

Minutes for September 9, 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	_____	x (M) _____
Gov. Szymczak	x (MS) _____	_____
Gov. Vardaman	x _____	_____
Gov. Mills	x _____	_____
Gov. Robertson	x _____	_____
Gov. Balderston	x (CB) _____	_____
Gov. Shepardson	_____	x (Sh) _____

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Monday, September 9, 1957. The Board met in the Board Room at 10:00 a.m.

PRESENT: Mr. Balderston, Vice Chairman  
 Mr. Szymczak  
 Mr. Vardaman 1/  
 Mr. Mills  
 Mr. Robertson

Mr. Carpenter, Secretary  
 Mr. Sherman, Assistant Secretary  
 Mr. Kenyon, Assistant Secretary  
 Mr. Fauver, Assistant Secretary  
 Mr. Riefler, Assistant to the Chairman  
 Mr. Thomas, Economic Adviser to the Board  
 Mr. Molony, Special Assistant to the Board

Messrs. Young, Noyes, Robinson, Williams, Koch, Dembitz, Brill, Eckert, Gehman, Jones, Miller, Weiner, Trueblood, and Wood of the Division of Research and Statistics

Messrs. Marget, Bangs, Furth, Hersey, Reynolds, Sammons, and Wood of the Division of International Finance

Review of economic developments. In reviewing selected international financial developments, the representatives of the Division of International Finance commented particularly on the relationship thereof to the current mass speculation in foreign exchanges. As to the probable outcome of the speculative activity, they concluded that the only real answer lay in whether the foreign countries concerned chose to follow monetary and fiscal policies which over the course of time would show

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1/ Entered meeting during the course of the economic review.

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that the speculators were wrong. It was suggested that it was within the power of those countries to bring about appropriate corrections and that the difficulties now being experienced could not be said to grow out of developments in the United States.

The review of domestic economic developments by the Division of Research and Statistics revealed in general a continuation of the sidewise movement which had prevailed for several months, with overall activity at a high level and a continued strong demand for funds in the capital markets.

All of the members of the staff except Mr. Carpenter then withdrew from the meeting and Mr. Johnson, Controller, and Director, Division of Personnel Administration, was called into the room.

Review of Reserve Bank officer salaries. Governor Balderston referred to the understanding at the meeting on September 6, 1957, regarding certain information which the Division of Personnel Administration was to compile for the Board's consideration concerning salaries of Reserve Bank officers since 1950. He suggested that in order to make the information as complete as possible, the time sample be enlarged to include the years 1940 and 1945. More specifically, he suggested that the Board be furnished the following data:

- (1) Actual salaries paid to such of the present officers as were employed by the System in whatever capacity in 1940 and in 1945.

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(2) Salaries in each of those two years for each Bank for the following positions:

- (a) President
- (b) First Vice President

(3) For each of the years 1940 and 1945, and 1956, the median salary of the President (or highest paid official) for each commercial bank having deposits of \$100 million or more.

(4) The same information for the 10 largest insurance companies.

(5) For the sake of completeness, the index of consumer prices for 1940, 1945, and 1950 to date.

In a discussion, the suggestion was made that similar data be furnished with regard to salaries in the Judicial Branch of the Government, the Congress, and one of the super grades in the Civil Service; also, with respect to the salaries of members of the Board and the ten top members of the Board's senior staff.

At the conclusion of the discussion, it was understood that the suggested additional information would be compiled by the Division of Personnel Administration.

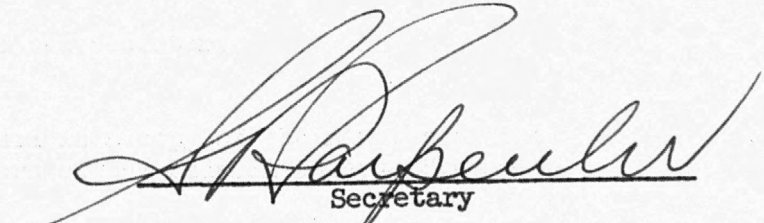
The meeting then adjourned.

Secretary's Note: Pursuant to the recommendation contained in a memorandum dated September 6, 1957, from Mr. Young, Director, Division of Research and Statistics, Governor Balderston, acting in the absence of Governor Shepardson, today

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approved on behalf of the Board a change in the effective date of the resignation of John M. Culbertson, Economist in that Division, from September 6, 1957, to September 17, 1957.



Secretary