

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Chairman Eccles

Date November 25, 1947

To Board Members; Mr. Thurston;
Mr. Morrill; Dr. Parry; Mr. Thomas
From Governor Evans

Subject: "The Pittsburgh Plan"

The following appeared in one of the Pittsburgh papers on November 21:

"The Pittsburgh Plan - Auto Dealers Offer Cars on Six Months' 'Try-out' Basis.

"Kaiser-Frazer dealers in the Pittsburgh area are advertising new cars on a six months' 'try-out' basis. The advertisements offer the cars - ranging from \$2228 Kaiser to \$2998 Frazer - for a down payment of \$200 and \$100 monthly 'rentals' for six months. At the end of that time the customer may turn the car in without paying anything further or if he buys it, the 'rent' is applied toward the purchase price.

"Physicians, salesmen and executives are offered a new car every year for an initial payment of \$200 and \$100 monthly as long as they wish to continue the arrangement.

"Fred Bishop, General Manager of Kaiser-Frazer here, said he had originated the plan to make it easy for the average person to buy a new car."

