respectively, and Mr. Earhart, Vice President of the Federal Reserve Bank of San Francisco, stating that the Board approved the establishment without change by the Federal Reserve Bank of San Francisco on August 1, by the Federal Reserve Banks of Atlanta and St. Louis on August 2, by the Federal Reserve Banks of New York, Philadelphia, Chicago, and San Francisco on August

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3, 1944, and by the Federal Reserve Bank of Boston today, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Memorandum dated August 3, 1944, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending that Mrs. Ruth F. Gould be appointed as a clerk 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 and subject to a satisfactory check of her references.

Approved unanimously.

Letter to Mr. Hays, First Vice President of the Federal Reserve Bank of Cleveland, prepared pursuant to the action taken at the meeting of the Board on July 29, 1944, and reading as follows:

"The Board has reviewed the various items included in the bill for services for \$1,250 submitted by Squire, Sanders & Dempsey, approval of which was requested in your letter of June 16, 1944.

"The Board, after reviewing the bill, including the supplemental information in your letter of July 3 concerning the \$750 item, has concluded that the annual retainer of \$5,000 paid to the firm should cover services of the kind for which the bill was submitted. However, since the arrangement between your Bank and the firm regarding the services which the \$5,000 retainer is to cover is not clear, the Board is approving the payment of the bill as submitted with the understanding that a clear definition of the relationship will be worked out with

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"the firm and submitted to the Board for approval before any further bill for special services is submitted."

Approved unanimously.

Memorandum dated July 31, 1944, from Mr. Vest, Assistant General Attorney, reading as follows:

"The Contract Settlement Act of 1944 authorizes the Federal Reserve Banks to act on behalf of Government contracting agencies as fiscal agents of the United States in carrying out the purposes of the Act, subject to such regulations as the Board may prescribe with the approval of the Director of Contract Settlement. In the circumstances a revision of Regulation V is needed. Accordingly a draft of such a revision was prepared and sent to the Federal Reserve Banks early in June for their comments. This draft was revised in the light of the few comments which were received from the Reserve Banks and was submitted to the War Department, Navy Department and Maritime Commission as a proposed regulation. Letters have now been received from each of these agencies stating that the regulation in the proposed form is satisfactory.

"The proposed revised regulation is attached hereto, and it will be observed that it relates both to loans under Executive Order No. 9112 and to loans under the Contract Settlement Act of 1944--in other words, both to so-called 'V loans' and to so-called 'T loans'. The regulation contains largely formal or technical provisions rather than provisions of policy. Rates and fees under the proposed regulation will be prescribed by the Board with the concurrence of the Director of Contract Settlement.

"It is now recommended that the Board authorize the transmission of the proposed regulation, in the form attached, to the Director of Contract Settlement with the statement that if he approves the regulation the Board will prescribe it pursuant to the provisions of the law. Presumably it will be in order to advise the Director or some member of his staff with regard to this matter before the regulation is actually transmitted."

Approved unanimously.

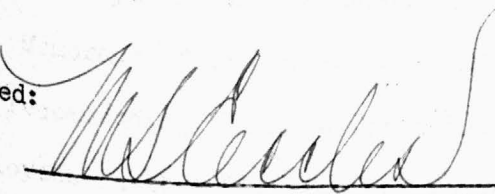
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Thereupon the meeting adjourned.



Assistant Secretary.

Approved:



Chairman.