

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Friday, June 16, 1944, at 11:00 a.m.

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

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 hereinafter referred to was taken by the Board:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on June 15, 1944, were approved unanimously.

Telegrams to Messrs. Treiber, McCreedy, Clouse, Dillard, Stewart, and Hale, Secretaries of the Federal Reserve Banks of New York, Philadelphia, Cleveland, Chicago, St. Louis, and San Francisco, respectively, stating that the Board approved the establishment without change by the Federal Reserve Banks of St. Louis and San Francisco on June 13 and by the Federal Reserve Banks of New York, Philadelphia, Cleveland, and Chicago on June 15, 1944, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Memorandum dated June 14, 1944, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending that the basic salary of Randall W. Hinshaw, an Economist in that Division, be increased from \$3,200 to \$3,500 per annum, effective June 16, 1944.

Approved unanimously.

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Memorandum dated June 14, 1944, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending, for the reasons stated in the memorandum, that Mrs. Anna G. Beers, a clerk-stenographer in that Division, be granted a further extension for a period of not to exceed two months from June 16, 1944, of the leave without pay approved by the Board on September 20, 1943, and that the Board continue to make its contributions to the retirement system on Mrs. Beers' behalf during her absence provided she continues her own contributions for the same period.

Approved unanimously.

Memorandum dated June 15, 1944, from the Personnel Committee submitting the name of W. Bratten Evans, President of the Tennessee Enamel Company, Nashville, Tennessee, for appointment as a director of the Nashville Branch of the Federal Reserve Bank of Atlanta for the unexpired portion of the term ending December 31, 1946, in lieu of John Sloan who was tendered the appointment but was unable to accept, and recommending (1) that the Chairman of the Federal Reserve Bank of Atlanta be requested to ascertain informally whether Mr. Evans would accept appointment and (2) that the appointment be tendered if he would accept.

Approved unanimously.

Letter to Mr. Gilbert, President of the Federal Reserve Bank of Dallas, reading as follows:

"The Board of Governors approves the program for the supervision of the Research and Statistical Department of the Bank, as set forth in your letter of June 10, 1944, with Mr. James C. Dolley as Director of Research and Statistics on a full-time basis, and Mr. Morgan H. Rice as Assistant Vice President.

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"The Board also approves the payment of salaries to Mr. Dolley as Director of Research and Statistics, and to Mr. Rice as Assistant Vice President, for the period July 15, 1944 to May 31, 1945, inclusive, at the rates of \$9,000 and \$6,000 per annum, respectively, which are the rates fixed by your Board of Directors as reported in your letter of June 10, 1944."

Approved unanimously.

Letter to Mr. Gentry, Vice President and Cashier of the Federal Reserve Bank of Dallas, reading as follows:

"In view of the circumstances described in your letter of June 10, the Board will interpose no objection to the payment of the separation allowance referred to.

"The question of whether the payment would be properly charged to reimbursable expense is under consideration and you will be advised as to the decision."

Approved unanimously.

Memorandum dated June 14, 1944, from Mr. Carpenter, reading as follows:

"When trust powers are granted to a national bank by the Board, an engraved certificate of the powers granted is sent to the bank over the signature of the Chairman with the attesting signature of the Secretary of the Board.

"We have never had a printed certificate which could be sent to a national bank which is the result of a consolidation of two national banks, one or both of which had trust powers which under the law may be exercised by the consolidated institution, or to a national bank which has changed its name. The Board's Regulation F, Trust Powers of National Banks, provides that in such cases a new application to exercise the powers previously granted is not necessary, but in order that the records of the bank may be complete the Board will issue a certificate showing the bank's right to exercise the powers. The certificate sent in accordance with this procedure has been typewritten. However, requests are frequently made for a form of certificate which can be displayed in the bank's lobby. The existing certificate forms are not suitable in such cases because of the possible implication that the powers were granted as of the date of the certificate rather than as of an earlier date.

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"In order that the Board may be able to comply with these requests, it is recommended that the attached forms of certificates be approved by the Board for that purpose. The forms have been reviewed and have the approval of the Legal Division. One certificate would be used when all nine powers specified in the Federal Reserve Act are granted and the other when fewer than nine powers are given."

Approved unanimously.

Memorandum dated June 14, 1944, from Mr. Ransom and Mr. Parry, Director of the Division of Security Loans, submitting and recommending the adoption, for the reasons stated in the memorandum, of the following Amendment No. 12 to Regulation W, Consumer Credit:

"AMENDMENT NO. 12 TO REGULATION W

"Issued by the Board of Governors  
of the Federal Reserve System

"Regulation W is hereby amended in the following respects, effective July 10, 1944:

"1. By amending section 13(c) entitled 'Down Payment on Automobiles and Motorcycles' so that it will read as follows:  
(c) Down Payment on Automobiles and Motorcycles. - For a new or used automobile or a new or used motorcycle, the down payment (which may be in cash or in the form of a trade-in or in both forms) shall be one-third of the cash price.

"2. By amending section 13(e) entitled 'Maximum Amount of Loan' so that the last paragraph will read as follows:

A loan to purchase a new or used automobile or a new or used motorcycle shall not exceed two-thirds of the cash price."

The amendment was adopted by unanimous vote, effective July 10, 1944, and approval was also given to the following telegram to the Presidents of all the Federal Reserve Banks:

"The Board has adopted Amendment No. 12 to Regulation W effective July 10, 1944. The text of the amendment follows. It will be published in the Federal Register and you may give it such publicity as seems called for in your district. No press statement will be made by the Board at this time but one may be issued prior to July 10. It is suggested that the amendment not be printed immediately as there are one or two other amendments in process and if these are adopted promptly all of them can be printed at the same time."

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Unanimous approval was also given to the following letter to Mr. S. F. D. Meffley, Special Representative of the Recording & Statistical Corporation, Chicago, Illinois; Mr. Walter H. Vesper, Jr., Editor of National Automobile Dealers Association, Washington, D. C.; Mr. G. A. Leukhart, General Manager of National Used Car Market Report, Inc., Chicago, Illinois; Mr. T. R. Leonard, Northwest Publishing Co., Seattle, Washington; Mr. Louis Milan, Executive Vice President of the Wisconsin Automotive Trades Association, Madison, Wisconsin; Mr. W. C. Nesbitt, President of American Auto Appraisal, Detroit, Michigan; Mr. George A. Cohan, Used Car Statistical Bureau, Inc., Boston, Massachusetts; Director of Motor Vehicle Division, Department of Roads and Irrigation of the State of Nebraska, Lincoln, Nebraska; and Mr. R. Leslie Kelley, Editor of the Kelley Blue Book, Los Angeles, California:

"The Board has adopted Amendment No. 12 to Regulation W, effective July 10, 1944. A copy of this amendment is enclosed. You will note that references to automobile 'appraisal guides' have been eliminated. This has been done because of the adoption of ceiling prices for used automobiles by the Office of Price Administration.

"In the future the amount of credit which is permissible under Regulation W will be two-thirds of the bona fide cash price or two-thirds of the ceiling price, whichever is lower.

"The Board wishes to express its appreciation of the fine cooperation received from the publishers of the guide books in connection with Regulation W."

Letter to Mr. Walter Vesper, Jr., Editor of National Automobile Dealers Used Car Guide, Washington, D. C., reading as follows:

"This will confirm the information given to you by telephone by Mr. Smith June 13 relative to the use of used car appraisal guides under Regulation W.

"It will be satisfactory if any current book which has an expiration date before July 10 is extended to be effective through July 9."

Approved unanimously.

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Letter to Mr. Willett, First Vice President of the Federal Reserve Bank of Boston, reading as follows:

"In reply to your letter of June 9, 1944, the Board does not contemplate making any changes at this time in the classification of Group 3 banks for electoral purposes."

Approved unanimously.

Thereupon the meeting adjourned.

Ester Morrie  
Secretary.

Approved:

W. S. Eccles  
Chairman.