

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Thursday, July 24, 1947.

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

Mr. Carpenter, Secretary  
Mr. Sherman, Assistant Secretary  
Mr. Thurston, Assistant to the Chairman

Minutes of actions taken by the Board of Governors of the Federal Reserve System on July 23, 1947, were approved unanimously.

Memorandum dated July 21, 1947, from Mr. Thomas, Director of the Division of Research and Statistics, recommending that an increase in the basic salary of Miss Helen V. McInturff, a clerk-typist in that Division, from \$2,243.52 to \$2,318.76 per annum be approved, effective July 27, 1947.

Approved unanimously.

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

"In accordance with the request contained in your letter of July 16, 1947, the Board approves the appointment of John C. Morris, Jr. as an assistant examiner for the Federal Reserve Bank of San Francisco. It is noted that you will advise us as to the date upon which the appointment becomes effective."

Approved unanimously.

Letter to the Honorable Francis J. Myers, United States Senate, reading as follows:

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"This is in reply to your communication of July 10, 1947, with which you enclosed several letters received from constituents who object to Regulation W, the consumer credit control administered by this Board.

"The Board's views on this matter are contained in a statement made by Chairman Eccles to the Senate Banking and Currency Committee on June 25. Copies of this statement are enclosed, together with copies of the President's letter to which it refers.

"The Board believes that it would be a mistake to end the regulation at this time, but that it should not be continued without specific legislative sanction which might be of either a permanent or temporary character. The President has indicated his intention to vacate the Executive Order upon which the regulation is based if the Congress does not enact such legislation.

"Many of the people who oppose the regulation do so, at least ostensibly, on the ground that it deprives certain consumers of the ability to buy things they need. Since not enough automobiles, refrigerators, etc., can be produced in the near future to satisfy the demand, it is clear that not all consumers will be able to obtain everything they feel they need and could pay for at present prices. Easier credit will not result in larger production and consumers who now are financially unable to meet the terms of the regulation would, in its absence, only be encouraged to go further into debt in bidding for the goods available at existing or higher prices. The issue is higher prices for all who buy, or greater stability in prices and in economic conditions.

"We are returning the letters to you as requested."

Approved unanimously.

Letter to Mr. Sanford, Assistant Vice President of the Federal Reserve Bank of New York, reading as follows:

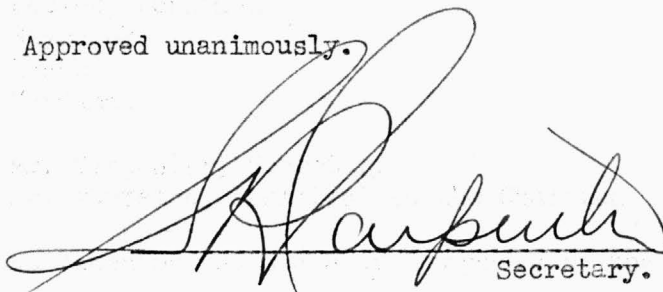
"Receipt is acknowledged of your letter of July 18, 1947, stating that in response to requests from the Central Corporation of Banking Companies, Budapest, Hungary, you are proposing to send to the Corporation for its acceptance a new letter of terms and conditions which would be in the form of your usual standard letter, rather than

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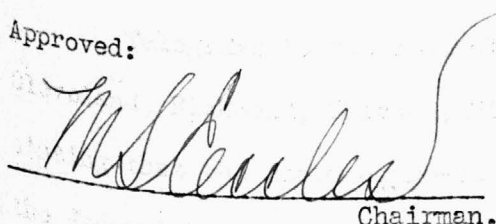
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"in the more restricted form which has hitherto governed this account. Under the circumstances as described in your letter, the Board has no objection to this procedure."

Approved unanimously.

  
Secretary.

Approved:

  
Chairman.