

Minutes of actions taken by the Board of Governors on
Tuesday, December 3, 1946. The Board met in the Special Library
at 3:30 p.m.

PRESENT: Mr. Eccles, Chairman
Mr. Ransom
Mr. Evans
Mr. Vardaman

Mr. Carpenter, Secretary

Chairman Eccles stated that the Federal Advisory Council, which was meeting in separate session in the Board Room, had approved a memorandum in response to the statement submitted by the Board at the meeting with the Executive Committee of the Council on November 6, 1946, and would like to know whether the procedure suggested therein for future meetings of the Board of Governors and the Council was satisfactory to the Board. The text of the Council statement is set forth in full in the minutes of the joint meeting of the Council and the Board which was held today.

Chairman Eccles also said that Mr. Brown had advised that the Council had agreed that the statements submitted by the Board and the Council with respect to procedure would not be given to the directors of the Federal Reserve Banks but that each member of the Council would report to the board of directors that the Council and the Board had agreed on a four-point procedure in connection with further meetings. It was understood that the members of the Council would make it clear in their reports to the boards of directors that the reason for the memorandum submitted by the Board was to arrive

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at a somewhat more formal procedure for the purpose of improving the relationship of the Council and the Board, preventing any occasion for conflict from arising in the future, and allowing more time for consideration of the various matters coming before the Council and the Board for discussion.

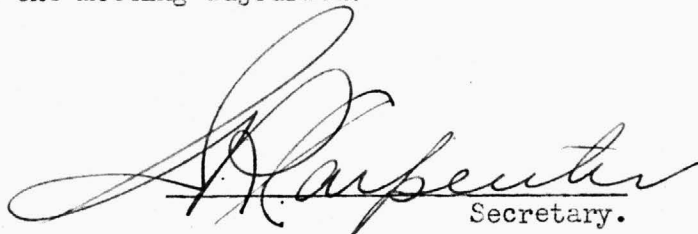
The Council still insisted that it had a right to obtain information from the Board as to what the Board was considering in connection with legislative and regulatory matters, and Chairman Eccles said he had taken the position that the extent to which such information was furnished was a matter within the discretion of the Board. Reference was made to the fact that during the general discussion at the joint meeting of the Board and the Council this morning Mr. Brown had recognized that if the Board were considering a matter such as a change in margin requirements it would not be appropriate for the Board to confer with the Council as to the timing of such action or the amount of the change. Chairman Eccles added that the question as to the information to be furnished the Council had been debated for a long time but need not interfere with the adoption of a satisfactory meeting procedure.

The procedure suggested in the Council statement was discussed and it was agreed unanimously that Chairman Eccles should advise President Brown, who in turn would advise the Council which was still in session, that the four-point procedure suggested by the Council was satisfactory to the Board.


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Thereupon the meeting adjourned.


Secretary.

Approved:


Chairman.