

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Friday, March 30, 1951.

PRESENT: Mr. McCabe, Chairman  
 Mr. Szymczak  
 Mr. Evans  
 Mr. Vardaman  
 Mr. Norton  
 Mr. Powell

Mr. Carpenter, Secretary  
 Mr. Sherman, Assistant Secretary  
 Mr. Kenyon, Assistant Secretary

Minutes of actions taken by the Board of Governors of the Federal Reserve System on March 29, 1951, were approved unanimously.

Telegrams to the Federal Reserve Banks of Chicago, St. Louis, Kansas City, and San Francisco stating that the Board approves the establishment without change by the Federal Reserve Bank of San Francisco on March 27, by the Federal Reserve Bank of St. Louis on March 28, and by the Federal Reserve Banks of Chicago and Kansas City on March 29, 1951, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Memorandum dated March 28, 1951, from Mr. Sloan, Assistant Director, Division of Examinations, recommending increases in the basic annual salaries of the following employees in that Division, effective April 1, 1951:

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<u>Name</u>	<u>Title</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
W. D. Dougal	Federal Reserve Examiner	\$6,400	\$6,800
J. N. Kiley, Jr.	Federal Reserve Examiner	5,600	6,400
C. A. Smith	Assistant Federal Reserve Examiner	4,200	4,325
M. W. McNamara	Assistant Federal Reserve Examiner	3,100	3,450
E. K. O'Malley	Assistant Federal Reserve Examiner	3,225	3,450

Approved unanimously.

Letter to Mr. Sproul, President of the Federal Reserve Bank of New York, reading as follows:

"In accordance with your letter of March 27, 1951, the Board of Governors approves the appointment of Robert V. Rosa as Acting Manager assigned to the Research Department and the payment of his salary at the rate of \$11,000 per annum for the period April 1, 1951, through March 31, 1952.

"The Board of Governors also approves the payment of salary to Mr. Thomas O. Waage as a Manager at the rate of \$10,000 per annum for the period April 1, 1951, through March 31, 1952."

Approved unanimously.

Letter to Mr. Lunding, Federal Reserve Agent of the Federal Reserve Bank of Chicago, reading as follows:

"In accordance with the request contained in Mr. Meyer's letter of March 27, 1951, the Board of Governors approves, effective March 26, 1951, the payment of salary to Mr. Clarence W. Kolz, Alternate Assistant Federal Reserve Agent, at the rate of \$5,400 per annum."

Approved unanimously.

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

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"In accordance with the request contained in your letter of March 22, 1951, the Board approves the appointment of Jack Gilbert Wood as an assistant examiner for the Federal Reserve Bank of Dallas. Please advise us as to the effective date of his appointment."

Approved unanimously.

Letter to Mr. Peterson, Vice President of the Federal Reserve Bank of St. Louis, reading as follows:

"This refers to your letter of March 9, 1951, submitting, with the favorable recommendation of your board of directors, the request of the Southern Commercial and Savings Bank, St. Louis, Missouri, for permission to act as escrow agent and to act directly or indirectly as agent or broker in the sale of insurance.

"It is understood that authority for performance of the cited agency activities is contained in the statutory powers relating to trust companies incorporated under the laws of the State of Missouri, that banks may also exercise such powers provided authorization is first obtained from the Commissioner of Finance of Missouri, and that such authority has been granted in the subject instance. It is further understood that it is not the desire of the member bank to exercise any other of the fiduciary powers permitted by the statutes of Missouri.

"In the circumstances and in view of your favorable recommendation, the Board will interpose no objection, under the applicable provisions of condition of membership numbered 1, to the Southern Commercial and Savings Bank, St. Louis, Missouri, accepting appointments as escrow agent or acting directly or indirectly as agent or broker in the sale of insurance. It is assumed, of course, that its insurance activities will be conducted in accordance with the applicable provisions of State law and the rulings of the appropriate State authorities.

"The action of the Board in this instance is taken with the understanding that the member bank will not exercise any other of the fiduciary or agency powers authorized by the laws of the State of Missouri without first obtaining the permission of the Board. Please advise the bank accordingly."

Approved unanimously.



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Telegram to the Presidents of all Federal Reserve Banks and Managing Officers of all Federal Reserve Bank branches, reading as follows:

"(This wire to all Reserve Bank Presidents also being sent to Managing Officers of all Federal Reserve Bank Branches for their information).

"Following is the text of a statement handed to the press yesterday for immediate release:

"The United States District Court at Chicago, Illinois, has issued an injunction against Ogden Auto Mart, Inc., a dealer in used automobiles in Chicago, its president, Joel H. Harris, and its manager, Paul Harris, enjoining them from further violations of consumer credit Regulation W.

"Regulation W requires registration by dealers with the Federal Reserve Bank in their District and provides that credit for the instalment financing of certain listed articles, including automobiles, shall not be extended without obtaining a down payment in the amount prescribed by the Regulation. For automobiles the present terms of the Regulation require a down payment of one-third of the cash price of the automobile and payment of the balance within fifteen months. The regulation also provides that instalment payments shall be scheduled in equal amounts at equal intervals not exceeding one month. In this case the defendant corporation had failed to register, and defendants also had violated the Regulation by not obtaining the required down payment in a number of sales, by not properly scheduling instalment payments and by not maintaining adequate records."

Approved unanimously.

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

"In its telegram S-1269 (W-132) the Board designated for purposes of Regulation W the specified editions and reprints of appraisal guides approved by the Office of Price Stabilization for purposes of ceiling price regulation.

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"This designation was in addition to the Board's previous designation of regularly scheduled issues of the appraisal guides for purposes of Regulation W.

"Since it is understood that some of the appraisal guide publishers propose to discontinue publication of their regularly scheduled issues for April and subsequent months, the Board's designation with respect to all such regular issues is hereby withdrawn as of April 1, 1951, until further notice. Effective April 1, 1951, the Board's designation of appraisal guides for purposes of Regulation W is accordingly limited to those specified editions and reprints approved by the Office of Price Stabilization for purposes of the ceiling price regulation.

"All other conditions of the Board's appraisal guide designations continue to apply, including the condition that the retail value to be used for purposes of Regulation W shall not include any added value for a radio or heater.

"For your information the following appraisal guide issues have now been approved for specified areas by OPS: American Auto Appraisal, March--April Supplement; Blue Book-Executives Edition, January issue or reprint; Kelley Blue Book, January issue or reprint; Market Analysis Report, January issue or reprint; N.A.D.A. Official Used Car Guide, January or March 2 issue; Northwest Used Car Values, January or March issue; Official Automobile Guide (published by National Research Bureau) March-April Supplement; Official Used Car Survey, March-April Supplement; Official Automobile Guide (published by Recording and Statistical), March-April Supplement; Official Wisconsin Automobile Valuation Guide, January issue or reprint; Red Book National Used Car Market Report, January issue or reprint.

"The Board is notifying the appraisal guide publishers directly of the above action. Although further distribution may not be required you should feel free to make whatever distribution of the substance of this letter you believe to be desirable."

Approved unanimously.

  
Secretary.