

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

*Write House?
(Currie?)*

Office Correspondence

Date July 27, 1950

To Each Board Member (individually)

Subject: _____

From Chairman Eccles

Attached hereto is a memorandum entitled "Taxation and Monetary Policy with Special Reference to a Tax on Undistributed Corporate Earnings."

As the Board members know, I have been greatly interested in the problem of taxation from the monetary standpoint and its influence upon the volume and flow of money. I feel that the responsibilities of the Board are such that the members cannot ignore the influence and effects of a taxing program. I have had Dr. Currie, who has worked very closely with me on this subject, prepare this memorandum under my direction outlining in a general way the interrelation of recent tax proposals and monetary policies and I am sending this to the Board members for their own information in the belief that it will be of interest.