

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Friday, May 9, 1952. The Board met in executive session in the Board Room at 10:00 a.m.

PRESENT: Mr. Martin, Chairman  
Mr. Szymczak  
Mr. Evans  
Mr. Powell  
Mr. Mills  
Mr. Robertson

The Secretary later was informed that during the executive session the Board approved a suggestion by Governor Powell that a photograph of the members of the Voluntary Credit Restraint Committee and the members of the Board, taken on May 2, 1952, be furnished to each member and alternate member of the Committee as a token of appreciation of his service and in view of the fact that no dinner or other form of recognition had been provided, it being understood that the cost of the 21 pictures, \$210, had not been included in the approved budget of the Board Members' Offices for the year 1952.

The following additional actions were taken by the Board:

Minutes of actions taken by the Board of Governors of the Federal Reserve System on May 8, 1952, were approved unanimously.

Telegrams to the Federal Reserve Banks of New York, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, and Dallas stating that the Board approves the establishment without change by those Banks on May 8, 1952, of the rates of discount and purchase

5/9/52

-2-

in their existing schedules.

Approved unanimously.

Memoranda recommending that the basic annual salaries of the following employees be increased in the amounts indicated, effective May 11, 1952:

<u>Date of Memorandum</u>	<u>Name and Title</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
	<u>Memorandum from the Secretary of the Board</u>		
4/28/52	Ruth Hadley Goodyear, Secretary to Mr. Murff	\$3,660	\$3,785
	<u>Memorandum from Mr. Vest, General Counsel</u>		
5/6/52	Eunice M. Boyd, Stenographer	3,415	3,495
	<u>Memorandum from Mr. Young, Director, Division of Research and Statistics</u>		
4/30/52	Gladys M. Davis, Draftsman	2,830	2,950
5/6/52	Gerald F. Millea, Administrative Assistant	5,310	5,940
	Mary R. Carroll, Clerk	3,110	3,190
	<u>Memorandum from Mr. Marget, Director, Division of International Finance</u>		
4/29/52	Ann Marie Roberts, Clerk-Stenographer	3,350	3,430
	<u>Memorandum from Mr. Sloan, Director, Division of Examinations</u>		
4/28/52	W. C. Bender, Jr., Assistant Federal Reserve Examiner	4,330	4,620
	A. W. Hammons, Jr., Assistant Federal Reserve Examiner	3,535	3,795

5/9/52

<u>Date of Memorandum</u>	<u>Name and Title</u>	<u>Salary Increase</u>	
		<u>From</u>	<u>To</u>
	<u>Memorandum from Mr. Sloan, Director, Division of Examinations</u>		
4/28/52	M. F. Johnson, Assistant Federal Reserve Examiner	\$4,705	\$4,870
	E. F. Kipfstuhl, Assistant Federal Reserve Examiner	4,620	4,745
	E. W. Lyster, Assistant Federal Reserve Examiner	5,060	5,185
	R. R. Russell, Assistant Federal Reserve Examiner	3,795	3,920

Memorandum from Mr. Leonard, Director,  
Division of Bank Operations

4/29/52

David C. Crockett, Analyst	4,045	4,205
-------------------------------	-------	-------

Memorandum from Mr. Allen, Director,  
Division of Personnel Administration

5/9/52

Elizabeth A. McMahon, Personnel Clerk	3,660	3,785
Lois L. Waller, Personnel Clerk	3,785	3,910
Margaret H. Wolverton, Personnel Clerk	4,580	4,705

Approved unanimously.

Memorandum dated May 7, 1952, from Mr. Bethea, Director,  
Division of Administrative Services, recommending that the temporary  
appointment of Helen A. Golway, Cafeteria Helper in that Division,  
be extended on a temporary-indefinite basis, with no change in her

5/9/52

-4-

present basic salary at the rate of \$2,420, effective at the expiration of her present temporary appointment.

Approved unanimously.

Memorandum dated May 7, 1952, from Mr. Bethea, Director, Division of Administrative Services, recommending that the temporary appointment of Shirley S. Corbin, Charwoman in that Division, be extended on a temporary-indefinite basis, with no change in her present basic salary at the rate of \$2,420, effective at the expiration of her present temporary appointment.

Approved unanimously.

Telegram to Mr. Fenner, Chief Examiner, Federal Reserve Bank of Philadelphia, reading as follows:

"Reurtel May 9. Board approves designation of R. J. Ducceschi and F. H. Getter as special assistant examiners for the Federal Reserve Bank of Philadelphia."

Approved unanimously.

Telegram to Mr. Raisty, Assistant Vice President, Federal Reserve Bank of Atlanta, reading as follows:

"Reurlet May 2, 1952. In view of facts stated Board agrees that, where appraised value of improvements and leased land is \$298,500 and appraised value of the leased land is \$84,250, a first mortgage loan in the amount of \$125,000 to the holder of the 99-year lease would be in violation of Regulation X. This conclusion appears to be fair since, in cases where 'there is borrowing to finance nonresidential construction on leased land', a lessee-borrower must have an 'equity' in the property



5/9/52

-5-

"equal to the equity which an owner-borrower would be required to have."

Approved unanimously.

Letters to Mr. Olson, Vice President, Federal Reserve Bank of Chicago, stating that the Board concurs in the recommendations of that Bank that no action be taken by the Board concerning reported violations of Regulation W, Consumer Credit, by the following registrants:

Mr. Henry Conway, doing business as West Town Appliance,  
5442 West North Avenue, Chicago, Illinois  
Russell S. Proctor, Inc.,  
210-1/2 E. Washington Street, Bloomington, Illinois  
B. R. Reed,  
41 North Wisconsin Street, Elkhorn, Wisconsin  
Pope & Clement Auto Sales,  
614 Eighth Avenue, Baraboo, Wisconsin  
Joseph L. McCoy, doing business as Appliance Liquidators,  
2208 W. Madison Street, Chicago, Illinois

Approved unanimously.

Letter to Mr. Debus, Cashier, Federal Reserve Bank of Kansas City, reading as follows:

"Receipt is acknowledged of your letter of April 22, 1952, concerning Albert Bell's Midwest Appliance Company, Kansas City, Missouri, a registrant under Regulation W, recommending that the Board take no action concerning violations reported by your investigators.

"The Board concurs in this recommendation."

Approved unanimously.

RAA

5/9/52

Letter to the Honorable Raymond M. Foley, Administrator, Housing and Home Finance Agency, 1626 K Street, N. W., Washington, D. C., reading as follows:

"In your letter of April 3, 1952, you state that an urgent need for rent control has developed in certain small and isolated communities qualifying as critical defense areas where there has been a relatively large in-migration of defense workers and military personnel. Your letter explains why the detailed programing of permanent housing under Public Law 139 in these cases would be a futile action and misleading to the public, and you propose that, to avoid such programing action and still provide the relaxation of credit controls required by Public Law 96, the provisions of Regulation X and related credit control regulations be suspended for all housing in these areas. Your letter also states that the suspension of credit controls in this type of area, where there is no real prospect of private residential construction, should have no impact or negligible impact on residential construction in the areas, but that should the situation change so that there is a material increase in construction activity in any such area credit controls for the area would be restored when defense housing needs are met.

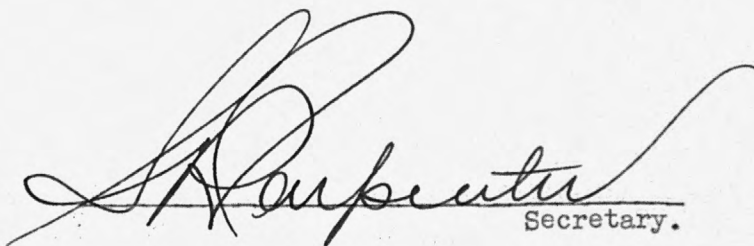
"It is understood that the areas in question would be designated as critical defense housing areas under the provisions of section 204 of the Housing and Rent Act of 1947, as amended, before the suspension of credit controls in any such area becomes effective. The Board is in agreement with your proposal and hereby suspends, with your concurrence, the provisions of the regulation with respect to housing in such areas. It is understood that you will not submit to the Board for consideration each individual area in which it may appear that real estate credit controls should be suspended. It is also understood, of course, that the Board's action in this matter may at any time be withdrawn with respect to areas which have not then been declared

5/9/52

-7-

"to be critical defense housing areas if in its judgment conditions make this desirable."

Approved unanimously.

  
Secretary.