

Minutes for February 6, 1957.

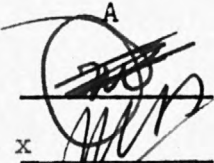
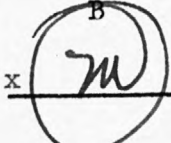
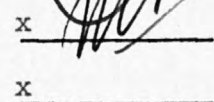
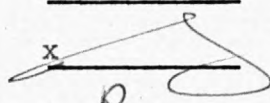
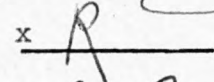
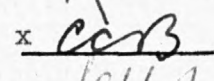
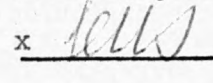
To: Members of the Board

From: Office of the Secretary

Attached is a copy of the minutes of the Board of Governors of the Federal Reserve System on the above date.

It is not proposed to include a statement with respect to any of the entries in this set of minutes in the record of policy actions required to be maintained pursuant to section 10 of the Federal Reserve Act.

Should you have any question with regard to the minutes, it will be appreciated if you will advise the Secretary's Office. Otherwise, if you were present at the meeting, please initial in column A below to indicate that you approve the minutes. If you were not present, please initial in column B below to indicate that you have seen the minutes.

	A	B
Chm. Martin		
Gov. Szymczak	x 	
1/Gov. Vardaman	x _____	
Gov. Mills	x 	
Gov. Robertson	x 	
Gov. Balderston	x 	
Gov. Shepardson	x 	

1/ The attached set of minutes was sent to Governor Vardaman in accordance with the procedure approved at the meeting of the Board on November 29, 1955. They were returned to the Minutes Section with the statement (see Mr. Kenyon's memorandum of February 19, 1957) that although the Governor was present at the meeting he did not initial the minutes because no statements were attributed to him in the minutes. Therefore, with Governor Shepardson's approval, these minutes are being filed without Governor Vardaman's initial.

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Wednesday, February 6, 1957. The Board met in the Board Room at 9:30 a.m.

PRESENT: Mr. Balderston, Vice Chairman

Mr. Szymczak

Mr. Vardaman

Mr. Mills

Mr. Robertson

Mr. Shepardson

Mr. Sherman, Assistant Secretary

Mr. Kenyon, Assistant Secretary

Mr. Riefler, Assistant to the Chairman

Mr. Thomas, Economic Adviser to the Board

Mr. Leonard, Director, Division of Bank Operations

Mr. Vest, General Counsel

Mr. Young, Director, Division of Research and Statistics

Mr. Marget, Director, Division of International Finance

Mr. Hexter, Assistant General Counsel

Mr. Noyes, Adviser, Division of Research and Statistics

Mr. Robinson, Adviser, Division of Research and Statistics

Mr. Allison, Special Consultant to the Board

Mr. Grimwood, Economist, Division of International Finance

Mr. Clarke, Assistant General Counsel, Federal Reserve Bank of New York

Mr. Freutel, Assistant Vice President, Federal Reserve Bank of St. Louis

Pursuant to the understanding at the meeting on January 31, 1957, the members of the task committee that had been working on economic aspects of defense planning, including Messrs. Noyes, Robinson, Grimwood, Clarke, and Freutel, were present at this meeting for the purpose of outlining an approach to post-attack financial and economic rehabilitation based on a document with that title, copies of which were distributed at the beginning of this meeting.

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Governor Robertson, under whose direction the task committee had been working, stated that the proposals contained in the document were developed in line with the responsibilities for consideration of post-attack problems, particularly in the financial and economic areas, that were assigned to the Board by Defense Mobilization Order I-20. He said that this presentation of staff views was intended to give the Board a basis for going forward with its thinking on the subject in order to determine what proposals the Board might want to submit to the Office of Defense Mobilization. Although it was not the Board's responsibility to make the final decisions on the defense planning program, he pointed out that the Board of course would not wish to advance any proposals concerning which it had doubts.

Following the staff presentation, questions on a number of points were raised by members of the Board, and the staff commented concerning those questions.

Governor Robertson then proposed that one copy of the document distributed at this meeting be sent to Mr. Edward F. Phelps, Assistant Director for Stabilization, Office of Defense Mobilization (the official in charge of this particular element of the over-all defense planning program) in order to obtain his personal views; that Messrs. Riefler, Thomas, Leonard, Young, Marget, Allison, and Hexter be requested to review the document carefully and develop criticisms

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concerning the plan discussed therein; and that the members of the Board and this review group then meet for further discussion with the members of the task committee who had developed the plan.

There was unanimous agreement with the procedures proposed by Governor Robertson.

The meeting then adjourned.

Secretary's Note: On February 5 and 6, 1957, Governor Shepardson approved on behalf of the Board the following items:

Memoranda from appropriate individuals recommending actions with respect to members of the Board's staff, as follows:

Appointments, effective as of the  
respective dates of assuming duties

<u>Name and title</u>	<u>Division</u>	<u>Basic annual salary</u>
Carroll G. Ray, Laborer	Administrative Services	\$2,745
Lloyd F. White, Guard	Administrative Services	2,960

Salary increase

Richard Shaker, Sergeant, Guard Force, Division of Administrative Services, from \$3,470 to \$3,585 per annum, effective February 10, 1957.<sup>1/</sup>

Acceptance of resignation

Elnyr Doris Newcome, Secretary, Board Members' Offices, effective February 15, 1957.

<sup>1/</sup> With change in title from Guard.



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Advance of additional sick leave

Advance of 30 days' additional sick leave to James F. Hamilton, Messenger, Division of Administrative Services, effective upon the expiration of the present advance of sick leave, February 6, 1957.

Letter to Mr. Phelan, Vice President, Federal Reserve Bank of New York, reading as follows:

In accordance with the request contained in your letter of February 1, 1957, the Board approves the designation of Harry T. Filgate and Walter E. Jones as special examiners for the Federal Reserve Bank of New York.

It is noted that Mr. Jones is indebted to The Connecticut Bank and Trust Company, Hartford, Connecticut, a State member bank located in the First Federal Reserve District, in the amount of \$4,174. Accordingly, the Board's approval is given with the understanding that, should examiners for the Federal Reserve Bank of New York be requested to participate in examinations of State member banks in the First District, Mr. Jones will not participate in any examination of The Connecticut Bank and Trust Company until his indebtedness has been liquidated or otherwise eliminated.

Letter to Mr. Denmark, Vice President, Federal Reserve Bank of Atlanta, reading as follows:

In accordance with the request contained in your letter of February 1, 1957, the Board approves the appointment of James Lee Jones and Richard A. Dill as assistant examiners for the Federal Reserve Bank of Atlanta. If the appointments are not made effective on February 11, as planned, please advise the Board.

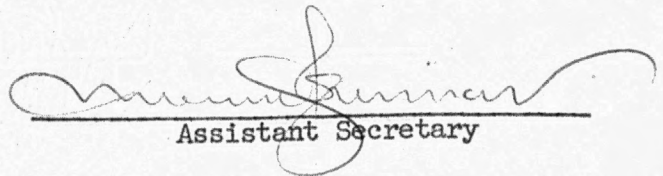
Letter to Mr. Morrill, Vice President, Federal Reserve Bank of San Francisco, reading as follows:

In accordance with the request contained in your letter of January 30, 1957, the Board approves the designation of O. A. Strand as a special assistant examiner for the Federal Reserve Bank of San Francisco for the purpose of participating in the examination of State member banks only. The authorization heretofore given your bank to designate Mr. Strand as a special assistant examiner is hereby canceled.

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Appropriate notations have been made in our records of the names to be deleted from the list of special assistant examiners.



Assistant Secretary