

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Thursday, September 18, 1947.

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

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

Minutes of actions taken by the Board of Governors of the Federal Reserve System on September 17, 1947, were approved unanimously.

Memorandum dated September 17, 1947, from Mr. Carpenter recommending an increase in the basic salary of Gordon B. Grimwood, a Clerk in the Office of the Secretary, from \$2,694.96 to \$2,895.60 per annum, effective September 21, 1947.

Approved unanimously.

Memorandum dated September 15, 1947, from Mr. Thomas, Director of the Division of Research and Statistics, recommending the appointment of Charles E. Fox, Jr., as a research assistant in that Division, on a temporary indefinite basis, with basic salary at the rate of \$2,644.80 per annum, effective as of the date upon which he enters upon the performance of his duties after having passed the usual physical examination. The memorandum also stated that it was contemplated that Mr. Fox would become a member of the Federal Reserve retirement system.

Approved unanimously.

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Letter to Mr. Rounds, First Vice President of the Federal Reserve Bank of New York, 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 New York, which were adopted by your Board of Directors and submitted with your letter of September 5, 1947. The Board of Governors also approves the minimum and maximum salaries for the respective grades at the Buffalo Branch, as indicated below, which were submitted with Mr. Douglas' letter of September 5, 1947, and adopted by the Board of Directors of the Buffalo Branch, as indicated in your letter of September 11, 1947:

<u>Grade</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>
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Head Office

1	\$1500	\$2040
2	1680	2280
3	1860	2520
4	2040	2760
5	2280	3060
6	2520	3420
7	2760	3700
8	3060	4100
9	3420	4600
10	3800	5100
11	4200	5700
12	4600	6200
13	5200	7000
14	5700	7700
15	6400	8700
16	7200	9700

Buffalo Branch

1	\$1320	\$1740
2	1440	1920
3	1620	2160
4	1800	2400
5	1980	2700

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<u>Grade</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>
	<u>Buffalo Branch</u>	
6	\$2160	\$2940
7	2400	3240
8	2700	3600
9	2940	4000
10	3300	4500
11	3600	4900
12	4000	5400
13	4500	6100
14	5000	6800
15	5600	7600
16	6300	8500

"The Board approves the payment of salaries to employees, other than officers, within the limits specified for the grades in which the positions of the respective employees are classified. The management of your Bank is responsible for the proper classification of your positions under the procedure outlined in the plan submitted with your letter of September 5, 1947, subject to review, from time to time, by the Board's Division of Personnel Administration.

"The Board of Governors also approves the payment of a shift differential not exceeding \$300 per annum, in addition to base pay, to employees regularly reporting for work between the hours of 2:00 p.m. and 6:30 a.m. It is noted that a shift differential is now being paid and that some adjustment may be made in the present practice. Please advise the Board of any changes that are made in the policy with respect to payment of a shift differential to employees.

"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.

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"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 salaries of the grades must have prior approval of the Board, and requests for such changes should be accompanied by adequate data justifying the proposed changes.

"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.

"Consideration has been given to the proposal outlined in your letters which would provide for the payment of salaries in excess of the maximums specified for respective jobs. The Board feels that this proposal would have to be considered as an additional provision of the over-all plan of job classification and salary administration and should be studied on a System-wide basis. Accordingly, it is unwilling to approve the proposal at this time."

Approved unanimously.

Letter to the Honorable Eugene Worley, House of Representatives,

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reading as follows:

"I am acknowledging receipt of your letter of September 10, 1947, in which you quoted from a letter written by Mr. H. S. Wilbur, President of the First National Bank, Canadian, Texas, in regard to 'a regulation covering the absorption of postage and other charges for certain banks.'

"It appears from this quotation that Mr. Wilbur has not been fully informed regarding this matter. I may say for your information that the matter which Mr. Wilbur has in mind grew out of an announcement by the Federal Reserve Banks that effective August 1, 1947, they would reimburse their member banks for postage and other transportation costs on cash items sent direct to other Federal Reserve Banks and Branches. This follows the policy of the Federal Reserve System of constantly improving the facilities for the speedier collection of checks. It is believed that the Federal Reserve System has considerable responsibility in this field and that it should encourage in every reasonable way steps calculated to bring about the earlier presentation and collection of checks. The direct sending of cash letters by member banks is a step which reduces the number of times checks are handled and consequently the expense of handling. Heretofore, member banks which followed the practice have done so at their own expense. The action of the Federal Reserve Banks is simply one of offering to relieve member banks of this expense. No bank is obliged to avail itself of the offer if it does not wish to do so.

"It seems altogether appropriate that the Reserve Banks should make this offer because, in connection with such direct sendings, the Federal Reserve Banks are saved the expense of one complete handling and such reimbursement substantially equals the postage and other transportation costs which it would be necessary for the Federal Reserve Banks to incur if out-of-district items were not sent direct but were deposited by the member banks with the Federal Reserve Banks of their districts. It is a practice which has been followed at times in the past by some Federal Reserve Banks and is now being placed on a uniform basis at all Federal Reserve Banks.

"Since Mr. Wilbur's bank is a member bank in the district of the Federal Reserve Bank of Dallas, I am

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"taking the liberty of sending a copy of your letter and a copy of this reply to Mr. R. R. Gilbert, President of the Federal Reserve Bank of Dallas, for his information. It is suggested that Mr. Wilbur might wish to communicate directly with Mr. Gilbert on this subject."

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 19, 1947, for the printing of Federal Reserve notes of the Federal Reserve Bank of Atlanta in the amount and denomination stated below:

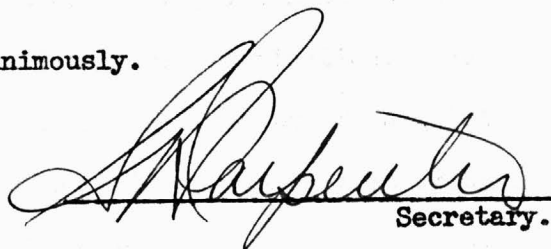
<u>Denomi- nation</u>	<u>Number of sheets</u>	<u>Amount</u>
\$50	35,000	\$21,000,000"

Approved unanimously.

Letter to the Joint Property Accounting Staff, Bureau of the Budget, reading as follows:

"In accordance with the suggestion in your letter of August 15, 1947, in regard to the joint survey of the systems and practices used by Federal agencies and representative private industrial and business firms in maintaining minimum inventories of supplies and equipment and in insuring fidelity and effective utilization of such personal property, Mr. L. P. Bethea, Director of the Division of Administrative Services, is designated as liaison officer to collaborate with the Joint Property Accounting Staff."

Approved unanimously.

  
Secretary.

Approved:

  
Chairman pro tem.