

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, April 27, 1944, at 11:30 a.m.

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

Mr. Morrill, Secretary
Mr. Bethea, Assistant Secretary
Mr. Carpenter, Assistant Secretary
Mr. Clayton, Assistant to the Chairman

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 April 26, 1944, were approved unanimously.

Memorandum dated April 24, 1944, from Mr. Morrill, recommending that Miss Madge Morley be appointed as a file clerk in the Secretary's Office on a temporary basis for a period of not to exceed six months, with basic salary at the rate of \$1,440 per annum, effective as of the date upon which she enters upon the performance of her duties after having passed satisfactorily the usual physical examination, with the understanding (1) that the appointment will not take effect until after Miss Morley's graduation from high school in June 1944 and (2) that if her services prove satisfactory during her probationary period she will be recommended for a permanent appointment.

Approved unanimously.

4/27/44

-2-

Letter to Mr. Young, President of the Federal Reserve Bank of Chicago, reading as follows:

"Reference is made to Mr. Diercks' letter of April 18, 1944, to Mr. Paulger relative to a proposed change in location of the East Side Trust & Savings Bank, Chicago, Illinois, from Ewing Avenue to 47th Street and Cottage Grove Avenue.

"Mr. Diercks says that in the opinion of your counsel the proposed change in location will not result in any change in the general character of the bank's business or in the scope of the corporate powers exercised by it within the meaning of condition of membership numbered 1. It has also been noted that the Auditor of Public Accounts is anxious for the bank to move, feeling that the move would not only benefit the bank but would provide needed banking facilities at the new location. In the circumstances, the Board interposes no objection to the proposed change in location."

Approved unanimously.

Letter to Honorable D. W. Bell, Under Secretary of the Treasury, reading as follows:

"Reference is made to Mr. Paulger's letter of April 3 reporting purchases of 2-1/2 per cent Treasury Bonds of 1964-69 by a wholly owned affiliate of The Riverview State Bank, Kansas City, Kansas.

"We have now been advised by Vice President and Cashier Woolley of the Federal Reserve Bank of Kansas City that the management of the member bank does not agree with the conclusions of the Reserve Bank in this connection and in Mr. Woolley's opinion it is doubtful that action will be taken by the affiliate to dispose of the bonds unless so directed by the Treasury Department. Please advise us whether you wish the Federal Reserve Bank to take any further action in the matter."

Approved unanimously.

4/27/44

-3-

Letter to Mr. Raisty, Manager of Consumer Credit Control, Federal Reserve Bank of Atlanta, reading as follows:

"This is with reference to your letter of April 20, 1944, concerning the application of Regulation W to the installation of mechanical blowers in hot air furnaces. The following rules will indicate the status of such blowers:

- (1) If a blower is installed at the same time as the furnace, the blower is treated as a part of the furnace, requiring a down payment of one-third. This is by reason of the definition of 'cash price' which includes the price of any accessories.
- (2) If a blower is installed at any other time, it is a Group C article since it is an improvement upon real property in connection with an existing structure.
- (3) Under Section 8(m), credit for the repair of a blower or the replacement of a worn out blower is exempt; likewise exempt is the installation of a new furnace with a blower to replace a worn out furnace whether or not the old furnace had a blower; but a blower is not in and of itself a repair and the credit for its installation in an old furnace which previously had no blower is not exempt.

"We believe these rules to be in general agreement with the position you have been taking, but have spelled them out in case some further question might occur to you."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morley

Secretary.

Approved:

W. S. Sculler

Chairman.