

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Thursday, February 3, 1927 at 11:45 a.m.

PRESENT: Governor Crissinger  
Mr. Platt  
Mr. Hamlin  
Mr. Miller  
Mr. James  
Mr. Cunningham  
Mr. McIntosh  
Mr. Eddy, Secretary  
Mr. McClelland, Asst. Secretary

The reading of the minutes of the meeting of the Federal Reserve Board held on February 2nd was dispensed with.

Telegram dated February 2nd from the Chairman of the Federal Reserve Bank of Philadelphia, advising that the board of directors on that day made no change in the bank's existing schedule of rates of discount and purchase.

Noted.

Telegram dated February 2nd from the Chairman of the Federal Reserve Bank of St. Louis, advising that the board of directors on that day made no change in the bank's existing schedule of rates of discount and purchase.

Noted.

Report of Committee on Salaries and Expenditures dated February 2nd, submitting a report from the Controller of the Federal Reserve Bank of Richmond on the budget and expenses of the bank for 1926, together with an analysis of the report prepared by the Chief of the Division of Bank Operations; the Committee stating that the report reflects very favorable upon the management of the Richmond bank and suggesting that the bank be so notified.

Upon motion, the suggestion of the Committee was approved and the report was ordered circulated for the information of the individual members of the Federal Reserve Board.

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The Governor then referred to the special order of business for this morning's meeting, namely, (1) Recommendation of the board of directors of the Federal Reserve Bank of Boston that the salary of Mr. K. K. Carrick, Secretary of the bank, be increased from \$7,500 to \$9,000 for the year 1927; (2) Request of the board of directors of the Federal Reserve Bank of New York for reconsideration of the Board's action of December 22, 1926 in disapproving an increase from \$7,500 to \$9,000 per annum in the salary of Mr. J. H. Philbin, Assistant Counsel and Secretary of the bank, and in disapproving an increase from \$10,000 to \$15,000 per annum in the salary of Mr. W. R. Burgess, Assistant Federal Reserve Agent, for whom the Board approved instead a salary of \$13,000 for the year 1927; and (3) Request of directors of the Federal Reserve Bank of Philadelphia for reconsideration of the Board's action of December 22, 1926 in disapproving recommendations for an increase from \$25,000 to \$30,000 per annum in the salary of Mr. George W. Norris, Governor of the bank and an increase from \$15,000 to \$18,000 per annum in the salary of Mr. W. H. Hutt, Deputy Governor.

Thereupon ensued a discussion of the recommendations of the New York directors regarding the salaries of Messrs. Philbin and Burgess, during which it was the consensus of opinion that the salaries proposed, particularly that of the Assistant Federal Reserve Agent, should not be approved by the Board until the vacancy in the office of the Federal Reserve Agent and Chairman of the board of directors of the New York bank has been filled and the Board has been advised of the appointee's approval of the recommendations. Accordingly, it was voted to defer action on the two salaries in question.

The Board then took up the request of the Philadelphia directors for

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reconsideration of its action with respect to the salaries of Governor Norris and Deputy Governor Hutt of that bank.

Following a discussion, it was moved that the Board reconsider its action of December 22nd in disapproving the recommendation of the Philadelphia directors that the salary of Mr. W. H. Hutt, Deputy Governor, be increased from \$15,000 to \$18,000 for the year 1927.

The motion being put by the Chair was carried, Messrs. James and Cunningham voting "no".

It was then moved that the Board approve an increase from \$15,000 to \$16,000 per annum in Mr. Hutt's salary for the year 1927.

A substitute motion was made that the Board approve the recommendation of the directors of the Philadelphia bank that the salary of Mr. Hutt be increased from \$15,000 to \$18,000 for the year 1927.

The substitute motion being put by the Chair was lost, the members voting as follows:

Governor Crissinger, "aye"  
Mr. Platt, "aye"  
Mr. Hamlin, "aye"  
Mr. Miller, "no"  
Mr. James, "no"  
Mr. Cunningham, "no"  
Mr. McIntosh, "no"

The original motion then being put by the Chair was carried, Messrs. James and Cunningham voting "no".

The Board then considered the recommendation of the board of directors of the Federal Reserve Bank of Boston that the salary of Mr. K. K. Carrick, Secretary, be increased from \$7,500 to \$9,000 for the year 1927.

It was moved that the Board approve for Mr. Carrick a salary of \$9,000 for the year 1927.

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Carried, Messrs. Miller and Cunningham voting  
"no".

Report of Committee on Salaries and Expenditures on letter dated February 1st from the Chairman of the Federal Reserve Bank of Atlanta, requesting approval of a salary of \$12,500 per annum, effective January 31, 1927, for Mr. Hugh Foster who has been appointed Deputy Governor of that bank; the Committee recommending approval.

Approved.

Memorandum dated February 3rd from the Chief Examiner, approved by the Committee on Salaries and Expenditures, advising of the illness of Mr. Charles H. Ball, Assistant Examiner, and recommending that he be granted leave of absence with pay for sixty days beginning February 10, 1927.

Approved.

The Secretary then referred to the authority granted by the Board for the employment of Mr. M. D. Smiley as an examiner to be assigned to assist Mr. Gilbert, Supervisor of Examination, and to Mr. Smiley's declination of the offer made him. He stated that Mr. Gilbert required the assistance of an examiner for the purpose of analysing reports of examination in connection with the survey he is undertaking and requested that the Board renew its authority for the employment of such an examiner.

Upon motion, the matter was referred to the Governor with power, with the understanding that the salary to be paid would be submitted to the Board for approval.

The Vice Governor then submitted draft of a letter to the Secretary of the Federal Advisory Council with reference to topics to be discussed at

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the meeting of the Council on February 18th.

Approved.

The Committee on Salaries and Expenditures submitted draft of a letter to the Chairman of the Federal Reserve Bank of Dallas, replying to his letter of December 29th submitting a plan to extend the distribution of the monthly magazine published by the employees of the bank so as to include member banks and to extend its scope so as to include matters of mutual interest to the reserve bank and its members.

Upon motion, the proposed letter was approved.

The Governor called attention to a letter referred to him by the President with respect to a proposal of the Red River Valley Trust Company of Paris, Texas, a nonmember bank, to make loans to World War Veterans on the security of their Adjusted Service Certificates provided all such loans made by the trust company would be rediscounted for it by the Federal Reserve Bank of Dallas. The Governor stated he replied to the first communication received from the White House and that there has been referred to him another letter on the same subject to which he has prepared a reply for submission to the Board at a later meeting.

Upon motion, the proposed letter was referred to the Law Committee for report.

REPORTS OF STANDING COMMITTEES:

Dated, February 2nd, Recommending changes in stock at Federal Reserve banks  
3rd, as set forth in the Auxiliary Minute Book of this date.

Approved.

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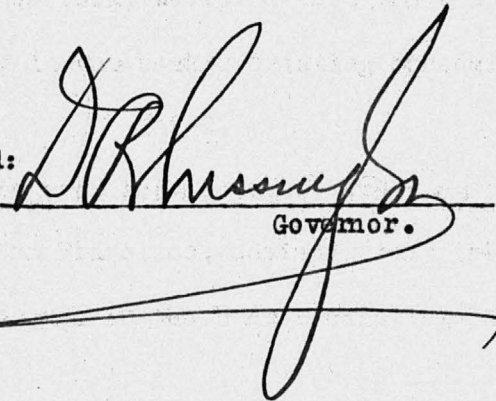
REPORTS OF STANDING COMMITTEES: (Cont'd)

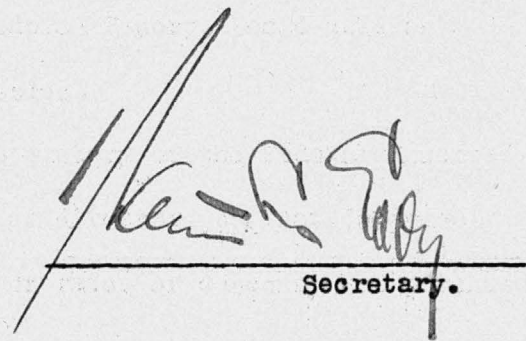
Dated, February 2nd, Recommending approval of the application of Mr. N. P. Hull for permission to serve at the same time as director of the Capital National Bank, Lansing, Mich. and as director of the Union Stock Land Bank, Detroit, Mich.

Approved.

The meeting adjourned at 12:45 p.m.

Approved:

  
Governor.

  
Secretary.