

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Tuesday, March 15, 1949.

PRESENT: Mr. Eccles, Chairman pro tem.
Mr. Szymczak
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 14, 1949, were approved unanimously.

Letter to Mr. Dearmont, Federal Reserve Agent at the Federal Reserve Bank of St. Louis, reading as follows:

"In accordance with the request contained in your letter of March 10, 1949, the Board of Governors approves, effective April 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>
Edward H. Hoppe	<u>Head Office</u>	
	Alternate Assistant Federal Reserve Agent	\$3,960
	<u>Little Rock Branch</u>	
John A. Links	Federal Reserve Agent's Representative	4,800
	<u>Louisville Branch</u>	
G. H. Parsell	Federal Reserve Agent's Representative	4,620"

Approved unanimously.

Letter to Mr. Dearmont, Chairman of the Conference of Chairmen, prepared pursuant to the action taken at a meeting of the Board on February 23, 1949, reading as follows:

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"As you know, the Board was authorized by the Securities Exchange Act of 1934 to regulate security margin requirements, and under that authority it issued Regulation T, Extension and Maintenance of Credit by Brokers, Dealers, and Members of National Securities Exchanges, in 1934 and Regulation U, Loans by Banks for the Purpose of Purchasing or Carrying Stocks Registered on a National Securities Exchange, in 1936.

"At a recent meeting of the Board, consideration was given to the desirability of forming a System margin committee for the purpose of making an analysis of factors that should be considered by the Board in approaching a change in margin requirements and of studying the method used in regulating margins, as distinguished from determination of the actual level of margins, with a view to making this selective instrument of credit control operate more satisfactorily. It was the view of the Board that you, as Chairman of the Chairmen's Conference, might appoint two Chairmen to serve on such a committee, and that you might also invite the Conference of Presidents, of which Mr. Davis is Chairman, to select one of their members to serve with the two Chairmen. The Board would appreciate receiving your views with respect to this proposal.

"If you feel that such a committee would be desirable, you may wish to discuss the personnel of the committee with either Chairman McCabe or Mr. Clayton, who is the member of the Board having the assignment for initial consideration of matters relating to margin requirements."

Approved unanimously.

Letter to Mr. S. F. D. Meffley of the Recording and Statistical Corporation, 222 West Adams Street, Chicago 6, Illinois, reading as follows:

"It has come to our attention that a number of automobile dealers have received the impression from your appraisal guide books that they may include an added value for cars equipped with a radio or heater in determining the maximum credit value permitted under Regulation W.

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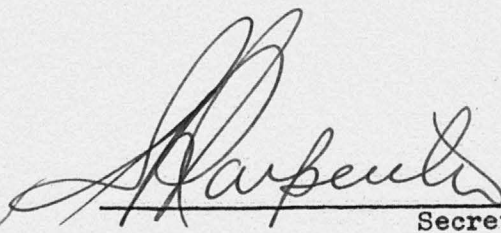
"The misunderstanding arises because of the statement in the January 1 edition of your guides, on page 6, that '. . . there is no objection to the inclusion of value of extra equipment in determining maximum credit values for purposes of Regulation W', and the fact that you show, at the bottom of the following table of equipment on page 7, 'loan values' for radios and heaters. It appears that the first sentence on page 6, which correctly states that the maximum credit value for purposes of the regulation does not include any added value for a radio or heater, does not prevent the misleading impression given by the statement quoted above and the table of equipment.

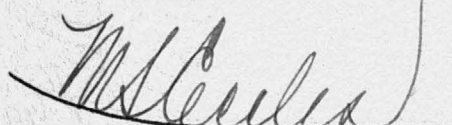
"We shall appreciate your clarifying the material you publish in this connection, for the purposes of Regulation W, when you next have an opportunity to do so. This might be accomplished, for instance, by removing any loan value figures for radios and heaters in the table, and by changing the second sentence at the top of page 6 to read: 'However, there is no objection to the inclusion of added value specified below for cars having an overdrive or automatic transmission as extra equipment.'

"Thank you for your cooperation."

Approved unanimously.

Approved:


Secretary.


Chairman pro tem.