

January 6, 1916.

S i r :

Your letter of January third was submitted to the Board, and I am directed to say to you that the Board is in accord with the views expressed therein.

As you stated, the real point is that the list of all salaries should be submitted to the Board once a year for its approval, and the month of January would seem to be the natural time for such approval as that is the usual month when changes in salaries are made.

The Board does not wish to convey the idea that it desires that all clerks should have definite terms of office. These appointments may be for an indefinite term provided they are terminable at the pleasure of the Board of Directors of the Bank. While the general custom is that clerks are appointed by the officers of the bank, the officers, senior and junior, as a rule, are appointed or elected by the Board of Directors of the Bank, generally to serve for the ensuing year. It would appear, therefore, that this general practice ought to be observed also by the Federal Reserve banks and senior and junior officers ought to be appointed from year to year and their salaries, as all others, should be subject to annual approval by the Federal Reserve Board.

Very truly yours,

H. PARKER WILLIS,

Secretary.

Mr. Pierre Jay,
Federal Reserve Agent,
New York.