

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Statement for the Press

For immediate release

August 15, 1941

Following the meeting yesterday with representatives of the Federal Reserve Banks, the Board of Governors of the Federal Reserve System met today with representatives of various banking and credit groups which extend installment credit to the public. Representatives of the Treasury Department, of the Office of Price Administration and Civilian Supply, and of the Federal Loan Administrator were also present, representing the advisory group designated under the Executive Order on regulation of consumer credit. In addition, the meeting was attended by representatives of the Department of Commerce, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Rural Electrification Administration, and of Federal Reserve Banks and the Federal Advisory Council.

Vice Chairman Ronald Ransom of the Board of Governors presided, and the meeting was opened with a brief statement by Chairman Eccles outlining the reasons for regulating consumer credit as a supplemental measure in the Government's efforts to combat price inflation.

Chairman Eccles emphasized that the purpose of the Board was to issue an initial regulation as promptly as possible covering a limited list of consumers durable goods which use materials needed in defense; that the purpose of the regulation is not to curtail production, but to supplement taxation and other fundamental measures designed to reduce the

pressures of consumer demand, particularly for those goods of which there is or may be a scarcity, relative to the demand, because of defense requirements. Such steps are essential, he stated, to protect the interest of consumers and prevent prices from being bid up to inflated levels. Inflated prices, he pointed out, particularly victimize those of small means. Reports that the proposed initial regulation of consumer credit will be "drastic" are unfounded, he stated.

"It is proposed," Chairman Eccles said, "in the initial regulation, covering only a limited number of articles and applying moderate terms, to lay a basis for such subsequent coverage and adjustment of terms as experience in this field and economic developments may indicate to be necessary in order to carry out the purposes of the Executive Order."

Vice Chairman Ransom stated that progress is being made in the drafting of an initial regulation with a view to its being issued next week to become effective at an early date.

Following is a list of groups represented at and of those attending today's meeting:

American Association of Personal Finance Companies

Irvin Wesley, Vice President, Indianapolis, Indiana

B. E. Henderson, Member of Executive Committee and President of Household Finance Corporation

M. R. Neifeld, Economist, Newark, New Jersey

American Bankers Association

John Burgess, Vice President, Northwestern National Bank, Minneapolis, Minnesota

Carlton Hill, Vice President, Fifth Third Union Trust Company, Cincinnati, Ohio

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American Finance Conference

E. M. Morris, Associates Investment Company, South Bend, Indiana
Owen L. Coon, General Finance Corporation, Chicago, Illinois
David B. Cassat, Interstate Finance Corporation, Dubuque, Iowa

American Industrial Bankers Association

Charles Sursa, President
Myron Bone, Secretary

American Retail Federation

C. B. Dulcan, Sr., The Hecht Company, Washington, D. C.
Ralph Goldsmith, Lansburgh & Bro., Washington, D. C.
David R. Craig, President, American Retail Federation

Commercial Credit Company

E. C. Wareheim, Executive Vice President

Commercial Investment Trust Incorporated

A. O. Dietz, President

Credit Union National Association

Thomas Doig, Assistant Managing Director
William Reid, President

General Motors Acceptance Corporation

Charles G. Stradella, Vice President

Independent Bankers Association

Ben DuBois, Secretary

Mail Order Association of America

R. S. Smith, Assistant Treasurer, Montgomery Ward & Company

Morris Plan Bankers Association

Richard H. Stout, Executive Vice President
R. O. Bonnell

National Automobile Dealers Association

L. C. Cargile
W. L. Mallon
C. W. Bishop

National Bond & Investment Company

N. H. Tepper, General Counsel

National Bureau of Economic Research

Ralph A. Young, Director, Financial Research Program

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National Retail Credit Association

L. L. Meyer
Arthur J. Morris
D. D. Bolen

National Retail Dry Goods Association

Howard Godfrey, J. L. Hudson Company, Detroit, Michigan
Kenneth C. Richmond, Abraham & Straus, Brooklyn, New York
Irving C. Fox, Washington, D. C.

National Retail Furniture Association

Jack Schram, Chicago
Clarence Haverty, Atlanta
Roscoe R. Rau

National Retail Hardware Association

Albert Herrnstein, Vice President, Chillicothe, Ohio
Rivers Peterson, Managing Director

Reserve City Bankers Association

Donald F. Valley, Vice President, National Bank of Detroit

Retailers National Council

Louis Rothschild

Government Agencies

Treasury Department

Daniel W. Bell

Office of Price Administration and Civilian Supply

Rolf Nugent
F. B. Hubachek

Federal Loan Administrator

Stewart McDonald

Department of Commerce

Bureau of Foreign and Domestic Commerce

Current Business Analysis Unit

Credit Research Staff

Duncan Holthausen

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Comptroller of the Currency
C. B. Upham

Federal Deposit Insurance Corporation
Morris Tucker

Rural Electrification Administration
Carlton Nau