

MEMORANDUM TO
AGENT'S CONFERENCE

from

FEDERAL RESERVE BOARD'S
COMMITTEE ON ECONOMY & EFFICIENCY

The Federal Reserve Board's Committee on Economy and Efficiency desires to refer the following matters to the Agents for their consideration and for such action as they may desire to take.

1. Recommendation for investigation and comparison of the expenses of the various activities carried on in all banks as a matter of policy.

A comparison of the cost of the various activities carried on as a matter of policy, most of which activities are under the supervision of the Agents, indicates a wide variation in the policy at the several banks.

It is apparent that either some of the banks are expending too much for these purposes or other banks are not expending enough.

It is reasonable to assume there will be a tendency on the part of each bank, with respect to those items for which it is expending proportionately less than the other banks to increase its activity and there is thus bound to result a substantial increase in the expenses of all the banks.

It is the judgment of this Committee that the expenditures for these purposes should be reasonably in proportion at all banks and that the policy should be reasonably uniform throughout the System.

It is therefore Recommended that the Agents give consideration to this matter and designate a Committee of two to advise with the Board's Committee on Economy and Efficiency with respect to such activities.

2. Re commendation for survey by the local Committee on Economy and Efficiency of the Agents Department of each Bank.

This Committee understands that in several banks there has been no survey made of the Agents Department by the local committee.

In the judgment of this Committee this is a mistake. It is presumed that the work of the local committees on Economy and Efficiency is carried on under the direction of the Board of Directors of each bank of which Board the Agent is Chairman and it is difficult to see how the work can be fully effective unless similar standards are applied to the Departments under the immediate control of the Agent and Chairman as are expected to be applied to the rest of the bank.

It is the view of this Committee that it is in the interest of Economy and Efficiency that all employees under the supervision of the Agent and Chairman should be subject to the same rules and regulations and measure up to the same standards as other employees of the bank and also that the work of the Agents Departments should be subjected to the same study and tests as to operating, organization, and efficiency as is the work of the rest of the bank.

This Committee Recommends that all Agents who have not already done so invite a survey of their departments by the local Committee with a view to the elimination of any duplication that may exist with other

departments of the bank, also in any cases where it has not already been done, that expenditures of all kinds incurred in connection with the operation of the Agents Departments be subjected to the same scrutiny and tests as are those incurred for other departments of the same bank.

November 12, 1923.