

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Sunday, May 30, 1948. The Board met in the Greenbrier Hotel at White Sulphur Springs, West Virginia, at 9:30 a.m.

PRESENT: Mr. Eccles, Chairman pro tem.  
 Mr. Szymczak  
 Mr. Draper  
 Mr. Evans  
 Mr. Vardaman  
 Mr. Clayton

Mr. Carpenter, Secretary

This meeting of the Board was held in accordance with the decision reached at the meeting yesterday morning.

Mr. Eccles stated that yesterday he received a wire from Mr. Sproul, President of the Federal Reserve Bank of New York, reading as follows:

"Quite apart from fact that I do not favor proposed action now, think it would be personal mistake for you to force it under today's circumstances."

In the discussion which followed, the members of the Board agreed that the language used in Mr. Sproul's telegram indicated that he was laboring under a misapprehension, in view of the fact that the proposed action had been the subject of discussion since March at a number of meetings and there were other members of the Board in addition to Mr. Eccles who felt strongly that a decision should be reached promptly.

There was a further discussion of the problem of increasing reserve requirements of member banks in central reserve cities at the conclusion of which the Secretary was requested to prepare a draft of motion along the lines discussed for consideration by the Board following the morning session of the Conference of Chairmen of the Federal Reserve Banks.

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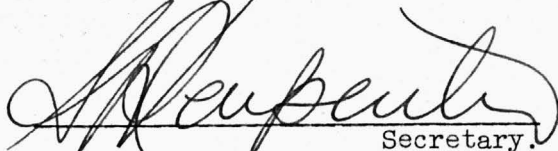
Thereupon the meeting recessed and reconvened at 1:10 p.m. with the same attendance as at the morning session except that Messrs. Thurston, Assistant to the Board, Vest, General Counsel, and Townsend, Associate General Counsel, were also present.

The draft of motion prepared by the Secretary in accordance with the discussion at the morning session was read and, after further discussion, upon motion by Mr. Vardaman, it was voted that the meeting be adjourned and that a meeting of the Board be called to convene in the Board Room in Washington at 9:30 a.m. daylight saving time on Tuesday, June 1, 1948, which is the regular meeting day of the Board in Washington, for the purpose of acting on the matter under discussion. This motion was adopted in the light of the Chairman's request and in spite of commitments of three members of the Board to be outside of Washington at that time and also in the light of the opinion of the members present that if the Board does not act early next week it will be too late to take action to become effective during the early part of June.

On this action Messrs. Eccles, Draper, Evans, Vardaman, and Clayton voted "aye" and Mr. Szymczak voted "no" for the reason that he was of the opinion that action should be deferred until a meeting of the Board at which the Chairman could be present.

The Secretary was requested to advise Chairman McCabe by wire of the action of the Board as set forth above.

Thereupon the meeting adjourned.

  
Secretary.

Approved:

  
Chairman pro tem.