

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Monday, September 8, 1947.

PRESENT: Mr. Szymczak, Chairman pro tem
Mr. Draper
Mr. Vardaman
Mr. Clayton

Mr. Sherman, Assistant Secretary
Mr. Morrill, Special Adviser

Minutes of actions taken by the Board of Governors of the Federal Reserve System on August 29, 1947, were approved unanimously.

Minutes of actions taken by the Board of Governors of the Federal Reserve System on September 2, 4, and 5, 1947, were approved and the actions recorded therein were ratified unanimously.

Memorandum dated September 5, 1947, from Mr. Thomas, Director of the Division of Research and Statistics, recommending that the resignation of Mrs. Ann B. Frey, a clerk-typist in that Division be accepted to be effective, in accordance with her request, at the close of business September 5, 1947.

Approved unanimously.

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

"In connection with the establishment of the 'Plan of Job Classification and Salary Administration for Federal Reserve Banks', the Board of Governors approves the following minimum and maximum salaries for the respective grades at the Federal Reserve Bank of Cleveland, including the Pittsburgh and Cincinnati Branches, which were adopted by your Board of Directors and submitted in your letter of August 29, 1947:

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"Grade Minimum Salary Maximum Salary

Cleveland

1	\$1260	\$1680
2	1380	1860
3	1500	2040
4	1680	2280
5	1920	2640
6	2100	2880
7	2340	3180
8	2580	3540
9	2820	3800
10	3000	4100
11	3300	4500
12	3800	5200
13	4300	5800
14	4800	6500
15	5600	7600
16	6500	8800

Pittsburgh and Cincinnati

1	\$1200	\$1620
2	1320	1800
3	1440	1980
4	1560	2100
5	1740	2340
6	1920	2580
7	2100	2820
8	2340	3180
9	2580	3480
10	2880	3900
11	3180	4300
12	3600	4900
13	4000	5400
14	4400	6000
15	5100	6900
16	5900	8000

"The Board approves the payment of salaries to employees other than officers within the limits specified for the respective grade in which the position of each

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"employee is classified. The management of your Bank is responsible for the proper classification of positions under the procedure outlined in the plan submitted with your letter of August 29, 1947, subject to review from time to time by the Board's Division of Personnel Administration.

"All employees now receiving salaries below the minimum of their respective grades should be brought within the appropriate range as soon as practicable and not later than the end of this year. With respect to employees whose salaries are now in excess of the maximum of their respective grades, the Board approves the payment of salary in the amount indicated opposite the name of each employee listed in the schedule submitted. Any increases in these salaries must have the prior specific approval of the Board.

"Under the plan it is contemplated that there will be intermediate rates between the minimum and maximum for each grade and that a consistent policy of merit increases within the grades will be adopted. Please furnish the Board with information regarding the Bank's policy in this respect.

"When it is deemed necessary an employee may be temporarily assigned for a period not exceeding six months without change in salary to a position having a maximum lower than the salary he is receiving or to a position having a minimum higher than he is receiving, without obtaining the approval of the Board. In all lists of employees submitted to the Board the names of such employees should be followed by the letters TA.

"Specific approval should be obtained as in the past for the payment of salaries to employees designated as Assistant Federal Reserve Agent, Alternate Assistant Federal Reserve Agent, or Federal Reserve Agent's Representative, and requests for changes in compensation for these employees should include information on the grade and salary range of the employee's position.

"Changes in the minimum and maximum salary of the grades must have prior approval of the Board, and requests for such changes should be accompanied by adequate data justifying the proposed change.

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"It is urged that a definite assignment of responsibility be made for keeping the descriptions, specifications, evaluation, and grading of jobs current. The benefits of this study should not be lost through failure to maintain the plan. As a necessary part in the process of keeping the plan up to date a survey of community rates should be made at least once each year."

Approved unanimously.

Telegram to Mr. Denmark, Vice President of the Federal Reserve Bank of Atlanta, reading as follows:

"Retel September 8, 1947, Board approves the designation of O. E. Davis, R. C. Newson and M. C. Campbell, employees of the Nashville Branch, as Special Assistant Examiners for the Federal Reserve Bank of Atlanta."

Approved unanimously.

Letter to Mr. Peyton, President of the Federal Reserve Bank of Minneapolis, reading as follows:

"In accordance with the request contained in your letter of August 25, 1947, as supplemented by Mr. McConnell's telegram of September 2, the Board approves the designation of George M. Rockwell, as a special assistant examiner for the Federal Reserve Bank of Minneapolis. It is understood that Mr. Rockwell, who is department head in your Loan and Discount Department, will be assigned temporarily to the Bank Examination Department but that this temporary assignment will not extend beyond six months."

Approved unanimously.

Letter to "The Harpeth National Bank of Franklin", Franklin, Tennessee, reading as follows:

"The Board of Governors of the Federal Reserve System has given consideration to your application

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"for fiduciary powers, and grants you authority to act, when not in contravention of State or local law, as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics, or in any other fiduciary capacity in which State banks, trust companies or other corporations which come into competition with national banks are permitted to act under the laws of the State of Tennessee, the exercise of all such rights to be subject to the provisions of the Federal Reserve Act and the regulations of the Board of Governors of the Federal Reserve System.

"This letter will be your authority to exercise the fiduciary powers granted by the Board pending the preparation of a formal certificate covering such authorization, which will be forwarded to you in due course."

Approved unanimously.

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

"Reference is made to your letter of August 27, 1947, submitting the application of the Security State Bank, Keota, Iowa, for permission to exercise fiduciary powers.

"In view of your recommendation and the information submitted, the Board of Governors of the Federal Reserve System grants the applicant permission, under the provisions of its condition of membership numbered 1, to exercise the fiduciary powers now or hereafter authorized under its articles of incorporation and the laws of the State of Iowa. The Board's approval is given subject to acceptance by the bank of the following standard conditions prescribed in connection with the admission to membership of State banks exercising fiduciary powers:

4. Such bank shall not invest funds held by it as fiduciary in stock or obligations of, or property acquired from, the bank or its directors, officers, or employees, or their interests, or in stock or obligations of, or property acquired from, affiliates of the bank.

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- "5. Such bank, except as permitted in the case of national banks exercising fiduciary powers, shall not invest collectively funds held by the bank as fiduciary and shall keep the securities and investments of each trust separate from those of all other trusts and separate also from the properties of the bank itself.
6. If funds held by such bank as fiduciary are deposited in its commercial or savings department or otherwise used in the conduct of its business, it shall deposit with its trust department security in the same manner and to the same extent as is required of national banks exercising fiduciary powers.

"You are requested to advise the Security State Bank, Keota, Iowa, of the Board's action, and to obtain an appropriate resolution of the board of directors of the bank accepting the conditions listed above and forward a certified copy thereof to the Board."

Approved unanimously.

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

"A joint conference was held at the Board's offices on November 12-13, 1946 between the Standing Committee of the System Conference of Examiners and an ad hoc committee of the System Research Advisory Committee for the purpose of exploring the adequacy of loan data obtainable from call reports, examination reports, and other sources. Copies of the minutes of the conference were sent on April 2, 1947 to the participants in the conference and to the heads of the Research and Examination Departments of the Federal Reserve Banks not directly represented at the conference.

"At the conclusion of the joint conference a subcommittee was appointed to draft plans for implementing the conclusions of the conference or for further exploring questions raised, and under date of April 3 the subcommittee submitted its report, entitled 'Suggestions for Improving Statistical Information on Bank Loans.' Copies of this report were sent on April 9, 1947 to the partic-

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Participants in the joint conference, but there has been no meeting of that group since the one held in November 1946. On April 15, 1947 copies were sent to the Research Departments of all Federal Reserve Banks so that they would be available for possible discussion at the April 30-May 1 meeting of the Committee on Current Reporting Series; there was a very brief discussion of the report at that meeting.

"The Board will appreciate your comments and suggestions on the proposals contained in the subcommittee report, particularly those relating to a revision of the loan schedule of the call report."

Approved unanimously.

Letter to the Comptroller of the Currency, Treasury Department, reading as follows:

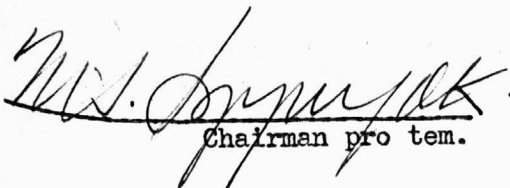
"It is respectfully requested that you place an order with the Bureau of Engraving and Printing, supplementing the order of June 20, 1947, for the printing of Federal Reserve notes of the Federal Reserve Bank of Dallas in the amount and denomination stated below:

Denomina- tion	Number of sheets	Amount
\$50	7,000	\$4,200,000"

Approved unanimously.


Assistant Secretary.

Approved:


Chairman pro tem.