

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, October 8, 1945, at 10:30 a. m.

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

Mr. Carpenter, Secretary  
Mr. Connell, General Assistant,  
Office of the Secretary  
Mr. Morrill, Special Adviser  
Mr. Thurston, Assistant to the Chairman

The action stated with respect to each of the matters hereinafter referred to was taken by the Board:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on October 5, 1945, were approved unanimously.

Memorandum dated October 1, 1945, from Mr. Bethea, Director of the Division of Administrative Services, recommending that Mr. James W. Sanderson, who has been on military leave, be reinstated in his position as a Guard in that Division, at a basic salary of \$2,034 per annum, effective as of the date upon which he enters upon the performance of his duties, after having passed the usual physical examination.

Approved unanimously.

Letter to Mr. McCreedy, Assistant Vice President of the Federal Reserve Bank of Philadelphia, reading as follows:

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"This refers to your letter of September 28, regarding the penalty charge of \$5.92 incurred by the Swedesboro Trust Company, Swedesboro, New Jersey, as a result of a deficiency in reserves during the first half of September.

"In the circumstances stated in your letter, the Board authorizes your Bank to waive the penalty."

Approved unanimously.

Letter to Honorable Harry Byrd, United States Senate, Washington, D. C., reading as follows:

"This is in reply to your letter of September 28 with which you enclosed a letter from Mr. L. A. Sterchi, Bristol, Virginia, recommending that Regulation W be continued.

"We are glad to have Mr. Sterchi's comments on this subject. The opinions of those who extend credit, as well as those who use it, are of special interest to us in connection with our continuing study of the consumer credit situation which will result from the end of the war. The Board is conscious of the fact that inflationary danger still exists, and accordingly feels that careful surveys of the possible consequences should precede any relaxation of the regulation's requirements. We are enclosing a copy of our press release announcing the last amendment of the regulation, with the thought that Mr. Sterchi will be interested in the second paragraph.

"We are returning Mr. Sterchi's letter herewith; thank you for referring it to us."

Approved unanimously.

Letter to Honorable Raymond E. Willis, United States Senate, Washington, D. C., reading as follows:

"We have your note of October 3, referring to us a letter received from Mr. Samuel Mueller, President, The Furniture Association of Indianapolis, Indiana, setting forth reasons why Regulation W should be continued in a relaxed form.

"We quite agree with the view presented by Mr. Mueller and his association that the regulation should remain in effect until such time as the threat of inflation, as influenced by the supply and demand situation

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in consumer goods, is no longer present. The suggestion that the down-payment requirement on certain items be reduced from 33-1/3 per cent to 20 per cent will be duly considered when the time seems to be ripe, that is to say when the supply-demand situation seems to be getting into balance. The suggestion that the exemption from the down-payment requirement be extended to cover items up to \$50 has been given consideration, and will be considered again in due course, but Mr. Mueller's arguments against it seem to us to be very cogent.

"Mr. Mueller's letter is returned herewith.

Approved unanimously.

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

"Reference is made to the Board's letter S-235 of November 7, 1940, (Loose-Leaf Service #3243) regarding the disposition of certain records of the Federal Reserve agents. Permission was granted in H. R. 2775 of July 11, 1940, copy of which was forwarded with S-235, for the disposition among other records of certain records accumulated in connection with Federal Reserve note issues.

"Continuing authorization has now been granted by the Archivist of the United States for disposition of the following note-issue records of the agents after they have been retained for a minimum period of two years (item numbers refer to those in H. R. 2775, copy of which is enclosed for ready reference): Item numbers 14-19, inclusive; 21; 23; 25; 31; 36; 37; 41; and 43. With respect to item number 41, only the separate weekly telegrams, if any, to the Board of Governors giving condition statement of Federal Reserve agent should be disposed of by the agent.

"Continuing authorization has also been received for the disposition of Form F. R. 5, "Daily statement of Federal Reserve Agent", after it has been retained for a minimum period of three years. This is in accordance with Schedule 2 of the Report of the Committee on Destruction of Records dated May 24, 1945.

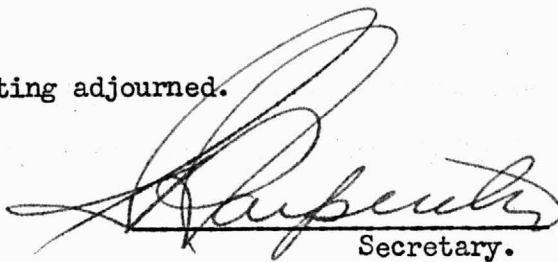
"In destroying or otherwise disposing of the above-mentioned records, the procedure set forth in the attachment to the Board's letter of March 31, 1945, should be followed in so far as applicable."

Approved unanimously.


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Thereupon the meeting adjourned.

  
Secretary.

Approved:

  
Chairman.