

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Wednesday, February 6, 1952.

PRESENT: Mr. Martin, Chairman
Mr. Szymczak
Mr. Evans
Mr. Vardaman

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 February 5, 1952, were approved unanimously.

Memoranda recommending that the basic annual salaries of the following employees be increased in the amounts indicated, effective February 17, 1952:

<u>Date of Memorandum</u>	<u>Name and Title</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
	<u>Memorandum from Mr. Bethea, Director, Division of Administrative Services</u>		
2/4/52	James P. Lynch, Reservation Clerk	\$4,420	\$4,545
	Ethelyn M. Palmer, Secretary to Mr. Kelleher	3,535	3,660
	Jean W. Myers, Clerk	3,030	3,110
	E. J. Weeks, Sr., Assistant Foreman, Laborers	3,374	3,454
	Beverly Carter, Mail Clerk	3,350	3,430
	Benjamin Dinkins, Mail Clerk	2,910	2,990
	Preston E. Fowler, Laborer	2,952	3,032
	Aubrey L. Simmons, Laborer	2,632	2,712
	George Psomos, Cafeteria Laborer	2,952	3,032
	Abner Thompson, Cafeteria Laborer	2,552	2,632

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Date of Memorandum
2/4/52

Name and Title	Salary Increase	
	From	To
William Cobey, Cafeteria Laborer	\$2,632	\$2,712
John H. Battle, Laborer	2,552	2,632
Robert B. Carter, Laborer	2,952	3,032
Everett Jones, Laborer	2,952	3,032
James E. Love, Laborer	2,552	2,632
Rudolph Reece, Laborer	2,632	2,712
William R. Smith, Laborer	2,552	2,632

Memorandum from Mr. Marget, Director,
Division of International Finance

2/4/52

Paul Gekker, Economist	5,060	5,185
Florence R. Cox, Secretary to Mr. Dembitz	3,910	4,035

Approved unanimously.

Memorandum dated February 6, 1952, from Mr. Townsend, Solicitor, recommending for reasons stated therein that, in accordance with the recommendation of the Federal Reserve Bank of Minneapolis, there be referred to the Department of Justice for the possible institution of criminal proceedings a report concerning acts and practices appearing to constitute violations of Regulation W, Consumer Credit, by River Lake Motor Company, Inc., Minneapolis, Minnesota, its manager, H. A. Barnett, A. A. Murphy & Co., Inc., doing business as Family Loan Company, Minneapolis, Minnesota, and its manager, V. P. Harwood.

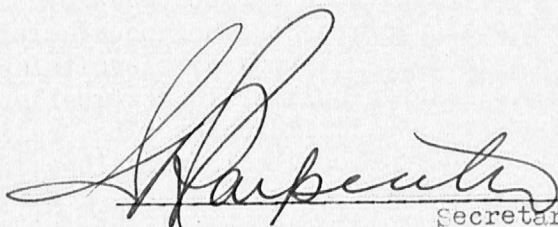
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Approved unanimously, together with a letter to the Honorable James M. McInerney, Assistant Attorney General, Department of Justice, Washington, D. C., reading as follows:

"Pursuant to Section 21 of the Securities Exchange Act of 1934, made applicable to the Board of Governors by Section 604 of the Defense Production Act of 1950, the Board of Governors is transmitting to you herewith a report concerning acts and practices which appear to the Board to constitute violations of its Regulation W by River Lake Motor Company, Inc., Minneapolis, Minnesota, its manager, H. A. Barnett, A. A. Murphy & Co., Inc., d/b/a Family Loan Company, Minneapolis, Minnesota, and its manager, V. P. Harwood. This report is sent to you in order that you may, in your discretion, institute criminal proceedings.

"There are a growing number of cases of the kind covered by this report, namely, where vendors and lenders appear to be acting in collusion to violate Regulation W. For this reason the Board is hopeful that, if the Department approves the instant case for criminal action, a charge of conspiracy against the two principal companies and their managers will be authorized. It is believed that such action will have a salutary effect in checking this type of violation."


Secretary.