

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

R-908



ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

October 18, 1941

Dear Sir:

There is enclosed for your information a copy of a letter dated October 16 received from Mr. Floyd B. Odum, Director, Division of Contract Distribution, Office of Production Management, written in reply to my letter of October 11, and a copy of my letter of this date to Mr. Odum.

It is hoped that you will be able to assure permanent employees of the Bank temporarily transferred to the pay roll of the Division of Contract Distribution that upon application they will be reemployed by the Bank, without loss of seniority or other rights, at any time within six months after they are transferred to the pay roll of the Division of Contract Distribution.

Very truly yours,

Frederic G. Dwyer

Enclosures 2

TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS

OFFICE OF PRODUCTION MANAGEMENT
Social Security Building
Washington, D. C.

162

October 16, 1941

Hon. Ernest G. Draper
Board of Governors
Federal Reserve System
Washington, D. C.

My dear Governor Draper:

I have your letter of October 11, a copy of which is going to the President of each Federal Reserve Bank, and I greatly appreciate the cooperative spirit expressed therein. I am particularly grateful in view of the extreme pressure under which we have been reorganizing and expanding.

There are three specific points, however, which I should like to clarify.

First, it is my understanding that you will be agreeable to having our offices remain in Federal Reserve Banks, provided, of course, that after we receive our appropriation we will pay rent to you, and that the salaries of our staffs are also paid directly by us, as well as other expenses. I believe we will find in a number of cases that it is desirable to remain in the present locations.

Second, we cannot definitely advise you at this time just when our new appropriation will become available although it should be certainly within the next sixty days. You will appreciate, of course, that until this appropriation is forthcoming we must depend upon you to continue disbursements on our behalf as heretofore, your reimbursement here continuing from our old appropriation. I understand that in some instances there is the impression that the present arrangements may not continue beyond November 1, 1941.

The third point I have in mind has particularly caused concern. As you know, most of our clerical employees are "loaned" from the Reserve System. We believe that many of them may hesitate to transfer under the new arrangement directly to our payroll and thereby sever their connection with the System, for employment in a temporary organization. It would be unfortunate indeed at this particular time if any wholesale replacement of the personnel were necessary.

I would greatly appreciate it therefore if you could implement the cooperation expressed in your letter of October 11 by a further communication to the Presidents of your member banks suggesting that if possible any of their former employees going directly on our payroll be assured the opportunity of resuming their status with the bank at any time within six months after the change is made, without loss of seniority or other rights.

Thanking you again for what you have done and are doing to further the essential work of this division, I am

Sincerely yours,

(Signed) F. B. Odium,

Floyd B. Odium, Director,
Division of Contract Distribution

C O P Y

R-908b

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM
Washington

October 18, 1941

Mr. Floyd B. Odlum, Director,
Division of Contract Distribution,
Office of Production Management,
Washington, D. C.

My dear Mr. Odlum:

This will acknowledge receipt of your letter of October 16 in reply to my letter of October 11 regarding services rendered your Division by the Federal Reserve Banks.

I am sure that all the Federal Reserve Banks and Branches that have space available will be glad to have you remain in your present locations if you so desire, provided they are reimbursed for space on the same basis as they are reimbursed for space by other governmental agencies as soon as you receive your new appropriation, which you state should become available certainly within the next 60 days.

In accordance with your request, the Federal Reserve Banks will continue, as heretofore, to pay on a reimbursable basis the expenses incurred by the offices of the coordinators located in Federal Reserve Bank and Branch buildings until December 1, 1941, or such earlier date as you are able to make the necessary arrangements to pay such expenses direct. As stated in my letter of October 11, it is understood that all arrangements for your new field offices, located outside Federal Reserve Bank and Branch buildings, including payments for salaries and other expenses incurred by them, will be taken care of by your office direct and not by the Federal Reserve Banks.

I am sending a copy of this letter to the President of each Federal Reserve Bank with the request that he cooperate with your office to the fullest extent practicable with respect to the third point raised in your letter, i.e., that wherever possible he assure permanent employees of the Bank transferred to your pay roll that upon application they will be reemployed by the Bank, without loss of seniority or other rights, at any time within six months after the change is made.

Very truly yours,

Ernest G. Draper.