

INTRODUCING THE HONORABLE GEORGE W. MITCHELL

1967 FORUM

Philadelphia Chapter, American Institute of Banking

The Midday Club, Philadelphia, Pa.

Philadelphia Chapter, American Institute of Banking

FORUM 1967

All Meetings To Be Held At
THE MIDDAY CLUB
Fidelity-Philadelphia Trust Building
FROM 7 - 9 P.M.

WEDNESDAY - MARCH 8, 1967

"EFFECTS OF AUTOMATION ON THE STRUCTURE AND FUNCTIONING OF BANKING"

GEORGE W. MITCHELL
Member, Board of Governors Federal Reserve System

✓ *Chairman, KARL R. BOPP, President
Federal Reserve Bank of Philadelphia
Philadelphia, Pa.*

TUESDAY - MARCH 14, 1967

"CREDIT CARDS AND THE CHECKLESS SOCIETY - MOTION OR PROGRESS"

CHARLES BLOCK
*Vice President, The Chase Manhattan Bank
New York, N. Y.*

*Chairman, WILLIAM B. CARR, Executive Vice President
Provident National Bank
Philadelphia, Pa.*

TUESDAY - MARCH 21, 1967

"OUTLOOK FOR THE MONEY AND CAPITAL MARKETS"

C. RICHARD YOUNGDAHL
*Vice President, Aubrey G. Lanston & Co., Inc.
New York, N. Y.*

*Chairman, HAROLD W. WALLGREN, Vice President and Cashier
Philadelphia National Bank
Philadelphia, Pa.*

FORUM AND SEMINAR COMMITTEE

- Dominick J. Vinci, *Chairman***
Assistant Vice President, Provident National Bank
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Philadelphia National Bank
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Federal Reserve Bank
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First Pennsylvania Banking and Trust Company
- C. Budd Heisler**
Central-Penn National Bank
- Allen R. Bradley, *President***
Philadelphia Chapter of A.I.B.

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1967

FORUM

♦ MARCH 8, 1967

♦ MARCH 14, 1967

♦ MARCH 21, 1967

The Changing Fed: New Members Of Board Are Liberal and Activist

By Richard F. Janssen, Staff Reporter

Pioneer and Visionary

The pioneer among the board's economist-members, and probably its most visionary one, is George W. Mitchell, a stocky, vigorous 63-year-old with a gray crew cut who came from the research vice presidency of the Chicago Reserve Bank in 1961. He has attracted attention as a leading exponent of the "checkless society." In such a "society," he believes, checks would wither away as cash already has for most business dealings, with transactions being handled instantly by a "monetary cyclotron built from a network of computers."

Partly because this might require "an entirely new set of tools" for bringing credit policy to bear on the economy, Mr. Mitchell has been pushing studies that could lead to a drastic revamping of the discount rate and the "discount windows" through which the Federal Reserve Banks lend newly created funds to commercial banks. While progress has come slowly, he expresses hope that a report might be ready next summer.

The thrust of his own thinking, at least, is becoming clear. To shed the stigma now

attached to a resort by a commercial bank to the discount window, Mr. Mitchell leans toward letting banks have an established "line of credit" at the Fed scaled to their size, against which they could draw with no questions asked. Such a policy might be coupled with one linking the discount rate automatically to rate movements in the money market. Instead of being a dramatic signal of a major policy decision, a discount-rate change then would become a routine thing.

How far his colleagues will go along remains to be seen, but it's clear that use of the discount rate in its traditional form has come to be viewed as a grave political liability. The last increase (to 4.5% in December 1965) was followed by an unprecedented Congressional grilling. Reserve Board members are said to have refrained from further rises since, despite soaring open-market interest rates last summer, largely to avoid loss of their prized semi-independence from the lawmakers and from the White House.

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Dir Dept of Fin.
Collin Stouffer
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*beneficial
impractical
liberal*

MITCHELL, George Wilder, economist; born Richland Center, Wisconsin, February 23, 1904; son of George Ray and Minnie (German) Mitchell. Married Grace Marion Muir, August 30, 1927; children--Marilyn Anne (Hagberg), Bruce William, Judith Nancy (Rediehs), Margery Grace.

A.B., University of Wisconsin, 1925; student (part-time) University of Iowa, 1927-30, University of Chicago, 1930-33.

Research assistant, University of Wisconsin, 1925-26, statistical and research assistant, United Typothetae of America, 1926-27; instructor and research assistant, University of Iowa, 1927-30; research assistant, University of Chicago, 1930-33; director of research, Illinois Tax Commission, 1933-39, 1941-43 (member of Commission, 1939-40); assistant to Director, Department of Revenue, State of Illinois, 1943; Director, Department of Finance, State of Illinois, 1949-51; tax economist, Federal Reserve Bank of Chicago, 1944-48; vice president, 1951-61; took oath of office as a member of the Board of Governors, Federal Reserve System, August 31, 1961, to serve an unexpired term ending January 31, 1962; reappointed member for 14-year term, beginning February 1, 1962.

Tax consultant for Civil Aeronautics Board and director of study of multiple taxation of air commerce, 1944-45; member of advisory group appointed by Joint Committee on Internal Revenue Taxation to Investigate the Bureau of Internal Revenue, 80th Congress; Chairman of Federal Reserve Committee which prepared Automobile Instalment Credit Terms and Practices, supplement III, Federal Reserve System, Consumer Instalment Credit, Part I, Vol. 2, 1957; Chairman of Federal Reserve Committee on Surveys of Credit and Capital Sources, U.S. Congress, Financing Small Business, Part 2, 1958; member of Illinois Governor's Revenue Commission, 1961; member of National Committee on Government Finance, Brookings Institution, 1961--.

Member of American Economic Association, American Finance Association, National Tax Association (president, 1948); Institut International de Finances Publiques, International Association of Assessing Officers, Tax Institute, Regional Science Association, Delta Sigma Rho, Phi Kappa Phi.
Member of Congregational Church.

Additional publications: editor of 8 volumes, Survey of Local Finance in Illinois, 1939-40; co-author of Business Activity in Iowa, 1930; Assessment of Real Estate in Iowa and Other Midwestern States, 1931.

Resides in Arlington, Virginia.