

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Tuesday, June 5, 1945, at 10:30 a.m.

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

Mr. Carpenter, Assistant Secretary  
Mr. Thurston, 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 4, 1945, were approved unanimously.

Memorandum dated June 2, 1945, from Mr. Thomas, Director of the Division of Research and Statistics, recommending that Miss Marilyn J. Turkal be appointed as a clerk in that Division on a temporary basis for a period not to exceed three months, 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. The memorandum stated that Miss Turkal would not become a member of the Board's retirement system.

Approved unanimously.

Letter for the signature of Chairman Eccles to Honorable Francis E. Walter, Chairman of the Subcommittee of the Committee on the Judiciary, House of Representatives, prepared in accordance with the action taken at the meeting of the Board on May 28,

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1945, and reading as follows:

"The Board of Governors of the Federal Reserve System has been following with much interest the hearings on H. R. 2357 which are now being held by your Subcommittee of the Judiciary Committee of the House of Representatives. The Board understands that assurances have been given that its views respecting this proposed legislation will be heard at an appropriate time by your Subcommittee.

"On March 21st last, the Board sent its report on this bill to Honorable Hatton W. Summers, Chairman of your full Committee. In its report the Board heartily endorsed the proposed legislation but recommended that the requirement for prior governmental approval of acquisitions of stocks or assets of one corporation by another be extended to apply to acquisitions within all of the existing areas of Clayton Act enforcement, and not be restricted, as is now provided in the bill, solely to those cases which fall within the jurisdiction of the Federal Trade Commission. In line with this recommendation the Board submitted with its report certain suggested changes in the language of H. R. 2357.

"Since the Board's report and suggested amendments were sent to Mr. Summers, counsel for the Board, together with counsel for the Federal Trade Commission, have discussed the bill with representatives of the other agencies now mentioned in section 11 of the Act and have been advised that such other agencies already possess substantially the same power which the Kefauver bill would grant to the Federal Trade Commission. Thus, the Transportation Act of 1940 gave broad powers to the Interstate Commerce Commission to regulate the acquisitions of assets and shares of competing carriers and to permit such acquisitions, among other things, upon a finding that the result would not be to unduly restrain competition. Both the Federal Communications Commission and the Civil Aeronautics Board appear to have been vested with similar powers to those of the Interstate Commerce Commission in this respect.

"It would appear, therefore, that the only agencies now charged with enforcing section 7 of the Clayton Act who are really in need of the particular power to approve or disapprove acquisitions by competing companies within their respective jurisdictions are the Federal Trade Commission and this Board. In the light of this fact the

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"Board has decided to revise its previous report on H. R. 2357 to suggest that the provisions of the bill relating to the requirement of prior approval of acquisitions be changed to include only the Board of Governors of the Federal Reserve System. Accordingly, there is enclosed herewith a suggested redraft of section 7 of the Act. As thus redrafted the section contains the Board's recommended changes, including a few technical amendments that seem to be required in view of existing legislation respecting federal control over banking generally, as well as certain amendments which have been recently submitted on behalf of the Federal Trade Commission. All of these suggested amendments will be fully explained by representatives of the Board when your Subcommittee finds it convenient to hear them.

"For the information of your Subcommittee it should be stated that all of the Board's suggestions have been discussed with and formally approved by the Federal Trade Commission."

Approved unanimously.

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

"In connection with the adoption of new check routing symbols, American Bankers Association has requested Board to convey to it exclusive right to use routing symbols in Association's book 'Key to Numerical System', permission to convey to Rand McNally exclusive right to publish the book, and agreement to furnish to Rand McNally routing symbols assigned to new banks. At suggestion of Chairmen of Committee on Operations, Board's Legal Division has prepared letter to Association which has been cleared informally with Counsel for Association. That letter after referring to Association's request, contains the following language:

'It is understood that the "Key to the Numerical System" will include a statement to the effect that the use of the routing symbols is confined to those banks whose checks are collectible through the Federal Reserve Banks. It is assumed, of course, that the Board of

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"Governors, in the discharge of its duties under the law, may properly make use of the new routing symbols if at any time it should become desirable for the Board to include such symbols in any of its publications.

'On the basis of the foregoing understanding, the Board of Governors and the Federal Reserve Banks do not assert, and will not assert, any right to have the new symbols copyrighted in their name or names or to join with others in obtaining such a copyright. However, in order that the symbols may be fully utilized by banks whose checks are collected through the Federal Reserve Banks, and, in so far as their permission may be necessary or appropriate, the Board of Governors and the Federal Reserve Banks hereby consent to the use of the new symbols in the proposed revision of the book entitled "Key to the Numerical System of the American Bankers Association" and to the copyrighting of such symbols and book in the name of your Association. Arrangements are now being made for the furnishing of new routing symbol numbers to the publisher at such times and in such cases as may be necessary.'

Please advise not later than June 8 whether you concur in Board's sending proposed letter above described."

Approved unanimously, with the understanding that the letter to Mr. Miller, Secretary of the Bank Management Commission of the American Bankers Association, referred to in the above telegram, would be sent upon concurrence by the Presidents of the Federal Reserve Banks.

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

"On the basis of the information contained in your letter of May 29, 1945, regarding the apparent violations of Regulation W by the Consumers Home Equipment Co., the Board believes that you should now give the Registrant

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"the privilege of a conference on the matter with the Board of Governors or its representatives' as provided in the consent closing agreement signed on December 29, 1943, in order that the Board may determine whether or not the Registrant's license should be suspended or revoked and, if so, whether the suspension or revocation should apply to all or part of its branches. The Board requests that you and Mr. Hodge act as its representatives for the purposes of this conference, unless the Registrant should insist upon a conference with the Board in Washington.

"It will be appreciated if you will keep the Board advised of developments. We shall be glad to discuss the matter with you by telephone or do anything which we can to facilitate the handling of the matter."

Approved unanimously.

Thereupon the meeting adjourned.

  
Assistant Secretary.

Approved:

  
Chairman.