

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Tuesday, March 7, 1939, at 2:45 p.m.

PRESENT: Mr. Eccles, Chairman  
Mr. Ransom, Vice Chairman  
Mr. Szymczak  
Mr. McKee  
Mr. Davis  
Mr. Draper

Mr. Bethea, Assistant Secretary  
Mr. Smead, Chief of the Division of  
Bank Operations

This meeting was called for the purpose of discussing individually with the Presidents of certain Federal Reserve banks the salary situation at their respective banks and in particular the recommendations for salary increases which had been submitted to become effective as of January 1, 1939.

Messrs. Peyton, Hamilton, Schaller, Day, Parker and Fleming, Presidents of the Federal Reserve Banks of Minneapolis, Kansas City, Chicago, San Francisco, Atlanta and Cleveland, respectively, were called into the meeting one at a time in the order stated. Mr. Szymczak outlined the new procedure which the Board had adopted for the consideration of changes in officers' salaries of which the Presidents had been advised in the Board's letter of December 28, 1938 (S-138) and requested each President to state his views regarding the new procedure, the salary recommendations which had been made by his board of directors, and any other questions which he had in mind relating to the salary situation in the bank. He and the other members of the Board

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asked questions and participated in the discussion by having each President develop various aspects of the problem in which they were particularly interested. The Presidents individually explained the procedure whereby recommendations for salary increases were initiated and considered within the Reserve bank, amplified the information submitted with the salary recommendations forwarded to the Board during November and December of last year and indicated that the new procedure which the Board had adopted was agreeable to them.

After the last President had withdrawn from the meeting the Board gave consideration to the question as to what action it should take with respect to the individual salary recommendations which were pending and, upon motion by Mr. Szymczak, the Board by unanimous vote approved salaries for officers of the Federal Reserve banks indicated below at the rates specified for the period April 1 to December 31, 1939, if established by the boards of directors of the respective banks at those rates for the period stated:

FEDERAL RESERVE BANK OF MINNEAPOLIS

<u>Name</u>	<u>Title</u>	<u>Salary Per annum</u>
W. E. Peterson	Assistant Cashier	\$5,500
O. R. Preston	Assistant Cashier	5,500

FEDERAL RESERVE BANK OF KANSAS CITY

D. W. Woolley	Assistant Cashier	\$5,400
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FEDERAL RESERVE BANK OF CHICAGO

C. S. Young	Vice President	\$18,000
C. M. Saltnes	Assistant Cashier	7,000
L. C. Meyer	Assistant Cashier	6,300

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In connection with the salaries of officers of the Chicago Bank, the Board disapproved by unanimous vote the salary increase recommended by the Board of Directors of the Bank for H. L. Diehl, Assistant Cashier of the Detroit Branch.

FEDERAL RESERVE BANK OF SAN FRANCISCO

<u>Name</u>	<u>Title</u>	<u>Salary Per annum</u>
W. M. Hale	Vice President & Secretary	\$15,000
C. E. Earhart	Cashier	10,000
E. C. Mailliard	Assistant Cashier	5,500
W. F. Volberg	Auditor	4,800

Portland Branch

R. B. West	Managing Director	\$10,000*
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\*Increase proposed as Vice President at head office

FEDERAL RESERVE BANK OF ATLANTA

C. R. Camp	Assistant Cashier	\$5,100
S. P. Schuessler	Assistant Cashier	5,100

FEDERAL RESERVE BANK OF CLEVELAND

R. B. Hays	Assistant Vice President and Secretary	\$9,000
E. A. Carter	Assistant Cashier	6,900
A. G. Foster	Assistant Cashier	6,900

Cincinnati Branch

R. G. Johnson	Assistant Cashier	\$4,600
P. J. Geers	Assistant Cashier	4,200

In connection with the salaries of officers of the Cleveland Bank the Board disapproved by unanimous vote the salary increases recommended by the Board of Directors of the Bank for Messrs. Fleming,



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Zurlinden, Fletcher and Arnold at the head office and for Messrs. Cobun and Bolthouse at the Pittsburgh Branch.

Upon motion by Mr. Szymczak, the Board by unanimous vote also approved, without discussing the matter with the Presidents of the respective banks, salaries for officers of the Federal Reserve banks indicated below at the rates specified for the period April 1 to December 31, 1939, if established by the boards of directors of the respective banks at those rates for the period stated:

FEDERAL RESERVE BANK OF ST. LOUIS

<u>Name</u>	<u>Title</u>	<u>Salary Per annum</u>
L. H. Carstarphen	General Counsel	\$5,600

FEDERAL RESERVE BANK OF RICHMOND

C. L. Guthrie	Assistant Cashier	\$5,400
R. W. Mercer	Assistant Cashier	5,400

In connection with the salaries of officers of the Richmond Bank, the Board disapproved by unanimous vote the salary increase recommended by the Board of Directors of the Bank for Mr. Leach.

Inasmuch as no changes in salaries of officers of the Federal Reserve Banks of Boston and Dallas were recommended by the boards of directors of the respective banks, the Presidents of those banks were not called upon at this time to discuss with the Board the salary situation at the respective banks. Moreover, it was the consensus that the Presidents of the St. Louis and Richmond Banks should not be asked at this time to confer with the Board with regard to the

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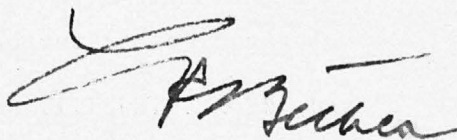
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salary question.

Secretary's Note: Mr. Szymczak later reported that he had advised the Boston, Dallas, St. Louis and Richmond Banks as to the reasons for the Board not conferring on this subject with their respective Presidents at this time.

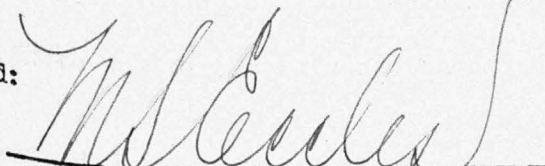
In order to dispose of the entire problem with respect to salaries of officers of the Federal Reserve banks as promptly as possible, the Assistant Secretary was requested to advise Presidents Harrison and Sinclair of the Federal Reserve Banks of New York and Philadelphia, respectively, by telephone that the Board would be glad to meet with them on Monday, March 13, 1939, for the purpose of discussing the salary situations at their respective banks, and it was understood that advice of the above actions taken by the Board would not be communicated to the Federal Reserve banks involved until after the recommendations of the directors of the New York and Philadelphia Banks have been acted upon.

Thereupon the meeting adjourned.



Assistant Secretary.

Approved:

  
Chairman.