

At a regular meeting of the Federal Reserve Board held in the office of the Board at 3:00 p. m. on Monday, October 26, 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.

The Secretary of the Board was instructed to send a telegram to Mr. George W. Rogers of Little Rock, Arkansas, in response to a request from Mr. Festus J. Wade, stating to Mr. Rogers the status of the Cotton Loan plan.

The Governor of the Board submitted an informal statement received from the Comptroller of the Treasury with regard to the status of the Board in the matter of receipts and expenditures. After discussion it was determined to obtain an opinion from the Attorney General on this subject.

The Governor also informed the Board that it would be necessary that it provide a separate disbursing officer to

handle its fiscal affairs.

Mr. Delano presented a report of a special committee on Staff, providing for the establishment of a nucleus for the permanent force of the Board. On motion the report thus presented was adopted with an amendment eliminating the corps of special examiners from the Division of Bank Audit until further consideration be possible.

The report as thus amended and adopted is as follows:

REPORT OF  
COMMITTEE ON STAFF

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Your Committee on classification of the staff about to be released by the Organization Committee and its availability for a permanent staff begs to submit the following report:

There are seventy-two employes on the temporary force of the Reserve Bank Organization Committee, classified as follows:

Six private secretaries to members of the Board at \$2,500

Sixteen stenographers of whom five are male and eleven female; two at \$150 per month, one at \$116.67, five at \$100, seven at \$83.33 and one at \$75.

Five typists, female, at \$83.33;

Two file clerks, male, at \$150 and \$100;

Two bookkeepers, male at \$150 and \$100;

Twenty-eight clerks, nine male and nineteen female; one at \$150; one at \$133.33; one at \$100; twenty-three at \$75 and two at \$50.

One multigraph operator, female, at \$75;

One telephone operator, female, at \$50;

Eight messengers, one at \$55 and seven at \$50;

Three charwomen at \$20.

Twenty-two are from the District of Columbia and fifty claim residences in the States.

These persons are employed under a uniform contract, notice of termination of which has been given by the Organization Committee to take effect October 31, 1914.

It has already been agreed by the Board that such of this force as we shall need in the work of the Federal Reserve Board shall be taken over on November 2, 1914.

Your Committee recommends that we start with what may be termed a skeleton organization and that from this beginning we shall as necessity requires build up a larger force as the work expands. It is proposed to organize the work in three general divisions: (1) A Correspondence Division, (2) A Division of Reports and Statistics, (3) A Division of Examination and Audit.

At present the Correspondence Division requires the principal force. The Committee recommends that there be employed in this Division:

Eight stenographers;

Two file clerks;

Two messengers;

Two machine operators;

One telephone operator;

One clerk in connection with disbursing work;  
(Later this work may be assigned to the Audit Division.)

One bookkeeper.

Under the above plan the stenographers will be expected to keep up all necessary typewriting, copying and clerical work incident to the work of the office. Clerks or typewriters who can not do stenographic work are not needed in the Correspondence Division at present.

The Division of Reports and Statistics should have as chief a very competent and expert man who will receive perhaps \$3,000 or \$3,500. He will need a stenographer and later on clerks for the assembling, arranging, combining and digesting for use of the Board the reports coming in from Reserve Banks. This force should be assembled only as rapidly as required, and the selection of this force should await the choice of the Chief of the Division.

The Division of Examination and Audit also needs as its chief a highly competent man who may receive from \$3,000 to \$3,500. Besidestechnical men he will probably need one and possibly two stenographers and some help in the way of accountants, computing machine operators, etc., but the selection of this force should await the choice of the Chief of the Division.

This organization as outlined contemplates the employment of heads of divisions, stenographers, bookkeepers, clerks, machine operators, telephone operator and messengers as follows:

#### OFFICES OF MEMBERS OF BOARD

Private Secretaries	6
Stenographic clerks	5
Messengers	5
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Total	16

#### SECRETARY'S OFFICE

Secretary	1
Assistant Secretary	1
Stenographic clerks	3
Messenger	1
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Total	6

## CORRESPONDENCE DIVISION

Chief Stenographer	1
Stenographers	8
File Clerks	2
Machine operators	2
Clerk to Disbursing Officer	1
Messengers	2
Telephone operator	1
Bookkeeper	1
Total	<u>18</u>

## DIVISION OF REPORTS AND STATISTICS

Chief of Division	1
Stenographer	1
Messenger	1
Total	<u>3</u>

## DIVISION OF EXAMINATION AND AUDIT.

Chief of Division	1
Stenographers	2
Machine operators	2
Messenger	1
Total	<u>6</u>

## COUNSEL'S OFFICE

Counsel	1
Stenographer	1
Messenger	1
Total	<u>3</u>

Grand Total 52

In addition to the salary recommendations made for the head of divisions, it is recommended that the following grades be established, the low figure being the entrance salary:

Stenographers	\$900 to \$1,500
Bookkeepers	900 to 1,200
Clerks	900 to 1,200
Machine operators	900
Messengers	600

It is recommended also that there be apportioned the following:

Secretary's office, three stenographers at \$900, \$1200 and \$1400.

Counsel's office, stenographer, \$1500.

The salaries of private secretaries to the members of the Board have been fixed at \$2500.

It seems necessary to establish a uniform salary for stenographers in the offices of members. These salaries now range from \$100 to \$150 per month. It is recommended that a standard of salaries for stenographers in offices of members of the Board be fixed at \$1200, at least for entrance salary.

It is the belief of the Committee that a chief clerk will ultimately be required, but while the force is small we can get along without one. In line with this conclusion the committee recommends that the selection of a chief clerk be for the present deferred. If this is done it will be necessary to have one of the stenographers act as chief clerk, in charge of that class of work, and pay somewhat more for that service, say \$1800.

The skeleton organization herein above explained, will be sufficient to start and may be recruited, except in respect to the Division Chiefs, from the force which is to be released by the Organization Committee and which is to leave the service at the end of this month, selecting them, of course, in the order of their efficiency in their previous service. With this end in view your committee has prepared a classified list of the employes showing their rating by those in charge of the work.

Respectfully submitted  
by the Committee:

F. A. DELANO

SHERMAN ALLEN

October 22, 1914.

Mr. Delano presented the report of a committee on the organization of the work of the Federal Reserve Board, providing a method for the establishment of an eligible list for appointments. On motion the report with certain modifications in language was adopted. The report as thus accepted is as follows:

REPORT OF PROGRESS

By the  
Committee on Organization of the Work  
Of the  
Federal Reserve Board.

As has already been explained in another report of your Committee, there are at the present time on hand more than a thousand applications for positions on the Staff of the Federal Reserve Board. Acting upon the authority of the Board, your Committee requested the Civil Service Commission to recommend a form of test which might properly be employed in the selection of this force. The response of the Civil Service Commission has been received and is transmitted to you herewith. Attention is called to the fact that it is suggested by them that the force be classified as follows:

- (1) Messengers;
- (2) Stenographic and Clerical positions;
- (3) Technical positions;
- (4) Supervisory and Executive positions.

It is further recommended that all applicants be required to fill out a blank showing in which class or division of the work they are seeking employment and that they then be given the privilege, without favoritism, of taking the form of test or examination which shall have been prepared.

After giving the matter a good deal of consideration your Committee is of the opinion that it would be impossible for the Board, in the time at our disposal,

to make a proper personal investigation of the qualifications of each of these applicants, many of whom do not live in the District of Columbia; that it would be an injustice to them to request them to come to Washington to be interviewed and examined with no certainty of employment. Your Committee, therefore, sees no fair way of satisfactorily determining the merits of the applicants and their qualifications for work within the time at our disposal except through the employment of some agency like the Civil Service Commission. It should be made clear, however, that the test to be given by the Civil Service Commission is for the Board and that the form of examination or test is one approved by the Federal Reserve Board and that the Civil Service is simply the medium of conducting the examination and marking the papers.

The employes to be selected as the result of the examination will be employes of the Federal Reserve Board, in no way subject to Civil Service rules and regulations except as they be applied by the Board itself. In this connection the Committee desires to state as its opinion that the examination should be made as practical as possible and that in making the selections from the list thus established they shall be based solely upon merit.

As frequently pointed out, the Board and its staff are paid by the banks and they will necessarily judge the efficiency of the work of the staff by a comparison with the work of the banks themselves. We recommend the employment of the machinery of the Civil Service Commission because they have the organization and experience to conduct the examination, not only here in Washington, but at or near the homes of the applicants. Applications have been made by people in twenty-four different States in addition to the District of Columbia.

In the selection of a new Staff it is thought that those soon to be dropped from the service of the Organization Committee, who will not be immediately re-employed by the Board, should be given preference to the extent of giving them credit for their service where it has been



satisfactory; but it is the recommendation of your Committee, that all members of the Staff shall be employed on probation for a period of sixty days, and if for any reason it is necessary to employ clerks or stenographers without examination or test, their employment shall cease at the end of sixty days unless they have then been accepted under the examination adopted by the Board.

Your Committee further recommends that the age limit for employment of other than division heads or technical experts be fixed at forty-five years.

Respectfully submitted . F. A. DELANO  
by the Committee:

A. C. MILLER

J. S. WILLIAMS

October 22, 1914.

On motion Mr. Warburg was given authority to negotiate with Mr. Joseph A. Broderick of New York regarding the employment of Mr. Broderick in the work of the Board.

The Secretary of the Treasury read to the Board dispatches sent by him to Federal Reserve Agents and Governors of Federal Reserve Banks with reference to the opening of the banks at a specified date.

Forms providing for reports by Federal Reserve Agents to the Board were referred to the Comptroller of the Currency with authorization to obtain the opinion of Mr. Charles Starek and Mr. C. C. Robinson regarding the

adaptability of these forms to the system of accounting already accepted.

On motion it was voted that the Governor and Counsel of the Board should go carefully through the Federal Reserve Act and list the steps which in their opinion must still be taken in order to prepare for the opening of the banks.

On motion Mr. Harding was authorized to negotiate with Mr. H. Y. Brooke of Alabama relative to becoming a member of the staff of the Board.

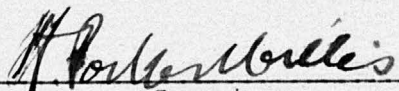
Mr. Warburg outlined certain important problems which must be dealt with by the Board at an early date.

On motion it was voted that the committee on organization with the Secretary of the Board should recommend the name of a person suitable as statistician to the Board.

On motion it was voted that the salary of Mr. John Perrin, Federal Reserve Agent at San Francisco, be reconsidered and fixed at \$12,000 per annum. A proposed amendment fixing the salary at \$15,000 was defeated.

On motion at 5:15 p. m. the Board adjourned.

APPROVED:

  
Secretary.

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Chairman.