

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Monday, June 16, 1947.

PRESENT: Mr. Eccles, Chairman
 Mr. Szymczak
 Mr. Draper
 Mr. Evans
 Mr. Vardaman
 Mr. Clayton

Mr. Carpenter, Secretary
 Mr. Sherman, Assistant Secretary
 Mr. Morrill, Special Adviser
 Mr. Thurston, Assistant to the Chairman

Minutes of actions taken by the Board of Governors of the Federal Reserve System on June 13, 1947, were approved unanimously.

Letter to Mr. Wysor, Federal Reserve Agent of the Federal Reserve Bank of Richmond, reading as follows:

"In accordance with the request contained in Mr. Leach's letter of June 12, 1947, the Board of Governors approves, effective July 1, 1947, the payment of salaries to the following members of the Federal Reserve Agent's staff at the rates indicated:

	<u>Baltimore Branch</u>	
<u>"Name</u>	<u>Title</u>	<u>Annual Salary</u>
Eugene L. Shipley	Federal Reserve Agent's Representative	\$4,080
A. A. Stewart, Jr.	Federal Reserve Agent's Representative	4,200"

Approved unanimously.

Letter to Mr. Weigel, Assistant Vice President of the Federal Reserve Bank of St. Louis, reading as follows:

"The Board of Governors approves the changes in the personnel classification plan of the Federal Reserve Bank of St. Louis, consisting of the establishment of the following positions, as submitted with your letter of June 9, 1947:

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<u>"Department</u>	<u>Title of Position</u>	<u>Maximum Annual Salary</u>
Personnel	Chief Analyst	\$3,840
Budgets, Operations		
Analysis and Planning	Assistant Manager	4,000
Bank Relations	Manager	4,740"

Approved unanimously.

Letter to the board of directors of "The Nassau Union Bank", Glen Cove, New York, stating that, subject to conditions of membership numbered 1 to 3 contained in the Board's Regulation H, the Board approves the bank's application for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of New York.

Approved unanimously, for transmission through the Federal Reserve Bank of New York.

Telegram to Mr. Volberg, Vice President of the Federal Reserve Bank of San Francisco, reading as follows:

"Relet June 7. In view your recommendation Board approves establishment and operation of branch in Sunnyvale, California, by American Trust Company, San Francisco, California, provided such branch is established within six months from May 15, 1947, as required by State authorities, and with understanding that Counsel for Reserve Bank will review and satisfy himself as to the legality of all steps taken to establish branch."

Approved unanimously.

Letter to Mr. Vergari, Assistant Vice President of the Federal Reserve Bank of Philadelphia, reading as follows:

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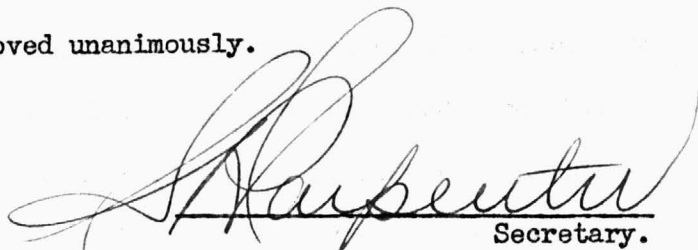
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"This refers to your letter of April 1, 1947 and the enclosed copy of a letter from Radio Corporation of America inquiring whether television sets are 'listed articles' under Regulation W, - specifically, whether they are included in the classification 'Radio receiving sets, phonographs, or combinations.' The inquiry relates to sets which are not combined with a radio receiver designed to receive standard broadcasts, or with a phonograph mechanism.

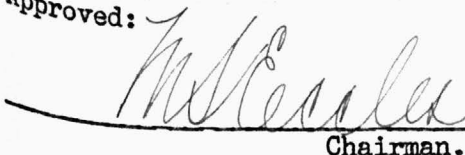
"The Board concurs with your view that such sets are listed articles since they are designed for consumer use as receiving sets for radio waves. It makes no difference whether the receiver is designed to detect and reproduce video or audio modulation of the radio frequency carrier.

"As you know, an answer to your letter was delayed pending the outcome of your request that Radio Corporation of America furnish you with further information as to the basis for the ruling of the Bureau of Internal Revenue that such sets were not to be taxed as radio sets. This information was received with Mr. Kress's letter of June 2, 1947, enclosing a copy of the memorandum which the Corporation submitted to the Bureau. The memorandum traces the legislative history of the provision of the Internal Revenue Code and shows that when the provision was first enacted in 1932 Congress was seeking subjects which were best able to bear new taxes; that television, which was still in the experimental stage, was obviously not one of these; that in several subsequent revisions of the language of the statute no attempt was made to include television; and that in June 1939 Deputy Commissioner Bliss issued a ruling that television was not included. None of these considerations affects the interpretation of the list of articles in Regulation W."

Approved unanimously.


Secretary.

Approved:


Chairman.