

At an adjourned meeting of the Federal Reserve Board held in the office of the Board at 3:00 p. m., Monday, October 5, 1914

PRESENT:

Mr. McAdoo	Mr. Williams
Mr. Hamlin	Mr. Warburg
Mr. Delano	Mr. Harding
Mr. Miller.	

The Secretary of the Treasury presided and Mr. H. P. Willis acted as secretary to the meeting. The minutes of the preceding meeting were read and approved.

A dispatch from the Port Commissioner of Seattle, asking whether Federal Reserve banks would have the right to purchase certain classes of local bonds was ordered submitted to the Counsel of the Board for the purpose of preparing a suitable reply.

Dispatches from New York and Richmond announcing the selection of Governors for the Federal Reserve Banks of those places were laid before the Board and ordered given to the public.

The report of the committee on personnel and internal organization was presented by Mr. Delano. After discussion,

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the report, on motion duly made and seconded, was adopted and ordered spread on the minutes. The report referred to follows:

REPORT OF PROGRESS
COMMITTEE ON PLAN OF INTERNAL ORGANIZATION OF
THE FEDERAL RESERVE BOARD.

September 28, 1914.

FIRST:

At the present time the Board has on file applications numbering from 950 to 1,000 for places in Washington, and 300 to 400 for places in Federal reserve banks. Most of these are for the purely clerical appointments, but a small proportion of them come from persons of technical attainments. These applications are now being tabulated by states. The Reserve Bank Organization Committee has today a staff of about seventy persons whose appointments will technically expire when the Organization Committee ceases to exist. Two questions thus present themselves:

- (A) The treatment of the staff of the Organization Committee;
- (B) The method of selection to be applied to the other applicants and to such additional persons as may be considered for places.

SECOND:

It is recommended that the Board establish three classes of appointments:

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Arthur W. Lee Sec'y.

- (A) Clerical, stenographic, etc., and routine positions;
- (B) Technical positions;
- (C) Supervisory and executive positions.

It is proposed that the clerical appointments marked (A) above, shall be made only after a test has been given to the candidates, and to this end it is suggested that the Civil Service Commission be requested to recommend to this Board the form of test and how it should be applied, with the expectation that all applicants shall be notified to submit to this test if they desire to be placed on the eligible list.

With reference to the appointments marked (B) above, which involve technical attainments, it is recommended that eligibles (who have been passed by the Civil Service Commission) shall be required to submit to a second test designed to develop their special attainments in banking, such test to consist in part of credentials coming from persons acquainted with and competent to pass upon the experience and scientific training of the candidates.

The third class of appointments, numbered (C) above, and including a small number of supervisory and executive posts, should be made by the Board itself, upon recommendation of a committee or member of the Board appointed for this purpose, in consultation with the Secretary of the Board, without the requirement of any preliminary test of a stereotyped nature.

THIRD:

It is estimated that (in order to get action by the Civil Service Commission, a period of) at least thirty days will have to be allowed. This makes it urgent that action with reference to the routine or clerical appointments should be had immediately.

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H. H. H. H. Sec'y.

FOURTH:

With reference to the executive and supervisory appointments, it will be difficult to get proper men under any conditions, and search should begin without delay, in order that the names may be tentatively selected. This, however, cannot be done without authorization. It is recommended that such authorization be granted. The authorization should cover the selection of candidates for the headship of bureaus under the Board, and for positions of a confidential and executive character; as, for example, a chief clerk who shall also act as disbursing officer, and at times, as recorder.

FIFTH:

The Committee is impressed with the fact that the Board should have within the near future some specific recommendations in regard to appointments for various executive and administrative functions in connection with department heads etc., with recommendations as to salaries; but is not ready to make any definite recommendations at this time. If the Board wishes to express itself on this point, in advance of any recommendation by the Committee, we shall be pleased to hear from the Board.

F. A. DELANO, Chairman.

Respectfully recommended
by the Committee

A. C. MILLER

J. S. WILLIAMS.

Mr. Delano and Mr. Harding with the cooperation of the Assistant Secretary, Mr. Allen, were appointed a committee on permanent staff.

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John C. Allen Sec'y.

The Board authorized the Secretary's office to permit access to the briefs in appeals regarding the boundaries of reserve districts.

After discussion of the selection of Class "C" directors for the Federal Reserve Bank of Chicago, it was voted on motion duly made and seconded to give the committee on the Chicago district further time for investigation.

Discussion of officers for the Federal Reserve Bank of St. Louis ensued, but no action was taken.

Mr. Miller submitted dispatches regarding the status of prospective Class "C" directors for the Federal Reserve Bank of San Francisco. On motion it was voted to elect Mr. John Perrin of Los Angeles Federal Reserve Agent and Chairman of the Board of Directors of the Federal Reserve Bank of San Francisco.

On motion Mr. Claude Gatch of San Francisco was elected Deputy Federal Reserve Agent and Vice-Chairman.

On motion Mr. Charles E. Peabody of Seattle was elected third director of the Federal Reserve Bank of San Francisco.

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H. Markhouse Sec'y.

On motion the salary of the Federal Reserve Agent at San Francisco was fixed at \$10,000 per annum, and the salary of the Federal Reserve Agent at Dallas was fixed at \$6,000 per annum.

After discussion of Class "C" directors for the Federal Reserve Bank of Dallas W. F. McCaleb of San Antonio was elected Deputy Federal Reserve Agent and Vice Chairman of the Board of Directors.

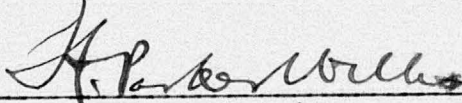
On motion Mr. Felix Martinez was elected third director of the Federal Reserve Bank of Dallas.

Discussion of the prospective Class "C" directors for the Federal Reserve Bank of Cleveland ensued but no action was taken.

The Secretary was directed to notify the San Francisco and Dallas directors of their appointment but not to instruct them to come to Washington for the present.

The Secretary was instructed to give to the press the names of the Class "C" directors of the Federal Reserve Banks of San Francisco and Dallas.

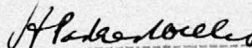
On motion at 5:30 p. m. the Board adjourned.


Secretary.

APPROVED:

Chairman.

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 Sec'y.