

2/16/53 Minutes of actions taken by the Board of Governors of the Federal Reserve System on Monday, February 16, 1953. The Board met in the Special Library at 2:30 p.m.

PRESENT: Mr. Szymczak, Acting Chairman

Mr. Evans

Mr. Vardaman

Mr. Mills

Mr. Robertson

Mr. Carpenter, Secretary

Mr. Sherman, Assistant Secretary

Mr. Kenyon, Assistant Secretary

Mr. Riefler, Assistant to the Chairman

Mr. Leonard, Director, Division of Bank Operations

Mr. Vest, General Counsel

Mr. Young, Director, Division of Research and Statistics

Before this meeting there had been sent to the members of the Board copies of a memorandum of topics to be discussed at the meeting of the Board with the Federal Advisory Council to be held tomorrow at 10:30 a.m. The matters were discussed and it was agreed that the views of the Board would be presented at the joint meeting substantially as recorded in the minutes of that meeting.

Governor Mills recalled that at the last meeting of the Board with the Council, held on November 18, 1952, the Council suggested that the Board bring up through 1952 its survey of the impact of the excess profits tax on commercial banks, that subsequently such a survey was approved by the Board, that a letter concerning the plans for the survey was sent to President Brown of the Council under date of January 8, 1953, but that no

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reply from the Council had been received. He went on to say that, according to information from other sources, it appeared that the views of the Council with respect to the survey might have changed in the interim, perhaps because it was proposed to include in the questionnaire to the sample banks an inquiry regarding their borrowings during 1952, a matter which he discussed at the meeting of the Board on February 5, 1953, following a discussion with Mr. Rowland R. Hughes, Chairman of the Special Committee on Excess Profits Tax of the American Bankers Association. Governor Mills inquired whether it was the view of the Board that the matter should be referred to at the meeting with the Council tomorrow.

Following discussion, it was understood that mention might be made of the letter which had been sent to President Brown and that it might be stated that, although the Board recognized that the letter did not specifically call for a reply, it would be interested in having the current views of the Council regarding the survey.

The meeting then adjourned. During the day the following additional actions were taken by the Board, with all of the members except Chairman Martin present:

Minutes of actions taken by the Board of Governors of the Federal Reserve System on February 13, 1953, were approved unanimously.

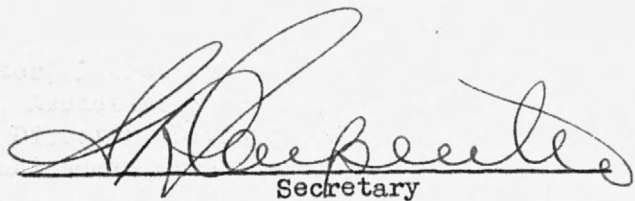
Memorandum dated February 4, 1953, from Mr. Sloan, Director, Division of Examinations, stating that George E. Good, Federal Reserve

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Examiner in that Division, having attained age 60, has submitted his application for retirement under the Board Plan of the Federal Reserve Retirement System, effective March 1, 1953.

Mr. [unclear] Noted.  
Mr. [unclear]  
Mr. [unclear]  
Mr. [unclear]  
Mr. [unclear]

  
Secretary

After discussing the matter with the members of the Board of Governors of the Federal Reserve Bank of New York, the Board has participated yesterday, February 15, 1953, in a meeting held in the Division of Research and Statistics, in which the subject of the retirement of the Examiner was discussed. The Board has received suggestions for consideration from the Examiner and a small group of leading members of the Board in connection with the proposed retirement of the Examiner. The Board has also received suggestions from other members of the Board. Chairman Martin, after stating that the Board has decided that Governor Hill should be asked to hold a meeting of the Board for holding a meeting of the Board.