Minutes of actions taken by the Board of Governors of the Federal Reserve System on Wednesday, February 17, 1954. The Board met in the Board Room at 10:00 a.m.

PRESENT: Mr. Martin, Chairman
Mr. Szymczak
Mr. Evans
Mr. Mills
Mr. Robertson

Mr. Carpenter, Secretary
Mr. Sherman, Assistant Secretary
Mr. Kenyon, Assistant Secretary
Mr. Thurston, Assistant to the Board
Mr. Riefler, Assistant to the Chairman
Mr. Thomas, Economic Adviser to the Board
Mr. Young, Director, Division of Research and Statistics

There was presented a request from Mr. Marget, Director, Division of International Finance, for authority to travel to New Orleans, Louisiana, during the period April 29-May 1, 1954, in response to an invitation from the American Cotton Shippers' Association to speak on April 30 on the subject of American foreign economic policy at the Association's annual convention, to be held in New Orleans on April 30 and May 1, 1954.

Approved unanimously.

Before this meeting there had been sent to the members of the Board copies of a letter dated February 15, 1954, from Mr. Sproul, President of the Federal Reserve Bank of New York, to Chairman Martin making certain suggestions regarding the credit policy section of the text of the Board's 1953 Annual Report. President Sproul's comments had been
forwarded in response to an informal request by Chairman Martin that he look over the galley proofs of the Annual Report and advise of any questions or suggestions that he might have. In a second letter, addressed to Mr. Riefler under date of February 15, President Sproul, as Vice Chairman of the Federal Open Market Committee, referred to the entry for the policy record of the Federal Open Market Committee covering the meeting on March 4-5, 1953, and stated that the explanation of certain actions of the Committee at that meeting concerning transactions in the System Open Market Account did not reflect properly his feeling as to the reasons for the actions.

In the light of President Sproul's comments concerning the text of the Annual Report, the staff had prepared and sent to the members of the Board a revised draft of the section on credit policy which it was felt made a clearer presentation of the subject matter and in that way took into account, at least partially, the criticisms made by Mr. Sproul. With respect to Mr. Sproul's objection to the above-mentioned entry in the policy record of the Federal Open Market Committee, it was suggested that a footnote or parenthetical expression might be added indicating that although Mr. Sproul had voted in favor of the actions in question, he did not feel that the entry presented adequately the reasons underlying his vote.

The two matters were discussed at some length but no conclusions were reached and it was understood that Chairman Martin would discuss
them with President Sproul when the latter was in the Board's offices today.

Referring to action taken by the Board at the meeting on February 12, 1954, Chairman Martin said that the Federal Reserve Bank of Dallas would announce the appointment of Mr. Irons as President of the Bank in a statement which would be released at 1:00 p.m., C.S.T., on Thursday, February 18, 1954.

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

Minutes of actions taken by the Board of Governors of the Federal Reserve System on February 16, 1954, were approved unanimously.

Minutes of the meeting of the Board of Governors of the Federal Reserve System with the Federal Advisory Council held on February 16, 1954, were approved unanimously.

Letter to Mr. Van Zante, Chief Examiner, Federal Reserve Bank of Chicago, reading as follows:

In accordance with the request contained in your letter of February 9, 1954, the Board approves the designation of Theodore Andre Mueller as a special assistant examiner for the Federal Reserve Bank of Chicago.

Approved unanimously.

Memorandum dated February 17, 1954, from Mr. Allen, Director, Division of Personnel Administration, recommending for reasons stated
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that Division be authorized to employ, on a contractual basis, registered nurses who are referred by the Graduate Nurses Association of the District of Columbia and that the compensation for such employment be fixed at $13 per day worked until March 1, 1954, after which date the compensation would be fixed at $15 per day worked. The memorandum also recommended that this authorization be made effective today.

Approved unanimously.

[Signature]
Secretary