

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Wednesday, September 24, 1947.

PRESENT: Mr. Eccles, Chairman
Mr. Szymczak
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 23, 1947, were approved unanimously.

The minutes of the meeting of the Board of Governors of the Federal Reserve System with the Federal Advisory Council held on September 23, 1947, were approved unanimously.

Memorandum dated September 22, 1947, from Mr. Thomas, Director of the Division of Research and Statistics, recommending that an increase in the basic salary of Miss Mary M. Vicars, a clerk-stenographer in that Division, from \$2,394.00 to \$2,469.24 per annum be approved effective October 5, 1947.

Approved unanimously.

Letter to Mr. Leedy, President of the Federal Reserve Bank of Kansas City, 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 Kansas City and its branches, which were adopted by your Board of Directors and submitted with your letter of September 19, 1947:

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<u>Grade</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>
1	\$1260	\$1620
2	1320	1800
3	1440	1920
4	1620	2160
5	1800	2460
6	2040	2760
7	2280	3120
8	2580	3480
9	2880	3900
10	3240	4400
11	3600	4900
12	4100	5500
13	4600	6200
14	5100	6900
15	5700	7700
16	6400	8600

"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 19, 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 as soon as it is formulated.

"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

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"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."

Approved unanimously.

Letter to Mr. Leedy, President of the Federal Reserve Bank of Kansas City, reading as follows:

"The Board approves the payment to the Retirement System of the Federal Reserve Banks of approximately \$4,250 on behalf of Virgil A. Stewart, in accordance with your letter of September 16, 1947, provided Mr. Stewart makes the necessary payment required of him and provided the Board of Directors formally approves the payment by the Bank.

"In accordance with the Board's letter of February 4, 1946, S-895, approval should be obtained for the payment of salary to Mr. Stewart if he is continued in active service."

Approved unanimously.

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

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"Since the meeting of the Board and the Presidents on June 6, 1947, the Board has given further thought to the question of cafeteria operations at the several Federal Reserve Banks and branches and to the wide variations in their costs. It feels that it would be most helpful to have the benefit of the suggestions of an outstanding person who is thoroughly experienced in restaurant operation before making effective any change in the present authorization concerning absorption of cafeteria expenses, and it believes that the Presidents also would welcome such a discussion.

"With this thought in mind, an invitation has been extended to Mr. John L. Hennessy, Chairman of the Board, Hotels Statler Company, Inc., to take luncheon with the members of the Board on Friday, October 3, 1947, because you will be here at that time, and the Board will be glad if the Presidents will join them at that luncheon. Mr. Hennessy has been informed to some extent as to the nature of the problem and will be prepared to discuss various aspects of cafeteria operations, including costs, which might be of interest to the Federal Reserve Banks. The discussion will be informal and for the purpose of assisting the members of the Board and the Presidents in getting additional information which may lead to more effective administration of Federal Reserve cafeterias."

Approved unanimously.

Letter to the "Citizens National Bank of Orlando", Orlando, Florida, reading as follows:

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

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"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.

Telegram to Mr. Knoke, Vice President of the Federal Reserve

Bank of New York, reading as follows:

"Your telegram September 23. Board approves loan or loans by your Bank to Banque Centrale de la Republique de Turquie of up to a total amount of \$10,000,000 (provided such loan or loans are availed of by March 31, 1948) on the following terms and conditions:

(A) Such loan or loans to be made up to 98 per cent of the value of the refined gold bars held in your vaults as collateral;

(B) Such loan or loans to run for three months;

(C) Each such loan to bear interest for its duration at the discount rate of your Bank in effect on the date on which each such loan is made;

(D) Each such loan or repayment thereof to be in multiples of \$100,000.

"It is understood that the usual participation will be offered to the other Federal Reserve Banks."

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 Chicago in the amounts and denominations stated below:

<u>Denomination</u>	<u>Number of sheets</u>	<u>Amount</u>
\$5	1,300,000	\$78,000,000
\$10	800,000	96,000,000
\$20	400,000	96,000,000"


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Approved unanimously.


Secretary.

Approved:


Chairman.