

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Monday, July 18, 1949.

PRESENT: Mr. McCabe, Chairman  
Mr. Szymczak  
Mr. Evans

Mr. Carpenter, Secretary  
Mr. Hammond, Assistant Secretary  
Mr. Morrill, Special Adviser  
Mr. Thurston, Assistant to the Board

Telegram to the Federal Reserve Bank of Kansas City stating that the Board approves the establishment without change by that Bank on July 16, 1949, of the rates of discount and purchase in its existing schedule.

Approved unanimously.

Letter prepared for Chairman McCabe's signature to The Honorable M. Cuaderno, Sr., Governor, Central Bank of the Philippines, Manila, Republic of the Philippines, reading as follows:

"We have read your letter of July 6 requesting an extension of Mr. Grove's stay and have given the question fresh consideration, for our interest in the Bank and in its getting the best start possible is as strong as ever. But I am sorry to say that circumstances confirm the expectation already expressed that Mr. Grove can not be longer spared to you in Manila. As you can readily imagine, we are constantly under pressure of demands from other quarters--and this in Mr. Grove's own field as much as anywhere.

"We are glad that you have found Mr. Grove useful and we share your good opinion of him. But without depreciating his helpfulness in the least, we are strongly inclined to think that the Bank will be in good hands, being in yours, that its initial problems are over, and that those to be expected henceforth are such as are inevitable in the career of any institution and may have to be encountered by the management late as well as soon.

"We recall also that Messrs. Dizon and Martinez,

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"the capable young men who have been studying with us for the past year, will soon be back in Manila and able to share some part of your task. And to the extent that you may still wish to call on an outsider, we believe that you will find Mr. Lipsman of the Treasury a very able and friendly adviser.

"Again I assure you that we regret being unable to have Mr. Grove continue with you and that his departure will not lessen our interest in your Bank. We shall always be mindful of a special bond with it and responsive to its interests."

Approved unanimously.

Memorandum dated July 14, 1949, from Mr. Szymczak recommending an increase in the basic salary of Fredrick L. Frost, a messenger in Mr. Szymczak's office, from \$2,432.04 to \$2,498.28 per annum, effective July 24, 1949.

Approved unanimously.

Memorandum dated July 14, 1948, from Mr. Vardaman, recommending an increase in the basic salary of Fletcher E. Brown, a messenger in Mr. Vardaman's office, from \$2,498.28 to \$2,573.52 per annum, effective July 24, 1949.

Approved unanimously.

Memorandum dated July 14, 1949, from Mr. Thurston, Assistant to the Board, recommending an increase in the basic salary of Bishop B. Hart, a messenger in Mr. Thurston's office, from \$2,573.52 to \$2,648.76 per annum, effective July 24, 1949.

Approved unanimously.

Memorandum dated July 15, 1949, from Mr. Bethea, Director of the Division of Administrative Services, recommending that the appointment of Ernest I. Burke, a laborer in that Divi-

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sion, be extended on a permanent basis, effective July 23, 1949, with no change in his present basic salary of \$2,020 per annum.

Approved unanimously.

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

"Par List will be reprinted as of August 1949. At a recent meeting of Committee on Collections, Federal Reserve Bank of Chicago representative stated there is no longer need for footnote 1 (see Illinois). Otherwise present format presumably is satisfactory in view of extensive changes at last printing. Please advise, however, whether you have any changes in format to suggest.

"Please also mail, to reach Board by July 25, a copy of your district portion of present Par List, marked in red to reflect necessary changes. In this connection, please refer to sub-paragraph (c) on second page of Smead's August 11, 1948 letter regarding Par List supplement.

"We will telegraph you upon receipt of printer's proof of new Par List so that any changes in par status after submission of your manuscript may be made in the proof copy.

"Since delivery of new Par List may not be made until late in the month, an August supplement to present Par List will be issued as usual. Accordingly, information for August supplement should be submitted in usual manner."

Approved unanimously.

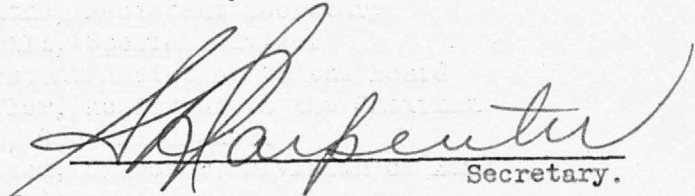
Memorandum dated June 16, 1949, from Mr. Vest, General Counsel, with respect to a trade practices conference proposed by the Federal Trade Commission to be held in Washington, September 15, 1949, to consider so-called "packing" practices in the sale and financing of automobiles purchased on the installment plan. The memorandum recommended that Mr. Watson, an at-

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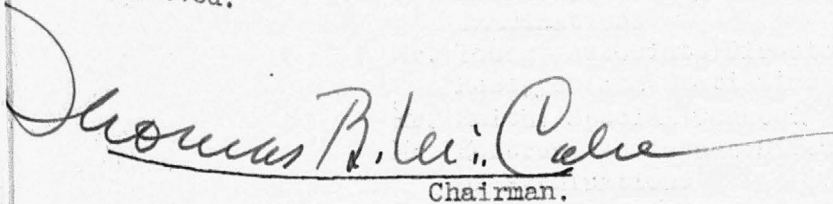
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torney for the Federal Trade Commission, be advised that if an appropriate request is received by the Board from the Commission, the Board will ask the Federal Reserve Banks to notify their interested member banks of the proposed conference with a statement that the Board believes that the matter is one which will be of interest to all member banks which are substantially engaged in the business of automobile loans or financing.

Approved unanimously.

  
Secretary.

Approved:

  
Chairman.