

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, June 6, 1946, at 10:30 a. m.

PRESENT: Mr. Eccles, Chairman

Mr. Szymczak

Mr. Draper

Mr. Evans

Mr. Vardaman

Mr. Carpenter, Secretary

Mr. Morrill, Special Adviser

Mr. Thurston, 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 5, 1946, were approved unanimously.

Memorandum dated June 3, 1946, from Mr. Carpenter, recommending that Miss Helen V. Elliott be appointed as a Clerk-Typist in the Minutes and Indexing Unit of the Secretary's Office on a temporary indefinite basis, with basic salary at the rate of \$1,704 per annum, effective as of the date upon which she enters upon the performance of her duties after having passed the usual physical examination. The memorandum stated that it was contemplated that Miss Elliott would become a member of the Board's retirement system.

Approved unanimously.

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Memorandum dated June 3, 1946, from Mr. Bethea, Director of the Division of Administrative Services, recommending that the appointment of Mrs. Anna M. Utz, charwoman in that Division, be extended on a temporary basis for an indefinite period, without change in her present salary of \$1,440 per annum, effective June 11, 1946. The memorandum stated that it was not contemplated that Mrs. Utz would become a member of the Board's retirement system.

Approved unanimously.

Memorandum dated June 3, 1946, from Mr. Leonard, Director of the Division of Personnel Administration, recommending that Miss Mary Ellen Hallett be appointed as a Clerk-Typist in that Division, on a temporary basis for a period of not to exceed four months, at an annual salary at the rate of \$1,902, effective as of the date upon which she enters upon the performance of her duties after having passed the usual physical examination.

Approved unanimously.

Letter to Mr. Powell, Secretary of the Board of Directors of the Federal Reserve Bank of Minneapolis, reading as follows:

"This is to acknowledge receipt of your letter of May 10, 1946, enclosing a copy of a revision of the by-laws of the Helena Branch of your Bank, adopted by your board of directors on May 9, 1946, to become effective January 1, 1947, unless the Board of Governors suggests changes in the text.

"It is understood that this revision of the by-laws of the Helena Branch is intended to conform to the

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"revision of the Board's regulations relating to branches of Federal Reserve Banks which was enclosed with the Board's letter of February 5, 1946, and which has been adopted by the Board to become effective January 1, 1947.

"The Board has no changes to suggest with respect to the proposed revision of the by-laws of the Helena Branch. It is understood that when a vice president is appointed to have general charge of that Branch, such appointment will be submitted to the Board for approval of salary."

Approved unanimously.

Letter to Mr. Stoddard, President of the Michigan National Bank, Lansing, Michigan, reading as follows:

"This refers to your letter of May 28, 1946, with reference to possible action of the Board which might affect the reserve classification of certain cities, including Grand Rapids, Michigan. As Mr. Young, President of the Federal Reserve Bank of Chicago, has advised you, the Board asked both the Federal Advisory Council and the Conference of Presidents of the Federal Reserve Banks to consider the matter. Accordingly it was discussed by the Advisory Council at its meeting in May and is to be discussed by the Presidents at their meeting next week. Before reaching any decision, the Board will, of course, wish to review the whole matter in the light of the views of the member banks and the comments and suggestions of the Advisory Council and the Reserve Bank Presidents. We are not in a position at this time to state whether this decision will be reached during the next thirty days."

Approved unanimously.

Letter to Mr. Bowman, Manager of the Credit Department of the Federal Reserve Bank of New York, reading as follows:

"This refers to your letter of May 23, 1946, asking about the application of Regulation W to credit sales of General Electric dishwasher and disposall units.

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"We note that these units may be sold separately or in combination in the General Electric sink, but that in either case they require attachment to the realty through plumbing and other connections so that, in the opinion of General Electric Credit Corporation, they cannot be removed without substantial damage to the structure.

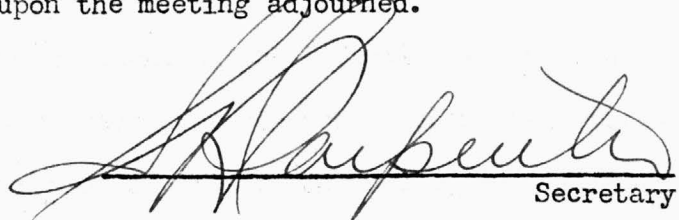
"The construction and installation of these units appear to come within the scope of the term 'improvement' as outlined in the Board's letter of December 18, 1945 (S-885). It is our opinion, therefore, that under the present provisions of the regulation the credit extended on sales of these articles, whether they are sold singly or in the sink combination, would be excepted by the provisions of section 8(a).

"We should like to point out in this connection, however, that section 8(a), as amended October 15, 1945, was not designed to permit any extensive exception of listed articles such as these. A substantial volume of credit for such listed articles under this exception, therefore, would be contrary to the purposes of the regulation and might make it advisable at a later time to exclude these articles from the terms of section 8(a).

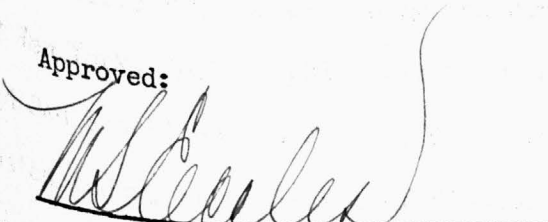
"General Electric Credit Corporation probably should be informed of the possibility of such an amendment as well as of the present status of these units under the regulation.

Approved unanimously.

Thereupon the meeting adjourned.


Secretary

Approved:


Chairman.