Minutes of actions taken by the Board of Governors of the Federal Reserve System on Monday, August 21, 1950. The Board met in Chairman McCabe's office at 4:20 p.m.

PRESENT: Mr. McCabe, Chairman
Mr. Eccles
Mr. Szymczak
Mr. Draper
Mr. Evans

Mr. Sherman, Assistant Secretary
Mr. Morrill, Special Adviser
Mr. Thurston, Assistant to the Board
Mr. Riefler, Assistant to the Chairman
Mr. Thomas, Economic Adviser

Chairman McCabe and Mr. Thomas reported on developments in the open market today, and there followed a general discussion of the effects of the action of the Board on August 18 in approving an increase in the discount rate of the Federal Reserve Bank of New York effective today and of possible additional actions that might be taken with respect to restraining the expansion of bank credit.

There was presented a telegram to Mr. Erickson, President of the Federal Reserve Bank of Boston, reading as follows:

"Retel today, Board approves effective today, rates of 1-3/4 per cent on discounts and advances to member banks under Sections 13 and 13a; 2-1/4 per cent on advances to member banks under Section 10(b); and minimum buying rate of 1-3/4 per cent on bankers' acceptances. Board will announce change immediately. Otherwise Board approves establishment by your Bank, without change, of rates of discount and purchase in existing schedule."

Approved unanimously.

There was presented a telegram to Mr. Peyton, President of the Federal Reserve Bank of Minneapolis, reading as follows:

"Retel August 21, Board approves effective August 22, 1950, rates of 1-3/4 per cent on discounts and advances to

"member banks under Sections 13 and 13a; 2-1/4 per cent on advances to member banks under Section 10(b); and on bankers' acceptances, 1-3/4 per cent for maturities of 1 to 90 days, 1-7/8 per cent for maturities of 91 to 120 days, and 2 per cent for maturities of 121 to 180 days. Board will announce change immediately. Otherwise Board approves establishment by your Bank, without change, of rates of discount and purchase in existing schedule."

Approved unanimously.

At this point all of the members of the staff with the exception of Mr. Sherman withdrew, and the action stated with respect to each of the matters hereinafter referred to was taken by the Board:

Minutes of actions taken by the Board of Governors of the Federal Reserve System on August 18, 1950, were approved unanimously.

Memorandum dated August 17, 1950, from Mr. Millard, Director of the Division of Examinations, recommending the appointment of Mrs. Louise S. Anderson as a stenographer in that Division, on a temporary indefinite basis, with basic salary at the rate of $2,650 per annum, effective as of the date upon which she enters upon the performance of her duties after having passed the usual physical examination.

Approved unanimously.

Letter to Mr. Erickson, President of the Federal Reserve Bank of Boston, reading as follows:

"Reference is made to your letter of August 10, 1950, submitting for the Board's approval a new salary structure for the Federal Reserve Bank of Boston under the Job Classification and Salary Administration Plan. It is noted that the proposed changes have been tentatively approved by the Board of Directors, subject to the approval of the Board of Governors.

"The Board of Governors approves the following minimum and maximum salaries for the respective grades at the Federal Reserve Bank of Boston, effective August 23, 1950, provided these rates are formally fixed by your Board of Directors.

Grade	Minimum Salary	Maximum Salary
1	$1440	$1920
2	1500	2040
3	1620	2160
4	1740	2340
5	1920	2580
6	2160	2940
7	2460	3300
8	2760	3700
9	3060	4100
10	3420	4600
11	3900	5200
12	4400	5900
13	4900	6600
14	5500	7400
15	6200	8400
16	7100	9600

"The Board approves the payment of salaries to the employees, other than officers, within the limits specified for the grades in which the positions of the respective employees are classified. It is assumed that all employees whose salaries are below the minimum of their grades as a result of the structure increase will be brought within the appropriate range as soon as practicable and not later than November 30, 1950."

Approved unanimously.

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

"As you are aware the Federal Reserve is frequently in receipt of requests for technical assistance in the foreign area. Such requests are received from foreign central banks and governments, other agencies of the United States Government having foreign responsibilities, and international organizations. There is considerable diversity in the objectives of the various missions,

"which involve absences from regular duties for periods ranging from a few weeks to a year or more.

"The criteria which the Board has adopted for the guidance of its staff in considering such requests were incorporated in the memorandum approved July 20, 1950, a copy of which was sent you as an attachment to our letter S-1133 dated August 2, 1950. In this memorandum the Board stated that the personnel requirements of each proposed mission or assignment should be analyzed carefully with a view to assuring appropriate personnel selection from the staffs of the Board and of the Federal Reserve Banks in accordance with special needs regardless of the particular functions in which the personnel may be regularly engaged for the System, and that in selecting personnel for an assignment in the foreign area the extent to which the various candidates would benefit from the experience would be an important element to be taken into account. These statements reflected the suggestion advanced by the Presidents of several of the Reserve Banks at the time the memorandum was being prepared that the personnel resources of the entire System should be considered when assignments of this character are being filled.

"To utilize the personnel of the Reserve Banks most effectively, it will be helpful to have pertinent information on file so that when requests are received the members of the staff who are charged with the responsibility for considering the personnel requirements involved may be able to suggest appropriate selections. It will be appreciated, therefore, if you will forward to the undersigned in duplicate brief statements concerning the officers and employees of your Bank whose qualifications in your judgment would appear to suit them for future assignments. In making your choice of names to be submitted, you may wish to consider such factors as knowledge of foreign languages, experience in or suitability for dealing with the problems of particular geographical areas, and academic background, and include in your statements appropriate reference to these factors. In certain cases an outline of the person's present duties at the Reserve Bank and the duties which he has performed heretofore would also be helpful in supplementing such information as is already available to us.

"In making a tentative choice of personnel for any mission, we would naturally make no definite commitment without first consulting your Bank to explore the individual's suitability and availability for the assignment under consideration and obtaining your Bank's approval of the assignment."

Approved unanimously.

Assistant Secretary.