Minutes of actions taken by the Board of Governors of the Federal Reserve System on Friday, May 12, 1950.

PRESENT: Mr. Szymczak, Chairman pro tem.
Mr. Draper
Mr. Carpenter, Secretary
Mr. Sherman, Assistant Secretary
Mr. Kenyon, Assistant Secretary

Telegram to the Federal Reserve Banks of Cleveland, Richmond, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco stating that the Board approves the establishment without change by the Federal Reserve Bank of San Francisco on May 9, and by the Federal Reserve Banks of Cleveland, Richmond, Chicago, St. Louis, Minneapolis, Kansas City, and Dallas on May 11, 1950, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Memorandum dated May 8, 1950, from Mr. Szymczak, recommending that Miss Elnyr D. Newcome be transferred from the position of secretary to Mr. Szymczak to the position of secretary to Mr. Woodlief Thomas, Economic Adviser to the Board, with a reduction in salary from $5,300 to $4,825 per annum, effective May 15, 1950. The memorandum also stated that Mr. Thomas was agreeable to this transfer.

Approved, Mr. Draper not voting.
Memorandum dated May 10, 1950, from Mr. Szymczak, recommending that the designation of Earle J. Wade, stenographer in his office, be changed to secretary to Mr. Szymczak, and an increase in his basic salary from $3,600 to $4,200 per annum, effective May 14, 1950.

Approved unanimously.

Memorandum dated May 10, 1950, from Mr. Szymczak, recommending that Miss Ruth E. Morris, a clerk-stenographer in the Division of Research and Statistics, be transferred to his office as stenographer, with an increase in salary from $3,195 to $3,475 per annum, effective May 14, 1950. The memorandum also stated that the Division of Research and Statistics was agreeable to this transfer.

Approved unanimously.

Letter to Mr. Harold F. Silver, President, Silver Engineering Works, Inc., Denver, Colorado, reading as follows:

"Your letter of April 24, 1950, to Mr. Robert B. Caldwell, Chairman of the Federal Reserve Bank of Kansas City, with reference to your resignation as a director of the Denver Branch has been brought to the attention of the Board of Governors and with reluctance the Board accepts your resignation effective today.

"The Board's regulations relating to the operations of branches of Federal Reserve Banks provide that the directors appointed by the Board of Governors shall be persons who are not primarily engaged in banking and preferably are not directors of banks, although they may be stockholders. While this provision permits some latitude in the selection of
"directors, it follows the general principle established in the Federal Reserve Act that some of the directors of a Federal Reserve Bank should not be associated with commercial banks. The Board sincerely regrets losing your services as a director but it is believed that you will agree with the general principle of diversified representation on the boards of directors of branches of Federal Reserve Banks.

"Your services as a director of the Denver Branch are greatly appreciated and the Board is pleased to learn that you have indicated a willingness to continue in service with the Federal Reserve System in a new capacity as a member of the Industrial Advisory Committee for the Tenth Federal Reserve District."

Approved unanimously.

Approved:

Chairman pro tem.