

**Salaries of  
Board**

Board salaries are now palpably inadequate and incommensurate with those which necessarily must be paid to both the reserve agents and the governors of the district banks. Some of the latter receive three and four times as much as members of the Federal Reserve Board. Their compensation must approach, at least, the salaries paid in the field of general banking, from which federal reserve management must be drawn. This Committee recommends that salaries be increased from the present figure of \$12,000 to a minimum of \$30,000 per annum for the Governor of the Board and \$25,000 for the other members. Objection to these salary increases should not be made on account of conditions existing in the general governmental service. It is to be noted that salaries as well as other expenses of the Board are defrayed, as would be the cost of a separate building, from assessments upon the reserve banks and not upon the United States Treasury.

*The Committee recommends that provision be made to increase the attractiveness of Board membership and develop the influence and independence of the Board by:*

Recommendation

(a) *Enhancing the importance of the position of Governor of the Board by making him Chairman.*

Recommendation

(b) *Housing the Board in a building of its own.*

Recommendation

(c) *Increasing the salaries of the Governor and members of the Federal Reserve Board to compare more favorably with the salaries paid the principal administrative officers of the reserve banks.*

Recommendation

*Thoroughgoing consideration should be given to the relations of the Treasury to the Federal Reserve Board, especially with respect to discontinuing the membership of the Secretary on the Board, as well as to the desirability of a change in the status of the office of the Comptroller of the Currency to bring that office more directly under the purview of the Board.*

This Committee has insisted that the efficiency of the reserve system must depend upon wise administration. On this account, it has opposed the employment of legislative devices to restrict narrowly the powers of the reserve banks.

**Public Relations**

The grant of liberal powers to the reserve banks necessarily requires that there be complete recognition by them of their public responsibilities. Neither the public in general, nor Congress, will be content to rely solely upon the probability that the administration will always be composed of far-sighted men. The activities of the reserve banks must be such as to insure confidence in the system's general policies. Such confidence cannot be gained unless the proper type of criticism is stimulated.

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