

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Wednesday, May 11, 1949.

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

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 May 10, 1949, were approved unanimously.

Memorandum dated May 9, 1949, from Mr. Young, Associate Director of the Division of Research and Statistics, recommending an extension of approximately one week in travel time for Randall W. Hinshaw, an economist in that Division, who was authorized by Board action on March 22, 1949, to travel to Europe.

Approved unanimously.

Memorandum dated May 6, 1949, from Mr. Leonard, Director of the Division of Bank Operations, recommending the appointment on a permanent basis of Mrs. Pearle E. Randour, a clerk in that Division, with basic salary at the rate of \$2,724 per annum, effective May 11, 1949.

Approved unanimously.

Memorandum dated May 9, 1949, from Mr. Bethea, Director of the Division of Administrative Services, recommending that the resignation of Fred Jones, a laborer in that Division, be accepted to be

5/11/49

-2-

effective, in accordance with his request, at 1:15 a.m., May 6, 1949.

Approved unanimously.

Letter to Mr. Creighton, Chairman of the Federal Reserve Bank of Boston, reading as follows:

"The Board of Governors approves the payment of salaries to the following officers of the Federal Reserve Bank of Boston for the period May 1, 1949, through April 30, 1950, at the rates indicated, which are the rates fixed by the directors as reported in your letter of May 2, 1949:

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>
Joseph A. Erickson	President	\$25,000
William Willett	First Vice President	18,000
Ellis G. Hult	Vice President	16,000
Earle O. Latham	Vice President	12,000
Alfred C. Neal	Vice President and Director of Research	12,000
Carl B. Pitman	Vice President	16,000
Oscar A. Schlaikjer	Vice President and General Counsel	16,000
Roy F. Van Amringe	Vice President	11,000
Robert B. Harvey	Cashier	11,000
Ansgar R. Berge	Secretary and Assist- ant Counsel	10,000
John J. Fogg	Auditor	10,000
Edward A. Davis, Jr.	Assistant Vice Presi- dent	9,000
Dana D. Sawyer	Assistant Vice Presi- dent	8,500
Louis A. Zehner	Assistant Vice Presi- dent	9,000
Elmo O. Adams	Assistant Cashier	7,250
Frank C. Gilbody	Assistant Cashier	8,000
Edward R. Murphy	Assistant Cashier	7,500
Edward W. O'Neil	Assistant Cashier	7,250
John J. Rock	Assistant Cashier	7,250
Elliot S. Boardman	Budget Officer	7,200'

Approved unanimously.

5/11/49

-3-

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

"In accordance with the request contained in your letter of May 6, 1949, the Board approves the designation of Robert Joseph Hochstatter as a special assistant examiner for the Federal Reserve Bank of Chicago."

Approved unanimously.

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

"Reference is made to your letter of May 2, 1949, submitting a letter dated April 22, 1949, addressed to the Federal Reserve Board, c/o Federal Reserve Bank of Philadelphia, Philadelphia, Pennsylvania, by the Curwensville State Bank, Curwensville, Pennsylvania, signifying its intention to withdraw from membership in the Federal Reserve System and a photostat copy of the supporting resolution adopted by the Board of Directors of the institution at a meeting held on April 11, 1949.

"It is noted that your counsel is of the opinion that the subject bank's letter and accompanying resolution appear to comply with the pertinent provisions of Regulation H, and you assume that the six months' waiting period will run from April 25, 1949, the date of your receipt of the bank's letter giving notice of its intention to withdraw from the System. The Board of Governors concurs in your conclusion as to the effective date of the six months' notice and requests that you so advise the member bank.

"It is assumed that the institution wishes to continue without interruption its status as an insured bank and at the proper time will make application to the Federal Deposit Insurance Corporation for acceptance as an insured nonmember bank."

Approved unanimously.

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

5/11/49

-4-

"In accordance with the request contained in your letter of May 6, 1949, the Board approves the appointment of Joseph McFarland Case as an assistant examiner for the Federal Reserve Bank of Philadelphia. Please advise us of the date upon which the appointment is made effective."

Approved unanimously.

Letter to the American Auto Appraisal, 194 Grove Avenue, Detroit 3, Michigan, reading as follows:

"Thank you for sending us copies of the May-June issue of the American Auto Appraisal.

"It is observed that the information pertaining to Regulation W in the Guide states that 1938 model used cars are subject to the appraisal guide provisions of Part 4 of the Supplement to the regulation. In accordance with the statement mailed to you on January 27, 1949, 1938 model automobiles were released from the appraisal guide provisions effective April 1, 1949. The maximum credit value applicable to cars of this model is now 66-2/3 per cent of the cash price. A copy of the statement of January 27 is enclosed for your information.

"While the Board feels that the information pertaining to Regulation W appearing in the designated guides should be consistent with the terms of the regulation, the inconsistency in this case would not lead dealers and others extending instalment credit to violate the regulation. Therefore, so far as the Board is concerned, a correction of the statement in your book may await the printing of the next edition."

Approved unanimously.

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

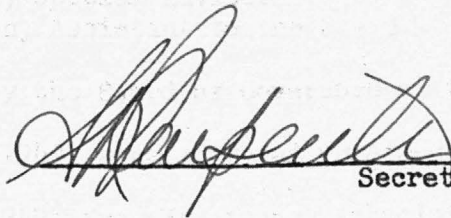
"There have been forwarded to you today under separate cover _____ copies of form F.R. 107b to be used by State member banks in submitting their reports of earnings and dividends for the six months ending June 30, 1949.

5/11/49

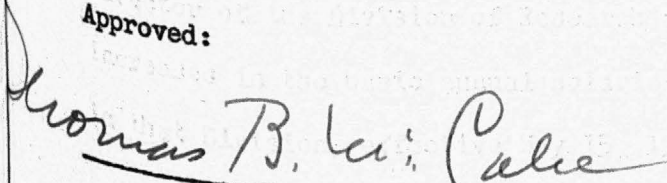
-5-

"The form is the same as the one used for the calendar year 1948 except for clarifying changes in terminology made at the suggestion of some of the Reserve Banks; the term 'valuation reserves' has been substituted for 'reserve accounts' in items 4 and 5, and corresponding changes have been made in the note at the bottom of the form and in Section D.

Approved unanimously, with the understanding that the letters would not be sent until the forms are printed and packaged.


Secretary.

Approved:


Chairman.