

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON

S-579

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

November 3, 1942.



Dear Sir:

The Board has received from the War Department a memorandum dated October 31, 1942, signed by Lieutenant Colonel Paul Cleveland, Chief, Loan Section, Advance Payment and Loan Branch, regarding the use of Optional Condition (N), in view of the position taken by the Comptroller of the Currency in his letter of October 28, 1942, a copy of which was transmitted to you with our letter of October 29, 1942 (S-575). A copy of the War Department's memorandum is enclosed for your information and guidance.

Very truly yours,

A handwritten signature in dark ink, appearing to read "L. P. Bethea".

L. P. Bethea,  
Assistant Secretary.

Enclosure

TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS



S-579-a

WAR DEPARTMENT  
HEADQUARTERS, SERVICES OF SUPPLY  
WASHINGTON, D. C.

October 31, 1942

MEMORANDUM: From the War Department to the Board of Governors  
of the Federal Reserve System

SUBJECT: Optional Condition "N"

In view of the recent decision of the Comptroller of the Currency in reviewing the General Motors Loan, it is recommended that in all cases where a limit is placed on the use of funds by the War Department optional condition "N" be used.

(signed) Paul Cleveland  
Paul Cleveland  
Lt. Colonel, A. U. S.  
Chief, Loan Section  
Advance Payment and Loan Branch