

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Tuesday, November 4, 1947. The Board met in executive session in the Special Library at 10:30 a.m.

PRESENT: Mr. Eccles, Chairman
Mr. Szymczak
Mr. Draper
Mr. Evans
Mr. Clayton

Mr. Carpenter, Secretary

There was presented a memorandum dated November 3, 1947, from Mr. Carpenter recommending that the salary of Mr. N. Merritt Sherman, Assistant Secretary, be increased \$598.50, from the rate of \$8,478.75 to \$9,077.25 per annum, effective at the beginning of the first pay roll period following approval by the Board.

Approved unanimously, effective
November 16, 1947.

Mr. Evans stated that Mr. Smead, Director of the Division of Bank Operations, had recommended that Mr. L. S. Myrick, Assistant to the Director, be appointed Assistant Director of the Division, effective immediately, and that his salary be increased from \$9,376.50 to \$10,000 per annum, effective at the beginning of the first pay roll period after approval by the Board.

Following a discussion of the reasons for the recommendation, the appointment was approved unanimously to become effective immediately and the increased salary was approved, effective November 16, 1947.

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Reference was made to a memorandum dated October 17, 1947, from Mr. Thomas, Director of the Division of Research and Statistics, recommending that the salary of Mr. J. Burke Knapp, Assistant Director of that Division, be increased from \$10,000 to \$12,000 per annum, effective at the beginning of the first pay roll period following approval by the Board. The memorandum stated that as alternate to the Chairman as a member of the National Advisory Council, Mr. Knapp had helped to establish for himself and for the Board a reputation for authoritative work in his field.

There was a discussion of the justification for the size of the increase recommended, and Chairman Eccles stated that Mr. Knapp's services in connection with the work of the National Advisory Council had been of a very high quality, that he was the outstanding staff member working with the National Advisory Council, and that if a substantial adjustment were not made in his salary he probably would go elsewhere.

At the conclusion of the discussion the increased salary was approved unanimously, effective November 16, 1947.

Chairman Eccles suggested that consideration be given to a change in the Federal Reserve Retirement System which would permit an employing Bank, during a period of high employment such as at present, to retain the services of an employee until he reached the

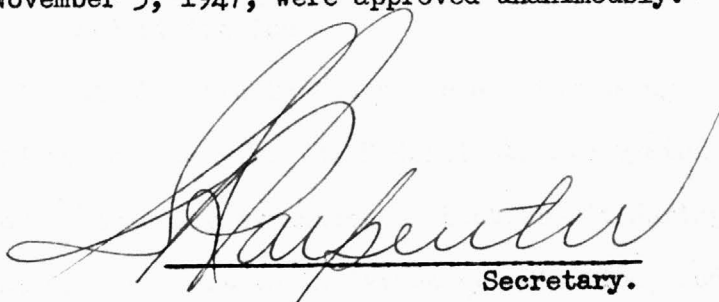
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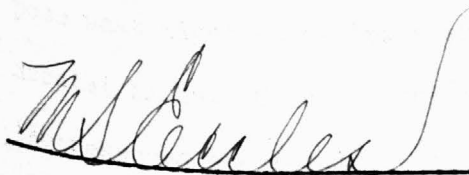
age of 70 in any case where his health was good and his abilities were not impaired. Under such an arrangement, he said, provision would be made for the employee's retirement at age 65 and payment to him of his regular retirement allowance. However, instead of leaving the active service of the Bank, he would continue to work and the compensation paid by the Bank would be the amount of his salary less the amount of the retirement allowance.

The suggestion was discussed and it was agreed that it should be placed on the agenda for discussion at the next meeting of the Presidents' Conference.

Minutes of actions taken by the Board of Governors of the Federal Reserve System on November 3, 1947, were approved unanimously.


Secretary.

Approved:


Chairman.