

**Telephone Conference Meeting of the Federal Open Market Committee on
April 1, 2003**

A telephone conference of the Federal Open Market Committee was held on Tuesday, April 1, 2003, at 4:00 p.m. Those present were the following:

Mr. Greenspan, Chairman
Mr. McDonough, Vice Chairman
Mr. Bernanke
Ms. Bies
Mr. Broaddus
Mr. Ferguson
Mr. Gramlich
Mr. Guynn
Mr. Kohn
Mr. Moskow
Mr. Olson
Mr. Parry

Mses. Minehan and Pianalto, and Mr. Poole, Alternate Members of the Federal Open Market Committee

Messrs. Santomero and Stern, Presidents of the Federal Reserve Banks of Philadelphia and Minneapolis respectively

Mr. Reinhart, Secretary and Economist
Mr. Bernard, Deputy Secretary
Mr. Gillum, Assistant Secretary
Ms. Smith, Assistant Secretary
Mr. Mattingly, General Counsel
Mr. Baxter, Deputy General Counsel
Ms. K. Johnson, Economist
Mr. Stockton, Economist

Mr. Connors, Ms. Cumming, Messrs. Eisenbeis, Goodfriend, Howard, Hunter, Judd, Lindsey, Struckmeyer, and Wilcox, Associate Economists

Mr. Kos, Manager, System Open Market Account

Ms. J. Johnson, Secretary, Office of the Secretary, Board of Governors

Mr. Madigan, Deputy Director, Division of Monetary Affairs, Board of Governors

Messrs. Oliner and Slifman, Associate Directors, Division of Research and Statistics, Board of Governors

Mr. Whitesell, Deputy Associate Director, Division of Monetary Affairs, Board of Governors

Mr. Skidmore, Special Assistant to the Board, Office of Board Members, Board of Governors

Ms. Low, Open Market Secretariat Assistant, Division of Monetary Affairs, Board of Governors

Ms. Holcomb, First Vice President, Federal Reserve Bank of Dallas

Messrs. Fuhrer and Hakkio, Ms. Mester, Messrs. Rasche, Rolnick, Rosenblum, and Sniderman, Senior Vice Presidents, Federal Reserve Banks of Boston, Kansas City, Philadelphia, St. Louis, Minneapolis, Dallas, and Cleveland respectively

Mr. Weber, Senior Research Officer, Federal Reserve Bank of Minneapolis

**Transcript of the Federal Open Market Committee Conference Call on
April 1, 2003**

CHAIRMAN GREENSPAN. Good afternoon, everybody. We'll be going through reports from the staff, with an agenda similar to last week's. I'd like to start off with Dino Kos.

MR. KOS. Thank you, Mr. Chairman. I will try to be very brief. The markets over the last week were once again driven by headlines about the war. At times when market participants thought that the war would be short, they tended to be bullish for the dollar and for equities. Most of the time, though, their views were at the other end of the spectrum—expecting a more protracted conflict than they had been thinking previously—which was bullish for bonds and conversely bearish for the dollar and for equities. So in the last week the two-year note has come down by about 13 basis points and the ten-year note by about 11 basis points; and the dollar has depreciated against the euro to about 109 and also was down to 118 against the yen. Equities have declined a couple of percentage points, depending on the index one uses.

Interestingly, volatilities in the equity markets have actually fallen, which is counterintuitive. The VIX is down 3 percentage points; the pattern historically has been that, when equities have declined, the VIX has tended to rise. The other development that's a little counterintuitive is that corporate spreads have narrowed both in the investment-grade and in the high-yield sectors by about 7 or 8 basis points.

Market conditions in the Treasury and corporate sectors in general are described as good, although issuance of corporates has been a bit lighter than at the same time last year. In the secondary market, dealers report that they are able to do the business that needs to get done without a problem. Moreover, bid-offered spreads as well as the ability and willingness of dealers to take positions are described as good. Liquidity in agencies, mortgage-backed securities, swaps, and in other markets is reported to be choppy at times, and volume is a little less than normal. But on the whole, people are willing and able to do the business that they want to do. So all in all, market conditions are described as fine. I think I can stop there, Mr. Chairman.

CHAIRMAN GREENSPAN. Thank you. Any questions for Dino? I hear none.

Vincent Reinhart, please.

MR. REINHART.¹ Thank you, Mr. Chairman. I'll be referring to the material that begins with a chart labeled "Exhibit 1, Treasury Securities Market." That exhibit gives an update of financial market trading through noon today. As Dino mentioned, market participants have had their attention squarely focused on the war front. So you might be better off having one of those retired generals who seem to be so ubiquitous doing this update instead of me! But the message from the markets seems

¹ The materials used by Mr. Reinhart are appended to this transcript (appendix 1).

to be the same as that from those talking heads: The war is expected to run a little longer than originally hoped. As a result, the past week completed the rolling back of the market rally that occurred in the run-up to the March 19 deadline to Iraq that we spoke about in the last conference call. As shown in the bottom of the first exhibit, the Treasury yield curve has shifted 16 to 22 basis points lower, with very little of that change associated with a response to economic data. While some of the decline in Treasury yields probably reflects a flight toward safer assets, the sense that the war would run longer has also been associated with some marking lower of the outlook for economic activity. In that regard, indexed debt yields fell as much as their nominal counterparts, implying that there was a revision to the outlook for the real economy with no role for a change in inflation compensation. Also supporting this notion, equity prices—the subject of exhibit 2—have fallen 2 to 3¾ percent since the March 19 deadline. Although prices have been volatile ex post, implied volatility (the middle panel) is lower. That's a topic that Dino already has raised, and one I'll come back to later.

Given the revision to the economic outlook, market participants have marked down futures rates in the short run, as shown in exhibit 3. That is, the path of the expected federal funds rate (the middle left panel) is noticeably lower than it was before the deadline, with the expected funds rate touching below 1 percent by this summer. As you can see in the bottom panel, market participants put very strong weight on the possibility that the funds rate will be trading below 1¼ percent by the time of your next meeting.

There's not much to say about corporate debt spreads—the subject of exhibit 4—other than that they have been remarkably well behaved. Swaps spreads actually have narrowed some, as have credit default swap premiums for some important intermediaries (the right column in the middle panel).

If you turn to the next page, in exhibit 5 I have plotted actual and implied volatilities. As Dino mentioned, implied volatilities across asset classes—that is, interest rate instruments such as the two-year and ten-year swap volatilities (the top two panels) and equity indexes such as the S&P and the Nasdaq (the bottom two panels)—have moved sideways or if anything have fallen a bit. But what has happened is that actual volatility has risen over the last couple of weeks toward that level of implied volatilities. That is, in effect trading has been volatile—fulfilling the expectations that market participants had in advance.

Turning to the last set of charts, exhibit 6, and looking at the entire term structure, you can see that volatility has increased at the very front end of the swap yield curve. Implied volatilities for contracts of less than one year in maturity (the solid line in the top left panel) have gone higher. But for longer-term instruments they really haven't changed that much. So we have a situation in which markets are volatile, as was anticipated. But it's a volatility that is expected to occur only in the near term. That's all I have to report, Mr. Chairman.

CHAIRMAN GREENSPAN. Questions for Vincent? Hearing none, I turn to Karen Johnson.

MS. JOHNSON.² Thank you, Mr. Chairman. The signals with respect to economic activity in the rest of the world remain mixed. The theme that one hears in various reports from abroad is still great uncertainty, and it is the uncertainty more than anything else that seems to be looming large in the minds of other policy officials. In the package of charts that we distributed, entitled "Recent Developments in International Financial Markets," the first chart shows exchange rate developments. In the week since you last met, the weighted average value of the dollar relative to other major currencies is down a bit, as shown in the dotted blue line in the bottom panel. And as you can see in the top panel, it's noticeably down against the euro (the red line) and the yen (the black line). The broad dollar, a measure that brings in currencies such as the Mexican peso and the currencies of other developing countries, is shown as the black line in the bottom panel. That is back almost to where it was on March 12, the date we used as a benchmark because that was the peak in oil prices, the start of the stock market rally, and the beginning of a bit of a dollar rally.

A host of small bits of data have come out about economic activity abroad, though very little of that is post the onset of war. For the most part the data are mixed, but for some countries, particularly those in the euro area, they are somewhat to the soft side. The confidence surveys from the euro area, for example, were down sharply in March. In particular, the German IFO survey, which was consistent with the broader euro average and did have some responses since the outbreak of hostilities, was down substantially. Retail sales in Germany have been down. Today we got the PMI for the euro area. It was slightly above 50 in February and is now at 48.4 for March. All the components are lower, with new orders and employment actually at multiyear lows. So the picture for the euro area economy is confirming softness; whether it's softer than in the Greenbook projection is hard to tell with only these fragments of data. We've also received several pieces of weak data for the United Kingdom. The picture for Japan is, if anything, perhaps slightly the other way. It's still quite mixed but may be a bit less negative than the characterization we gave in the Greenbook. We've had data on household consumption in Japan that indicate positive growth. On the other hand, today we got the Tankan index of business conditions, and it was weaker than expected and painted a rather pessimistic view of the business outlook. All in all I think the data have figured a little in exchange rate moves, but I would tend to agree with Dino and Vincent that the war news more than these tidbits of economic data have moved markets around. On the whole the dollar has tended to depreciate but only by a small amount, as chart 1 shows.

In chart 2 we have some indicators of how the market perceives policy prospects abroad. The ECB Council will be meeting this Thursday, two days from now. Statements made by ECB officials suggest strongly that they are anticipating no

² The materials used by Ms. Johnson are appended to this transcript (appendix 2).

change in policy on Thursday; they point to the extreme amount of uncertainty as a reason for not moving. The market in the futures sense is not pricing in a move on Thursday, but if you look at the three-month Eurocurrency futures rates for the euro—the second panel on the left—you can see that the curve has shifted down. The rates today (the black line) versus those a week ago (the dashed red line) clearly indicate that the market is pricing in some additional easing. One can argue about the amount versus the probability, but clearly market players are expecting more easing in the euro area, certainly by September. The same can be said of the Bank of England and the sterling curve. That curve has shifted down (the black line relative to the red dashed line), pricing in easing by the Bank of England—not immediately but certainly by June and perhaps even more by September.

Stock prices are shown in chart 3. They have moved down since a week ago, drifting with a sense of economic weakness and the expectation of a more prolonged war than previously anticipated. Today there was a general move up. You can see a slight tick up in the last bit of each of those lines, as yesterday's sharp declines were retraced a little today in most of these markets. But on the whole, stock prices are well off the recent peaks associated with the rally that occurred almost immediately after the onset of the war. Euro area stocks have been particularly volatile and Japanese stocks a bit less so. But Japanese stocks are flirting with their lows of March 12 or thereabouts, whereas the other markets are still noticeably above the levels recorded at that point.

Finally, some information on oil prices is depicted in chart 4. Oil prices, too, are drifting with the economic news and the information people think they're getting about the war situation—moving up slightly both in swap terms and near-term futures. As you can see in the top chart, the price of WTI for May is now above \$30 per barrel. It has been fluctuating in that general vicinity, as has the spot price. In the very near term, oil prices are lower than what we incorporated in the Greenbook projection; further out they are back to about the same as in the Greenbook. So as of now the futures curve is telling us that perhaps prices will be lower sooner than one might have thought, but over a sustained period no lower than we had incorporated into the Greenbook. You can see in the bottom chart, though, that futures options allow us to infer a distribution. The red dotted line for December WTI does have a lot of mass at fairly low prices—say, in the \$15 to \$20 per barrel range. It is fairly recently that the shift toward lower prices has occurred and that the mass has been gathering there. I take that to be a somewhat optimistic sign regarding oil prices. In Nigeria the good news is that a public-sector strike has been avoided—a strike that might have complicated and exacerbated the oil-sector situation. The bad news is that the oil-sector situation is still not good. There's a story about it in the *Wall Street Journal* today that's pretty negative. In Venezuela, production is actually holding at somewhat higher levels than one might have expected, and that is a bit of good news. That's all I have for today.

CHAIRMAN GREENSPAN. What is today's number for Venezuela?

MS. JOHNSON. I don't have an actual production number for today, but the monthly number—

CHAIRMAN GREENSPAN. It's 2.4.

MS. JOHNSON. Yes, it's 2.3, 2.4. Above 2 is the number people are coalescing around as the daily production.

CHAIRMAN GREENSPAN. Thank you. Questions for Karen? If not, I call on Dave Stockton.

MR. STOCKTON.³ Thank you, Mr. Chairman. I'm going to be talking from the package of nonfinancial charts that we circulated earlier today. But before I do, I thought I'd start out by jumping right to the bottom line and making three points about recent developments. Point 1, we've actually experienced only small surprises in the data received since the March Greenbook forecast was completed. But most of those surprises have been in the downward direction. We see the situation as a little weaker for housing activity, for non-auto consumer expenditures, and for equipment spending. The GDP forecast is still roughly in the vicinity of 2 percent, which is about ¼ percentage point lower than we were projecting at the time of the Greenbook. Point 2, there's really nothing in the data or the anecdotes to suggest that the economy has already begun or is about to break out of its recent pattern of very sluggish growth. Now, the trajectory has not been very encouraging. On the other hand, there's little to suggest that we're seeing some sort of cumulative weakening in activity currently. Obviously, we're going to be very anxious to see Friday's employment report for March, though I should note that the reference week fell before the start of the war. So we're still going to be dealing mostly with observations before military activity began. Point 3, the factors conditioning our outlook have, by and large, been more favorable than we had assumed in the Greenbook. Stock prices are running about 6 percent above the levels that we had assumed in our baseline forecast, and as Karen noted, oil prices have fallen more rapidly. Moreover, fiscal policy—most notably defense spending—looks as if it's going to be more stimulative than we had projected. Pending receipt of the employment data, I'd be inclined to stick with the forecast of GDP growth for the second quarter of something between 2 and 2½ percent, but that's going to be with weaker private demand offset by stronger defense spending. So with those basic points in mind, let me turn very briefly to the package of charts.

Chart 1 depicts the same high-frequency indicators that I presented last week. Initial claims for unemployment insurance receded a bit further in the week of March 22, but the average level of claims in recent weeks is still consistent with a decline in payroll employment. As you can see in the middle left panel, the most recently

³ The materials used by Mr. Stockton are appended to this transcript (appendix 3).

available weekly physical product data also dropped again. Weaker electricity generation was the key factor there, as was motor vehicle production, which I've plotted in the right-hand panel. We don't yet have a complete set of reports from the automakers on sales, but the ones we do have as of today suggest that sales are probably going to be somewhere near a 16¼ million unit pace, which is better than—

CHAIRMAN GREENSPAN. Is that light vehicles?

MR. STOCKTON. That's for light vehicles. We had been expecting something closer to 15½ million for the month, so this was a positive development. Nevertheless, even that pace of sales is still going to require some significant cutbacks in production in the months ahead if the automakers are going to work off their stocks. Also as you know, GM has announced a more sweeping program of zero percent financing. So they may be operating on both the margins of sweetening incentives and cutting production in the months ahead. We would still expect declining motor vehicle production to be taking a bite out of GDP growth in the second quarter.

Further illustrating some of the crosscurrents that I suspect we're going to be dealing with in the coming weeks, chain store sales fell off considerably in the week of March 29, as you can see in the bottom left-hand panel. Again, I don't put a lot of weight on those data, but I think they're worth paying some attention to. In the bottom right-hand panel, I've shown the Michigan survey broken out into half months where we use both the preliminary and the final Michigan survey to infer what was happening in the second half of the month. As you can see there, both the total and its constituent components have improved over the second half of March. Indeed, Richard Curtin, the director of the Michigan survey, indicated that, on the very limited observations that he had after the military action had begun, confidence among those respondents was at 85. Obviously it's going to be interesting to see if these gains can be sustained in the weeks ahead, given what might appear to be a somewhat longer military engagement than some had hoped. We'll have to watch that.

Chart 2 presents an update on the domestic energy markets. There's not very much new to report there. Retail prices came down further last week. The crude oil price that I've plotted on the bottom of the upper left panel looks a little odd because the slight spike there makes it hard to read the last observation, which was 74 cents per gallon. We're still looking at very tight gasoline inventories, though. I think most industry analysts expect that the inventories now, as we switch away from heating fuel, can be brought back to normal levels. But while inventories are so lean, one might expect that there could be considerable price volatility. The same can be said for natural gas prices, which have obviously settled down considerably from where they were back in February. But there, too, inventories are quite tight, and I think that makes prices more vulnerable to demand or supply shocks.

Chart 3 presents what in the current environment probably could qualify as ancient history at this point, which is the February figures on orders and shipments of capital goods. As you can see in lines 2 and 3 in the upper panel, shipments of high-tech capital equipment gave back only a portion of their January rise. Spending in this area looks quite likely to post a very substantial gain in the first quarter. Now, that gain was roughly in line with what we've been expecting, so it doesn't involve any innovation. Shipments for the non-high-tech nontransportation component—that's shown on line 4 as the "all other" category—dropped, though only a bit more than we had expected. But as you can see in the middle right panel for other equipment, both orders and shipments have subsided again in the last few months. Clearly that's not a trajectory that is hinting at any imminent turnaround. To be sure, these are February data, but I think we'd have to classify them as a disappointment relative to our expectations. The ISM survey was released this morning. Both the total index and the new orders component, which we have found to be most useful in projecting IP, dropped below 50. Before this report we'd been looking for something in the manufacturing ex-motor vehicle area that would have been roughly flat. I think this suggests that we'll probably be seeing some small declines over the next couple of months. Again, we'll know more on Friday when we see the employment report and have a chance to look at the factory hours for March. But this obviously is not a positive indicator either.

Chart 4 presents the information that we have on the household sector. Monthly real PCE for February was just a touch weaker than our expectations, but there was widespread softness in spending. New home sales, which are plotted in the panel in the lower left as the dark line, dropped substantially. It's hard to know how much of that is a snowstorm effect. But I'd say that almost all the readings that we've had on the housing market recently have been to the soft side of our expectations and just a bit on the soft side in general.

So in summary, we've seen no major surprises but a succession of small surprises that, taken together, suggest to us a softer picture for the private economy in the near term than we had anticipated in our last forecast. I'll stop there, Mr. Chairman.

CHAIRMAN GREENSPAN. Questions for David?

MR. PARRY. Dave, this is Bob Parry. At the beginning of your remarks you made several comments about the general contour of the forecast. I think you said that, at least at the present time, it looks as if the economy is continuing to expand sluggishly, particularly on the private side, and that in contrast the fundamentals in some respects look stronger. Where would you expect us to be at year-end in terms of progress in eliminating excess capacity in the

economy? Will we likely be at a level similar to what was in the Greenbook or one that is somewhat lower?

MR. STOCKTON. President Parry, I will feel a lot more comfortable answering that question a week from today, when we have the March employment report. It's not that I'll actually be able to forecast all that much more accurately, but somehow I'll feel more comfortable! [Laughter] I would say right now that, on net, we probably would be revising very little the amount of slack that we would expect by the end of this year. As I indicated, there's a bit more near-term weakness, and underlying conditions may be a little more favorable. But I don't think those changes by themselves would alter our projection very much. As you know, that is a forecast in which the unemployment rate continues to rise to about 6¼ percent by the fall.

MR. PARRY. Right.

MR. STOCKTON. The unemployment rate recedes only to a tad above 6 percent by the end of the year. So this is not a forecast of progress on the output gap but one where there's actually a little further widening in that gap over the year.

MR. PARRY. Okay, thank you.

CHAIRMAN GREENSPAN. Further questions?

MR. BROADDUS. David, this is Al Broaddus. I have a question on the purchasing managers' survey. Is that information collected across the whole month, or is it collected toward the end of the month? Could you tell us anything about the mechanics there?

MR. STOCKTON. President Broaddus, all the responses on the purchasing managers' survey are in by the twenty-first of the month. So it is weighted, obviously, more toward the earlier part of the month.

CHAIRMAN GREENSPAN. I would say that that is also true of the Michigan survey now in the sense that it isn't really reflective of the first and second halves of the month. It's more the first third and the second third of the month.

MR. STOCKTON. That's correct.

MR. BROADDUS. Thanks.

CHAIRMAN GREENSPAN. Further questions for Dave? If not, let me say a few words about a possible intermeeting move, should we decide at some point that that is necessary. The first thing I think we have to ask ourselves is, What forces are driving the economy at this particular stage? I think we've all generally concluded, to a greater or lesser extent, that there is some underlying thrust here that we have difficulty ferreting out largely because of the uncertainties stemming from geopolitical risks and the extent to which the bursting bubble is still working its way through the system. Also peripherally perhaps, but nobody knows for sure, corporate governance problems may still be an issue. Those problems may be suppressing the attitudes of corporate executives—especially in the area of capital investments, where their boards of directors are looking at capital projects pushed by corporate management more in terms of what could go wrong than what could go right. I think there's no doubt that that's still going on.

But we did have a period between Christmas and the first week in February when the economy showed a good deal of buoyancy. I hesitate to use that term because we're obviously looking at data for a six-week period when seasonal adjustment factors are the largest of the year. Nonetheless, we did see a somewhat better tone at that point, which in fact was reflected in the Greenbook. That would suggest, because an imminent conflict with Iraq had not yet emerged as an issue at that point, that the other forces—corporate governance, the bursting

bubble, the wealth effect, and so forth—were not of such an order of magnitude as to create significant weakness. Now, during that period gasoline prices were edging up modestly. But in the second week of February they jumped sharply. There's a serious question of cause and effect here, but from the second week of February through the latest week for which we have data, this economy has edged off. Even though GDP growth is likely to be 2 percent on average in the first quarter, it's by no means clear to me that GDP between December and March was in fact positive. Indeed, I would suspect that it was not. The productivity data are obviously very good, so we understand in part why the employment data are not as good as they could be. But the important point here is that the impact of the Iraqi war coupled with the oil price effects from Nigeria and the lingering ones from Venezuela are having a very substantial effect. One need only to look at how fast stock prices move every time one of those generals Vincent commented on makes a statement about what is happening. So at minimum the stock price volatility and the movement in oil prices in response to war events suggest that even if there is a significant residual bubble effect the Iraqi war is a major factor.

But that said, remember that in most of the discussions we had before the onset of the war there was a general expectation that the military confrontation would be quick and that the war would be over with shortly. Therefore, we thought it was wise to wait before making a policy move because the war was pending, it was going to be quick, and we were going to learn a great deal subsequently. Now we're learning that in fact that may not be the case, at least according to the most recent, unfavorable turn of events. The expectation is that, when the war is over, the economy probably will do a lot better than it is doing currently, but we don't know when the war is going to be over or what its immediate aftermath will be. Even if we were to argue that it is indeed the war that is suppressing the economy, we may have to respond to the economy

irrespective of what is causing its sluggishness. That's because there is a cumulative internal dynamic to the economy that could move it lower even if the war ceases to become an issue. At the moment I'm not suggesting that that's the most probable event. I frankly don't think it is. I must admit that I was a bit encouraged by the 16¼ million light vehicle sales figure, which implies that sales in the last ten days of March were actually quite good. That, of course, suggests that personal consumption expenditures are not in the process of falling on their face.

So all in all, activity in various sectors is eroding but not, as David points out, moving downward too notably. That may occur, but the economy is certainly not exhibiting that characteristic at this particular stage. So I think the bottom line at this point is that we have to be prepared for the possibility that the data could start to get worse from here on out. If they do and the Iraqi war is not about to end, it means that we should not just sit still. We will have to make decisions. We obviously are in a position to wait if necessary until our next meeting. I'm not necessarily suggesting that we make an intermeeting move—certainly not this week and probably not next week. But if we do choose to move during the intermeeting period—before May 6—the ideal time to do so is probably April 15. By that time we will have all the data that we need to judge in a very general way how the economy is going. If we wait significantly beyond April 15, it will be getting very close to the time of our May meeting. So I would suggest that we continue to meet on Tuesdays, on both April 8 and April 15, and continuously monitor developments. I think we should be prepared, if it turns out to be the consensus of the Committee, to move on April 15 or to wait until May 6, when we can have a full-scale FOMC deliberation and then make decisions. We ought to be prepared to make a move depending on how the data are coming out. As they now stand, it looks as though we probably could manage

to wait until our meeting on May 6. But this is a highly volatile and fairly dynamic situation, and in my judgment we have to be somewhat risk averse.

VICE CHAIRMAN MCDONOUGH. Mr. Chairman, I fully agree with your analysis of the possible need for an intermeeting move and your judgment that we simply don't know enough at this stage to determine whether that will be necessary or not. I do believe, though, that your analysis of the situation is right on.

MR. PARRY. Mr. Chairman, this is Bob Parry. I agree with your analysis as well. Let me mention one thing that I think might be helpful. We've been trying to survey businesses and bankers and a lot of people in our District and we're beginning to get some information that I think is of some interest. I wonder if it might not make some sense either at the meeting on April 8 or April 15 to have a somewhat abbreviated go-around so that, if people have new information that might be worth communicating to the group, they can do so.

CHAIRMAN GREENSPAN. I think that's an excellent idea. I'd suggest that we wait until April 15 because that's when we're going to have a lot more data and other information.

MR. PARRY. Okay. Also, most of us will have had our directors' meeting by then. I know we have an advisory council meeting as well between April 8 and 15.

CHAIRMAN GREENSPAN. Nonetheless, let me suggest that, if any of you has information that you find surprising, it might not be a bad idea to drop a note about it to somebody here at the Board. I'd suggest that we designate Jennifer Johnson as the person to receive that type of information. But I agree that it would be wise, as you suggest, to do a roundtable on April 15 before we come to any judgment one way or the other.

MR. PARRY. Okay.

CHAIRMAN GREENSPAN. Any further comments, remarks, or otherwise? We're scheduled to have a conference call on April 8, and tentatively 2:00 p.m. is the appointed time. If you don't hear differently from us, that's fixed. We look forward to speaking to you at that point. Good night, everybody.

END OF MEETING