

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Wednesday, May 31, 1950.

PRESENT: Mr. McCabe, Chairman
Mr. Szymczak
Mr. Draper
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 May 25, 1950, were approved unanimously.

Minutes of actions taken by the Board of Governors of the Federal Reserve System on May 26 and 29, 1950, were approved and the actions recorded therein were ratified unanimously.

Memorandum dated May 29, 1950, from Mr. Millard, Director of the Division of Examinations, recommending an increase in the basic salary of Adrien P. Francoeur, an Assistant Federal Reserve Examiner in that Division, from \$3,450 to \$3,575 per annum, effective June 11, 1950.

Approved unanimously.

Letter to Mr. Creighton, Federal Reserve Agent of the Federal Reserve Bank of Boston, reading as follows:

"In accordance with the request contained in your letter of May 25, 1950, the Board of Governors approves the appointment of Mr. George E. Wells as Alternate Assistant Federal Reserve Agent, effective June 1, 1950, with salary at the rate of \$3,120 per annum, to succeed Mr. Lewis E. Stoye.

"This approval is given with the understanding that Mr. Wells will be placed upon the Federal Re-

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"serve Agent's pay roll and will be solely responsible to him or, during a vacancy in the office of the Agent, to the Assistant Federal Reserve Agent, and to the Board of Governors, for the proper performance of his duties. When not engaged in the performance of his duties as Alternate Assistant Federal Reserve Agent he may, with the approval of the Federal Reserve Agent or, during a vacancy in the office of the Federal Reserve Agent, of the Assistant Federal Reserve Agent, and the President, perform such work for the Bank as will not be inconsistent with his duties as Alternate Assistant Federal Reserve Agent.

"Mr. Wells should execute the usual oath of office which should be forwarded to the Board of Governors."

Approved unanimously.

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

"Reference is made to your letter of May 19, 1950, submitting the request of The Union Bank of Commerce Company, Cleveland, Ohio, for approval under the provisions of Section 24A of the Federal Reserve Act of its proposal to increase the carrying value of its investment in the stock of Union Properties, Incorporated, its wholly owned subsidiary engaged in holding bank premises, from a book value of \$1 to \$9,000,000.

"It is understood that the bank will increase the present aggregate of capital and surplus to a total of \$9,000,001 by a transfer from the Undivided Profits Account; that the increase of \$8,999,999 in the carrying value of the stock of Union Properties, Incorporated, will be credited to surplus and upon consummation of the proposed transaction combined capital and surplus will be \$13,000,000.

"In view of the circumstances, and your favorable recommendation, the Board of Governors approves of the proposed increase in the carrying value of the stock of Union Properties, Incorporated, from \$1 to \$9,000,000 substantially in accordance with the plan

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"as submitted."

Approved unanimously.

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

"There are enclosed for your information three copies of a study made of nonmember commercial banks to determine their eligibility for membership in the System on the basis of minimum statutory capital requirements. Similar data in summary form were sent to you with the Board's letter of May 27, 1949. Both were based on the lists of nonmember commercial banks submitted by the Federal Reserve Banks in reply to the Board's telegram of April 29, 1949 or to a subsequent letter from the Division of Bank Operations.

"Three copies of the lists of ineligible banks in your District are also enclosed.

"Supplementary letters are being prepared by the Division of Bank Operations explaining any differences between the enclosures and the lists submitted by your Bank."

Approved unanimously.

A. Carpenter
Secretary.

Approved:

Thomas B. Lee, Jr.
Chairman.