

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Wednesday, August 23, 1944, at 11:00 a.m.

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

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:

Memorandum dated August 21, 1944, from Mr. Thomas, Assistant Director of the Division of Research and Statistics, recommending that Miss Gertrude A. Brehl be appointed as a clerk in that Division, with basic salary at the rate of \$1,920 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 and subject (1) to a satisfactory check of her references and (2) to her release from the Treasury Department prior to entering upon work at the Board.

Approved unanimously.

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

"In accordance with the request contained in your letter of August 18, 1944, the Board approves the appointment of John T. Stewart, Jr. as an assistant examiner for the Federal Reserve Bank of Cleveland. Please advise us of the date upon which the appointment becomes effective and also as to the salary rate."

Approved unanimously.

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Letter to Mr. Nardin, Federal Reserve Agent at the Federal Reserve Bank of St. Louis, reading as follows:

"In accordance with the request contained in your letter of August 19, 1944, the Board of Governors approves the payment of salary to Mr. Edward A. Zehner, Alternate Assistant Federal Reserve Agent, at the rate of \$2,160 per annum, effective September 1, 1944."

Approved unanimously.

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

"In accordance with the request contained in your letter of August 12, 1944, the Board approves the change in the personnel classification plan of the Federal Reserve Bank of Minneapolis involving the establishment of the position of Director of Research in the Research and Statistical Department, with a maximum annual salary of \$6,500."

Approved unanimously.

Letter to Mr. Ira W. Rubel, Ira Rubel & Company, Chicago, Illinois, reading as follows:

"Thank you for your letter of August 4 in which you explained why musicians and vendors of musical instruments find the approval provisions of section 4(e) of Regulation W burdensome.

"We are studying the problem and have asked several of the Federal Reserve Banks to investigate the situation in their respective localities."

Approved unanimously, together with the following letter to Mr. Hult, Vice President of the Federal Reserve Bank of Boston, and similar letters to Mr. Phelan, Vice President of the Federal Reserve Bank

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of New York, and Mr. Vergari of the Consumer Instalment Credit Department, Federal Reserve Bank of Philadelphia:

"From the enclosed copies of correspondence you will note that vendors of expensive string musical instruments are seeking some relief from section 4(e), 'Approvals'.

"A Washington vendor of fine musical instruments has informed us that the principal vendors of these instruments are located in New York, Chicago, Philadelphia and Boston.

"Would it be possible for some member of your staff to call on the following dealer in your area

J. A. Gould and Sons  
230 Boylston Street

and any other outstanding dealers in this field and ascertain the need for relief?

"Answers to the following questions and other information which you may secure would be of assistance in determining the size, urgency and importance of the problem and so help us to determine the best solution.

1. What is the attitude of the trade in your area on this question?
2. What difficulties are they experiencing?
3. Does section 4(e) seriously inconvenience a large percentage of customers?
4. In what price line or lines is the problem most acute?

"Any other comments or suggestions you care to make relative to this question would be most welcome."

Unanimous approval was also given to a letter to Mr. Heath, Assistant Cashier of the Federal Reserve Bank of Chicago, informing him of the Board's request of the Boston, New York, and Philadelphia Reserve Banks to investigate the situation in their respective localities and stating that further information from registrants in the Chicago district would be helpful as an aid in determining the kind of solution best adapted to this problem.

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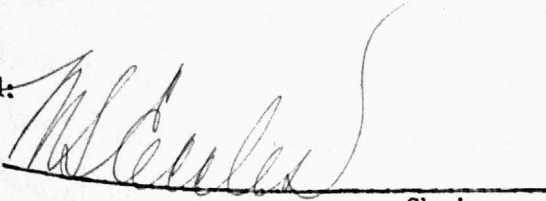
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Thereupon the meeting adjourned.



Assistant Secretary.

Approved:



Chairman.