Mr Eccles

C O P Y D-347-A

ANNUAL MEETING OF BOARD OF DIRECTORS - FEBRUARY 27, 1941

MINUTES OF EXECUTIVE SESSION

The annual meeting of the Board of Directors of the Federal Reserve Bank of Chicago was held in the Directors' room on Thursday, February 27, 1941, at 10:00 A.M., pursuant to notice duly given.

PRESENT: Directors Babb
Cummings
Estberg
Gregory
Lelend
Noyes
Van Dusen
Williams

ABSENT: Lewis, Chairman

Deputy Chairman Gregory presided.

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ELECTION OF OFFICERS

Chairman Gregory submitted a report of the special meeting of the Executive Committee with the Board of Governors at Washington, D. C. on Monday, February 24, 1941. Members present at that meeting: Gregory, Leland and Williams.

Mr. Cummings reported for the Nominating Committee, which was appointed September 19, 1940, to submit to the Board a list of senior officers for election for terms beginning March 1, 1941.

Mr. Cummings placed in nomination for President the name of Emil Schram. Mr. Leland placed in nomination the name of John Williams. Mr. Estberg placed in nomination the name of Mr. C. S. Young.

Mr. Van Dusen and Mr. Williams were appointed tellers.

Results of the first ballot:

4 votes for Mr. Schram
4 votes for Mr. Young

After some discussion, it was moved that we take another ballot. On the second ballot:

4 votes for Mr. Schram
4 votes for Mr. Young

Mr. Cummings stated that Mr. Lewis wished to cast his vote for Mr. Schram by long distance telephone. The Chairman ruled that this would be illegal, stating that he had received an opinion from the legal department of the Federal Reserve Board at Washington to that effect.

After some discussion, it was agreed to list Mr. Lewis as voting for Mr. Schram by long distance telephone, reporting to the Board of Governors the circumstances under which the vote was taken, and let them rule as to its legality. Being called on the telephone, Mr. Lewis thereupon stated to Mr. Gregory, in the presence of Mr. Cummings, that he desired to be recorded as voting for Mr. Schram.

Upon motion by Mr. Cummings, the salary of Mr. Schram was fixed at $35,000.00 per year.

After some discussion, it was moved by Mr. Babb that we proceed to the election of First Vice President and Mr. Babb placed in nomination the name of Howard Preston. The vote stood as follows:

5 votes for Howard Preston
3 votes for Mr. Young

Motion was duly made that Mr. Preston's election be made unanimous. The vote was taken and the results were 4 Yes and 4 No.

Mr. Cummings moved that the salary of Mr. Preston be fixed at the rate of $25,000.00 per year. This motion was seconded and carried.

Motion made by Mr. Babb, seconded and carried, that Mr. Young be elected Vice President at an increase in salary of $3,000.00 per year.

The recommendation of the Salary Committee with respect to the salaries of the officers at the Head Office and the Detroit Branch for one year beginning April 1, 1941, subject to the approval of the Board of Governors of the Federal Reserve System, was submitted, as per list

Snyder, William H.	Vice Pres. & Cashier	$17,500
Dillard, James H.	Vice President	14,500
Bachman, William C.	Asst. Vice President	9,500
Netterstrom, Otto J.	Asst. Vice President	9,500
Olson, Arthur L.	Asst. Vice President	8,500
Sihler, Alfred T.	Asst. Vice President	10,500
Endres, John J.	Auditor	7,500
Black, Allen	Managing, Planning	7,500
Dawes, Neil B.	Asst. Cashier	7,500
Hopkins, Walter A.	Asst. Cashier	6,500
Lindsten, Frank A.	Asst. Cashier	6,300
Meyer, Louis G.	Asst. Cashier	7,000
Purrington, Franklin	Asst. Cashier	7,500

Roberts, Jesse G.	Asst. Cashier	$ 6,750
Saltnes, Carl M.	Asst. Cashier	8,000
Dunn, Charles B.	General Counsel	13,000
Hodge, Paul C.	Asst. Counsel	4,600

DETROIT BRANCH

Chalfont, Harlan J.	Managing Director	10,000
Diehl, Harold L.	Asst. Cashier	5,000

Motion was made by Mr. Cummings that the salary list as herein shown be approved, seconded by Babb. Carried.

Moved by Mr. Babb and seconded by Mr. Estberg that Dean Phillips be employed as Economic Adviser to the Board on a month to month basis at the rate of $250.00 per month. Carried.

Mr. Van Dusen moved that no further meetings be held for the election of a President of the Federal Reserve Bank of Chicago except with all members present. Carried.

Chairman Gregory ruled that this motion was illegal in that it is not in accordance with the bylaws. He stated that the motion could be considered as an expression of sentiment only, and that if, during Mr. Lewis' absence circumstances should require a special meeting to consider the election of a President, he could not recognize the foregoing motion as any obstacle to such call, if made as provided in the bylaws.

C. V. Gregory
Chairman

F. D. Williams
Secretary pro tem of Executive Session