

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Saturday, August 8, 1942, at 11:00 a.m.

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

Mr. Bethea, Assistant Secretary
Mr. Carpenter, Assistant Secretary

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 August 7, 1942, were approved unanimously.

Letter to Mr. Meyer, Assistant Cashier of the Federal Reserve
Bank of Chicago, reading as follows:

"As requested in your letter of August 3, 1942, and
in view of the circumstances set forth, the Board of Gov-
ernors approves the payment of a salary to Conrad Bernodet,
Chef, Cafeteria Department, at the rate of \$2,640 per an-
num, which is \$120 in excess of the maximum annual salary
provided in the Personnel Classification Plan for that
position."

Approved unanimously.

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

"This refers to your letter of August 1, 1942, regard-
ing the proposed absorption of The Union Trust Company of
Newark, Ohio, by The Licking County Bank, Newark, Ohio, a
subsidiary of BancOhio Corporation. You state that the
corporation plans to change the name of The Licking County
Bank to The Union Licking Bank, and you inquire whether a

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"new general voting permit should be issued to BancOhio Corporation authorizing it to vote the stock of the subsidiary bank under its new title.

"It is our understanding that it is proposed that The Licking County Bank purchase assets and assume liabilities of The Union Trust Company of Newark, and that there will be no change in the corporate status of The Licking County Bank. If such is the case, the change of name of the bank would not necessitate the issuance of a new general voting permit.

"We assume that, in view of the progress toward consummation of the proposed absorption which your letter indicates, there will be forthcoming in the near future the information, recommendation, and opinions of counsel for consideration of the matter pursuant to condition of membership numbered 1 of The Licking County Bank, referred to in the last paragraph of our letter to you of May 19, 1942."

Approved unanimously.

Letter to Bourgeois & Harris, Atlantic City, New Jersey, reading as follows:

"This is with reference to your letter of July 23, 1942, concerning the application of the Board's Regulation W to the purchase of uniforms by employees of the street railway company. We understand that deductions are made from each semi-monthly payroll so that in the average case the uniforms, which range in price from \$31.60 to \$41.25, are paid in about three months.

"It seems clear that under Regulation W, a copy of which is enclosed, the transaction constitutes an installment sale. The uniform is wearing apparel, Group A-40 of section 13(a), and the method of payment constitutes installment credit. It will, therefore, be necessary under the regulation that a down payment of 33-1/3 per cent be obtained.

"We recognize that in some cases the making of this down payment will be a burden for the employee, but we are inclined to believe that the burden is not so severe as to warrant a special provision for a case of this kind. You will realize that even in the case of wearing apparel other than uniforms it might be said that it is necessary in order to obtain a job. It occurs to us that there are

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"probably ways in which the street railway company could relax its strict rule with respect to uniforms in special cases.

"The administration of Regulation W has been decentralized among the twelve Federal Reserve Banks and their twenty-four branches. If you have any further inquiries, we suggest that you communicate with the Federal Reserve Bank of Philadelphia."

Approved unanimously.

Letter to Mr. John L. Russell of the John L. Russell Chevrolet Co., El Campo, Texas, reading as follows:

"In your letter of July 23 to Mr. Eccles, you request permission to sell an automobile to Dr. John W. Evans on terms other than those prescribed by Regulation W.

"We regret to have to make an unfavorable reply to your request. The only exceptions allowed are those that are included in the regulation itself, and compliance with your request would require that an amendment of general application be made to the regulation. There is scarcely any feature of the regulation of consumer credit that we have not been asked to modify or eliminate. We should not have to go very far in the direction of granting these exceptions before reaching the point where the program would be substantially weakened and the effectiveness of the regulation impaired as a bar to increase in the cost of living.

"We trust that some other means of meeting your customer's request may be found. In some instances prospective purchasers of cars have found it possible, in view of the difficulty of making the down payment on a new car, to buy a used car instead, since it does not take so long to save up the money required for the down payment."

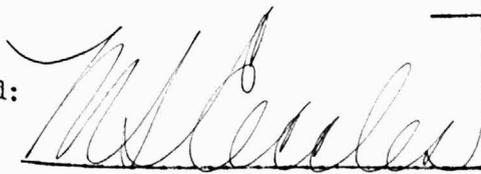
Approved unanimously.

Thereupon the meeting adjourned.



Assistant Secretary.

Approved:



Chairman.