

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Thursday, March 10, 1949.

PRESENT: Mr. McCabe, Chairman
Mr. Eccles
Mr. Draper
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 March 9, 1949, were approved unanimously.

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

"Reference is made to the reports on the number, classification and salaries of employees submitted with your letter of January 13, 1949.

"A review of the reports indicates that the salaries of all employees listed conform to the schedule approved for the Federal Reserve Bank of Chicago and the Detroit Branch under the Plan of Job Classification and Salary Administration, with the exception of the instances referred to below.

"In accordance with the request contained in your letter, the Board of Governors approves the payment of salaries to the following employees at the rates indicated, which exceed the maximums for the grades in which their positions are classified.

<u>Name</u>	<u>Title</u>	<u>Equivalent Annual Salary</u>
	<u>Head Office</u>	
John Czajka	Window Washer	\$3,391
Ignacy Cwynar	Window Washer	3,391
Frank Klein	Scrubbing Machine Operator	2,645
Mike Struz	Metal Polisher	2,645
F. J. Stewart	Elevator Operator	2,705

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"The review further indicates that the following employees are receiving salaries below the minimums for the grades in which their positions are classified. However, in accordance with the advice contained in your letter, it is understood that the salaries paid to these employees will be adjusted to at least the minimums of their respective grades within a period not extending beyond April 1, 1949.

<u>"Name</u>	<u>Title</u>
	<u>Head Office</u>
Nils S. Jacobson	Examiner
Harold L. Noelting	Examiner
Herbert Sadler	Examiner
Chas. L. Carter	Assistant Examiner
Chas. H. Reilly	Assistant Examiner
Carl F. Spaeth, Jr.	Assistant Examiner
Robert J. Weber	Assistant Examiner
E. C. Francis	Fireman
	<u>Detroit Branch</u>
Betty Isola	Typist - Savings Bond Teller
Romeo D. Marcus	Coin Counter Trainee
Joseph F. Sabo	Painter

"In addition, discrepancies were noted in Schedule A with respect to the salary ranges for Walter C. Bloy (Page 76), Merle F. Pratt, and Esmeralda M. Thoman (Page 171). While it is assumed that these are typographical errors, your advice in this connection would be appreciated.

"In reviewing the 1949 report it is noted that a substantial number of positions have been upgraded since the previous report. Our Personnel Department will wish to review the reasons underlying this substantial number of changes at some future date."

Approved unanimously.

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

"The Board's letter of February 21, 1949, advised you of the action taken on January 19 to place for a temporary period of 90 days the Republic of the Philippines on the list of countries approved for the drawing of drafts to furnish dollar exchange in accordance with paragraph 12, section 13 of the Federal Reserve Act and the Board's Regulation C.

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"The Board's letter stated that the temporary action was taken pending a comprehensive investigation to determine whether the listing should be made permanent. However, the member bank interested in the listing has now informed the Board that it desires to withdraw its application for permanent listing. Accordingly, the temporary listing made January 19, 1949, will automatically lapse at the expiration of the 90 day period."

Approved unanimously.

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

"In reply to a recent inquiry concerning Regulation W, the Board has issued the following interpretation which will be published in a forthcoming issue of the Federal Reserve Bulletin.

"The Board is of the view that the sale of an automobile which has been used and driven as a 'demonstrator' by an automobile dealer or salesman constitutes the sale of a used automobile for the purposes of Regulation W. This view applies even though the automobile has not been sold previously, and regardless of whether the sale of the demonstrator occurred before or after the next successive model change for the make of automobile in question. In such a case, Part 4 of the Supplement to the regulation requires that the down payment or maximum loan value be calculated on the basis of the specified percentage of the 'appraisal guide value' where such value is lower than the 'cash price'."

Approved unanimously.

Letter to Honorable Raymond Baldwin, United States Senate, reading as follows:

"Thank you for sending us the enclosed letter from Michael Diana, Service Representative of William K. Edwards, Inc., Bridgeport, Connecticut, which was received with your memorandum of February 18. Mr. Diana describes conditions he attributes to the effect of Regulation W and urges that the regulation be eliminated.

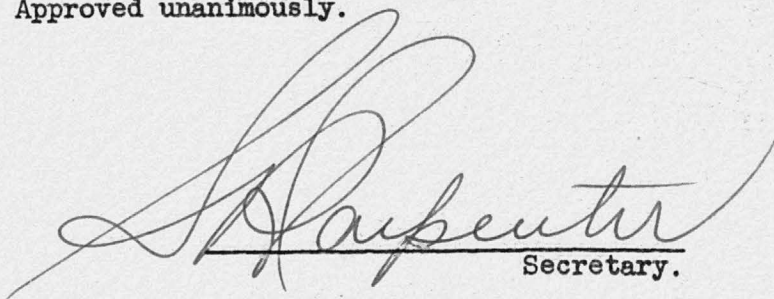
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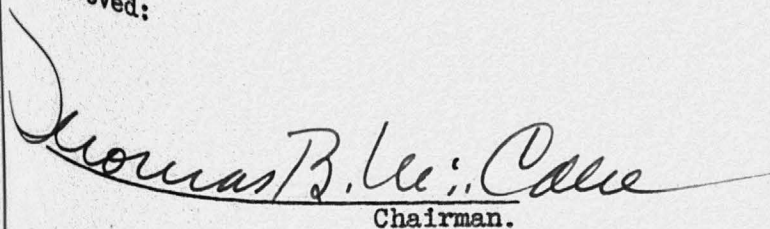
"Regulation W is a flexible measure and the Board is particularly concerned that it be properly adapted to current economic and credit conditions. With this in mind, the Board is constantly studying conditions in the economy generally as well as trends in the production and marketing of automobiles and other consumers' durable goods. On the basis of this study and experience in the administration of the regulation since its reinstatement last September, the Board, on March 2, announced modification of Regulation W, effective March 7, 1949.

"The principal changes resulting from the amendment are an increase in maximum maturities to 21 months and a reduction in the minimum down payments on appliances, furniture, etc. to 15 per cent. A copy of the Board's statement for the press announcing the modification is enclosed."

Approved unanimously.


Secretary.

Approved:


Chairman.