

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Wednesday, April 27, 1949.

PRESENT: Mr. McCabe, Chairman
Mr. Eccles
Mr. Szymczak
Mr. Draper
Mr. Vardaman

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 April 26, 1949, were approved unanimously.

Memorandum dated April 26, 1949, from Mr. Bethea, Director of the Division of Administrative Services, recommending that the resignation of William A. Dyer, a laborer in that Division, be accepted, to be effective, in accordance with his request, at the close of business April 26, 1949.

Approved unanimously.

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

"In accordance with the requests contained in your letter of April 7, 1949 and Mr. McCreedy's letter of April 21, 1949, the Board of Governors approves the payment of salaries to the following officers at the rates indicated, which are the rates fixed by the Board of Directors, for the period May 1, 1949 through April 30, 1950:

<u>"Name</u>	<u>Title</u>	<u>Annual Salary</u>
A. H. Williams	President	\$25,000
W. J. Davis	First Vice President	18,000
E. C. Hill	Vice President	14,000

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<u>"Name</u>	<u>Title</u>	<u>Annual Salary</u>
W. G. McCreedy	Vice President and Secretary	\$14,000
K. R. Bopp	Vice President	14,000
P. M. Poorman	Vice President and Cashier	14,000
R. N. Hilkert	Vice President	12,000
L. E. Donaldson	Vice President	12,000
J. V. Vergari	Counsel and Asst. Secretary	11,000
R. R. Williams	Asst. Vice President and Asst. Secretary	11,000
R. G. Wilgus	Asst. Vice President	8,500
W. M. Catanach	Assistant Cashier	9,000
Roy Hetherington	Assistant Cashier	7,000
N. G. Dash	General Auditor	8,500"

Approved unanimously.

Letter to Mr. Leach, President of the Federal Reserve Bank of Richmond, reading as follows:

"The Board approves the following minimum and maximum salaries effective May 1, 1949 for the respective grades at the Federal Reserve Bank of Richmond, including the Baltimore and Charlotte Branches, which were adopted by the Board of Directors and submitted with your letter of April 18, 1949:

<u>"Grade</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>
1	\$1,380	\$1,860
2	1,500	2,040
3	1,680	2,280
4	1,800	2,460
5	1,980	2,700
6	2,280	3,060
7	2,520	3,420
8	2,820	3,800
9	3,120	4,200
10	3,480	4,700
11	3,900	5,300
12	4,300	5,800
13	4,700	6,400
14	5,100	6,900
15	5,600	7,600
16	6,100	8,300

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"The Board approves the payment of salaries to the employees, other than officers, within the limits specified for the grades in which the positions of the respective employees are classified. It is assumed that all employees whose salaries are below the minimum of their grades as a result of the structure increase will be brought within the appropriate range as soon as practicable and not later than July 1, 1949."

Approved unanimously.

Letter prepared for Chairman McCabe's signature to the Honorable Wright Patman, Chairman, Select Committee on Small Business, House of Representatives, reading as follows:

"This will acknowledge your letter of April 8 relating to Regulation W. We were interested to note that it is your belief that it is now time to completely eliminate Regulation W on the ground that, as stated in your letter, 'there is no evidence that the adverse effects anticipated by you will follow'.

"The Board appreciates having your views and, as always, will give them full consideration. It appears, however, that you misunderstood the views of the Board in connection with the relaxation of the regulation, effective March 7. The Board did not believe that the March 7 liberalization of the regulation 'would result in nation-wide buying sprees and thereby maintain prices at inflationary levels'. If the Board had believed that this would have been the effect of the change, the March 7 amendment certainly would not have been made.

"Your conclusion was apparently drawn from quotations from a report of the Senate Banking and Currency Committee which were included in a memorandum prepared by the Board's staff in response to questions raised in your letter of February 21. This quotation, some of which you repeat in your letter of April 8, was referred to in the staff memorandum in connection with the purposes of Regulation W in their relation to the purposes of the Employment Act of 1946. The quotation had no immediate connection with the amendment to Regulation W, effective March 7.

"The Board acted to relax Regulation W on March 7 because in its continuing study of economic and credit

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"conditions it concluded that under the conditions then current a lesser degree of restraint was appropriate. The amendment of April 27, announced on April 22, relaxed the regulation still further on the basis of continued studies of economic and credit trends since March 7. A Copy of the latest amendment and the Board's statement relating to it are enclosed.

"In line with our responsibilities under the authority granted by Congress to regulate instalment credit, we are continuing to give close attention to economic and credit conditions. You may rest assured that we will not hesitate to take any action to relax, suspend, or tighten the terms of the regulation when such action is deemed by the Board to be appropriate."

Approved unanimously.

Letter to Mr. Otis H. Ellis, Executive Director, Select Committee on Small Business, House of Representatives, reading as follows:

"Reference is made to your letter of April 12, 1949, enclosing copies of certain correspondence relating to the inability of the Central Blue Print Company of Dallas, Texas, to obtain orders from the Federal Reserve Bank of Dallas for photostat and blueprint work.

"Each of the Federal Reserve Banks is a separate corporation with its own Board of Directors and officials who conduct the Bank's business under the general supervision of the Board of Governors of the Federal Reserve System in Washington. Such matters as the purchasing of supplies, photostat work, etc., are wholly within the control of the individual Federal Reserve Banks and the Board of Governors has issued no regulations with respect thereto.

"You ask also for our comments on this complaint. It would seem that the Central Blue Print Company has the understandable desire to obtain some business now handled by competitors. According to Mr. Gentry's letter, the amount of photostat and blueprint work done for the Federal Reserve Bank of Dallas during the entire year of 1948 amounted to only \$588.72. We

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"understand that the telephone directory lists about a dozen firms in Dallas engaged in this type of work. It would seem that Mr. Gentry's letter is a reasonable explanation as to how the Bank places its orders for such business."

Approved unanimously.

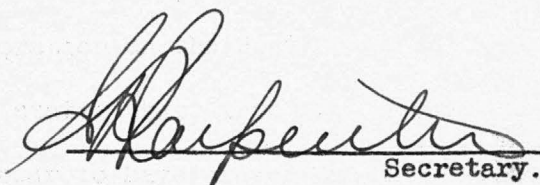
Letter to Mr. Sheehan, Chief Examiner at the Federal Reserve Bank of New York, reading as follows:

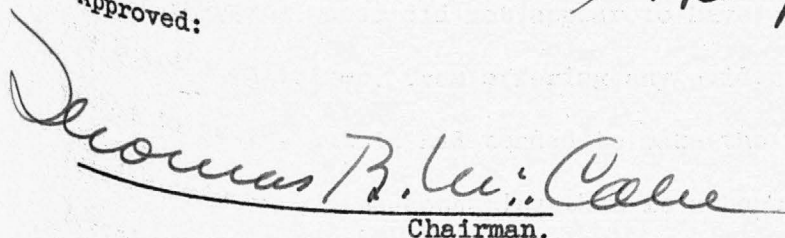
"This refers to your letter of April 15, 1949 enclosing a letter addressed to the Board by International Banking Corporation relative to a contract proposed to be entered into between that corporation and the National Bank of Liberia.

"We have noted the contents of the letter from International Banking Corporation and the Board of Governors has no objection to such corporation entering into the proposed contract referred to in such letter with the National Bank of Liberia."

Approved unanimously.

Approved:


Secretary.


Chairman.