

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Friday, December 10, 1948.

PRESENT: Mr. McCabe, Chairman
 Mr. Eccles
 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 Board

Minutes of actions taken by the Board of Governors of the Federal Reserve System on December 9, 1948, were approved unanimously.

Telegrams to the Federal Reserve Banks of Richmond, Chicago, St. Louis, Minneapolis, Dallas, and San Francisco stating that the Board approves the establishment without change by the Federal Reserve Bank of San Francisco on December 7, and by the Federal Reserve Banks of Richmond, Chicago, St. Louis, Minneapolis, and Dallas on December 9, 1948, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Memoranda from Messrs. Eccles and Coleman, respectively, recommending increases in the basic annual salaries of the following employees in the Board Members' Offices, effective December 12, 1948:

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Date of Memo	Name	Designation	Salary Increase	
			From	To
11/24/48	Mrs. Mary Rose Arnold	Stenographer	\$2,874.48	\$3,024.96
12/7/48	Miss Catherine L. Schmidt	Secretary to Mr. Riefler	3,476.40	3,601.80

Approved unanimously.

Memorandum dated December 9, 1948, from Mr. Szymczak recommending that Mrs. Elsie M. Carrick, a clerk-stenographer in the Division of Research and Statistics, be transferred to his office as a stenographer with no change in her present basic salary of \$2,874.48 per annum, effective November 30, 1948. The memorandum also stated that the Division of Research and Statistics was agreeable to this transfer.

Approved unanimously.

Memoranda from the heads of the divisions indicated below, recommending appointments to the staff in those divisions, effective as of the dates upon which the appointees enter upon the performance of their duties after having passed the usual physical examination:

Date of Memo	Name	Title	Salary	Duration of Appointment
12/10/48	Robert J. McKinsey	Law Clerk	\$4,103.40	Permanent
12/9/48	Mrs. Ardith D. Watts	Clerk	2,498.28	Temp. Ind.
12/3/48	Mrs. Charlotte A. Kelly	Clerk	2,498.28	Temp. (Six Months)

Approved unanimously.

Memorandum dated December 6, 1948, from Mr. Millard, Director of the Division of Examinations, recommending an increase in the

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basic salary of Mrs. Margaret J. Betts, a stenographer in that Division, from \$2,799.24 to \$2,874.48 per annum, effective December 12, 1948.

Approved unanimously.

Memorandum dated December 7, 1948, from Mr. Smead, Director of the Division of Bank Operations, recommending that the appointment of Mrs. Maria Jo Peterson, a clerk-typist in that Division, be extended on a permanent basis, effective January 1, 1949, with no change in her present basic salary of \$2,284 per annum.

Approved unanimously.

Memorandum dated December 10, 1948, from Mr. Nelson, Director of the Division of Personnel Administration, recommending that the resignation of Mrs. Helen Braden, a substitute nurse in that Division, be accepted to be effective, in accordance with her request, at the close of business December 5, 1948.

Approved unanimously.

Memorandum dated December 3, 1948, from Mr. Bethea, Director of the Division of Administrative Services, recommending increases in the basic annual salaries of the following employees in that Division, effective December 12, 1948:

<u>Name</u>	<u>Title</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
Glenn B. Hopkins	Painter	\$3,024.96	\$3,100.20
Mildred L. Preble	Asst. Supervisor (Cafeteria)	2,573.52	2,724.00

Approved unanimously.

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Memorandum dated December 3, 1948, from Mr. Bethea, Director of the Division of Administrative Services, recommending increases in the basic annual salaries of the following employees in that Division, effective December 12, 1948:

<u>Name</u>	<u>Title</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
Walter L. Peregory	Operator (Dup. Dev.)	\$3,476.40	\$3,601.80
Flora J. Griffith	Chief Telephone Opr.	3,100.20	3,175.44
Nelson S. Dyson	Operator (Dup. Dev.)	2,949.72	3,024.96
William Gardner	Chauffeur	2,648.76	2,724.00
Eva M. Brown	Baker	2,498.28	2,573.52
Pearl Jones	Cook	2,498.28	2,573.52
Emma Shinn	Cook	2,498.28	2,573.52
Winnie L. Tull	Jr. Supervisor (Cafeteria)	2,498.28	2,573.52
Blanche Broadhurst	Cafeteria Helper	2,350.00	2,423.04
Anna E. Imhoff	Cafeteria Helper	2,218.00	2,284.00
George Psomos	Cafeteria Helper	2,218.00	2,284.00
Lydia M. Adwell	Cafeteria Helper	2,020.00	2,086.00

Approved unanimously.

Letter to Mr. Stevens, Federal Reserve Agent of the Federal Reserve Bank of New York, reading as follows:

"In accordance with the request contained in your letter of December 2, 1948, the Board of Governors approves, effective November 1, 1948, the payment of salaries to the following members of the Federal Reserve Agent's staff at the rates indicated:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
Jere V. D. Stryker	Assistant Federal Reserve Agent	\$8,135
Joseph H. P. Farnon	Alternate Assistant Federal Reserve Agent	5,348
Edna K. Reynolds	Alternate Assistant Federal Reserve Agent	4,725
Gerard R. Lister	Alternate Assistant Federal Reserve Agent	4,647"

Approved unanimously.

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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 December 9, 1948, the Board of Governors approves, effective January 1, 1949, the payment of salaries to the following members of the Federal Reserve Agent's staff at the rates indicated:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
Shepherd, Robert L.	<u>Head Office</u>	
	Assistant Federal Reserve Agent	\$3,600
Shipley, Eugene L.	<u>Baltimore Branch</u>	
	Federal Reserve Agent's Representative	5,100
Stewart, Alfred A., Jr.	Federal Reserve Agent's Representative	5,280
	<u>Charlotte Branch</u>	
Bagby, T. Wesley	Federal Reserve Agent's Representative	4,440
	Federal Reserve Agent's Representative	3,780"

Approved unanimously.

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

"Relet November 26, 1948, concerning holding company affiliate status of Escrow & Loan Service Co., Incorporated, South Pasadena, California. Please obtain list of shareholders of Company, including individuals who loaned \$92,500 to Company and are to receive stock therefor, together with information whether stock is held for benefit of or is controlled by others than record shareholders. In correspondence quoted in Agnew's opinion, reference is made to 'group' which controls Company and Valley National Bank of Alhambra, although recent report of examination of that bank indicates no group control. To whom does 'group' refer? In general, further information is desired concerning any relationships between Company and other organizations, particularly banks and bank holding companies.

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"Have received letter from W. Cloyd Snyder, Company's attorney, urging expedition of this matter. Please advise him it is receiving consideration and will be acted upon promptly when additional information received."

Approved unanimously.

Letter to the Presidents of all Federal Reserve Banks reading as follows:

"We are in the process of developing a Regulation W Service, in loose-leaf style, for the use of Federal Reserve Bank personnel and the staffs of cooperating agencies who are engaged in the administration of the regulation. Copies of the Regulation W Service will be furnished to you for appropriate distribution as soon as they become available, which we hope will be about the first of the year.

"One of the problems of maintaining such a service is the lag due to the time required for summarizing the interpretations and indexing and printing them. In order to minimize this difficulty and to facilitate the use of current 'S' letters pertaining to Regulation W, some of which may contain matters of general interest, others information which should be confined to the Federal Reserve Banks and cooperating agencies, and others information for the use of the Reserve Banks only, the following procedure has been adopted.

"1. 'S' letters pertaining to Regulation W, except letters intended for more limited use as indicated in paragraphs numbered 2 and 3, in the future ordinarily will be prepared in the form of an interpretation to be published in the Federal Reserve Bulletin and in the Federal Register, and may be made immediately available to the public with, of course, the 'S' letter designation omitted. These interpretations will be included in the F. R. Loose-Leaf Service and summaries of them in the Regulation W Service.

"2. 'S' letters pertaining to Regulation W for the use only of those engaged in the administration of the regulation will contain the following notation at the end of the letter: 'Substance of this letter for use of Reserve Bank personnel and cooperating agencies only'.

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"Such letters will be included in the F. R. Loose-Leaf Service and summaries of them in the Regulation W Service. The provisions of F.R.L.S. #3825 should be followed in making the substance of these letters available to the cooperating agencies; that is, the substance or even the language containing the substance of such interpretations may be used in replies to inquiries or in statements without, however, distribution of the 'S' letters themselves or identification of the language with a particular 'S' letter.

"3. 'S' letters pertaining to Regulation W for the use of Reserve Bank personnel only will contain the following notation at the end of the letter: 'For use of Reserve Bank personnel only'. Letters may be included in this group because they pertain to Federal Reserve operations only, are of a confidential nature, refer to specific cases where the general principal has been stated previously, or do not relate to the work of the cooperating agencies. Such letters will be included in the regular F. R. Loose-Leaf Service but not in the Regulation W Service.

"For convenient reference all 'S' letters pertaining to Regulation W will be serially numbered in the same manner as this letter.

"The numbering system described will be put into effect with this letter. All 'S' letters pertaining to Regulation W and written since the issuance of the regulation have been given 'W' numbers as indicated on the attached schedule. The comments in this letter pertaining to the use of the letters to be issued in the future are also applicable to the use of the letters as indicated in the attached schedule."

Approved unanimously.

Letter to Mr. C. G. Frantz, President, The Apex Electrical Manufacturing Company, Cleveland, Ohio, reading as follows:

"We have received your telegram of December 3 informing the Board of the current decline in the sales of durable goods such as household appliances and suggesting that the provisions of Regulation W, particularly the requirement with respect to down payment, be eased.

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"Regulation W was designed as a flexible measure with the idea that changes in the down payment and maturity provisions could be adapted, from time to time, to changing economic and credit conditions. The regulation should be viewed, however, as but one part of a broad program designed to prevent economic instability to the extent this can be accomplished through monetary and credit measures. For this reason, decisions to change the provisions of the regulation must be related to the over-all credit and economic situation.

"We appreciate your sending us this information and your views on the regulation. The points you raise will be considered fully in our continuing study of the scope and effect of the regulation."

Approved unanimously.

Order prepared in connection with the Board's proceeding against Transamerica Corporation under the Clayton Act and reading as follows:

"UNITED STATES OF AMERICA
BEFORE THE
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

"IN THE MATTER OF
TRANSAMERICA CORPORATION

"ORDER

"IT IS HEREBY ORDERED that the list of motions set down for oral argument before the Board on Monday, December 13, 1948, be expanded to include the motion heretofore filed herein by respondent to disqualify Lawrence Clayton, a member of this Board, from participating in the consideration or decision of any further matters in connection with the above-entitled case.

"By the Board."

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Approved. Messrs. Eccles and Clayton did not participate in the consideration of or action on this matter.

[Handwritten Signature]
Secretary.

Approved:

Thomas B. Lewis
Chairman.