

Meeting of Federal Open Market Committee

April 17, 1972

MINUTES OF ACTIONS

A meeting of the Federal Open Market Committee was held in the offices of the Board of Governors of the Federal Reserve System in Washington, D. C., on Monday, April 17, 1972, at 4:30 p.m.

PRESENT: Mr. Burns, Chairman
Mr. Hayes, Vice Chairman
Mr. Brimmer
Mr. Coldwell
Mr. Daane
Mr. Eastburn
Mr. MacLaury
Mr. Maisel
Mr. Mitchell
Mr. Robertson
Mr. Sheehan
Mr. Winn

Messrs. Francis, Heflin, Mayo, and Swan, Alternate
Members of the Federal Open Market Committee

Messrs. Morris, Kimbrel, and Clay, Presidents of
the Federal Reserve Banks of Boston, Atlanta,
and Kansas City, respectively

Mr. Holland, Secretary
Mr. Broida, Deputy Secretary
Messrs. Altmann and Bernard, Assistant
Secretaries
Mr. Hackley, General Counsel
Mr. Partee, Senior Economist
Mr. Axilrod, Economist (Domestic Finance)
Messrs. Boehne, Bryant, Green, Hersey,
and Hocter, Associate Economists
Mr. Holmes, Manager, System Open Market Account

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Mr. Melnicoff, Deputy Executive Director,
Board of Governors
Mr. O'Connell, General Counsel, Board of
Governors
Messrs. Keir and Pierce, Advisers, Division
of Research and Statistics, Board of
Governors
Mr. Wendel, Chief, Government Finance Section,
Division of Research and Statistics, Board
of Governors
Miss Eaton, Open Market Secretariat Assistant,
Office of the Secretary, Board of Governors

Messrs. Parthemos, Taylor, Scheld, Tow, and
Craven, Senior Vice Presidents, Federal
Reserve Banks of Richmond, Atlanta, Chicago,
Kansas City, and San Francisco, respectively
Messrs. Bodner and Nelson, Vice Presidents,
Federal Reserve Banks of New York and
Minneapolis, respectively
Mr. Garvy, Economic Adviser, Federal Reserve
Bank of New York
Mrs. Greenwald, Economist, Federal Reserve
Bank of Boston

The Secretariat's recommendations for making historical
Committee records available to the public, as contained in the
memorandum dated April 11, 1972, were approved.

By unanimous vote, paragraph 1(c) of the continuing authority
directive with respect to domestic open market operations was amended
to read as follows:

To buy U.S. Government securities, obligations that
are direct obligations of, or fully guaranteed as to
principal and interest by, any agency of the United States,
and prime bankers' acceptances with maturities of 6 months
or less at the time of purchase, from nonbank dealers for
the account of the Federal Reserve Bank of New York under
agreements for repurchase of such securities, obligations,
or acceptances in 15 calendar days or less, at rates that,
unless otherwise expressly authorized by the Committee,
shall be determined by competitive bidding, after applying

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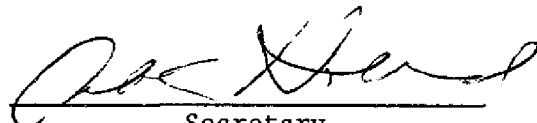
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reasonable limitations on the volume of agreements with individual dealers; provided that in the event Government securities or agency issues covered by any such agreement are not repurchased by the dealer pursuant to the agreement or a renewal thereof, they shall be sold in the market or transferred to the System Open Market Account; and provided further that in the event bankers' acceptances covered by any such agreement are not repurchased by the seller, they shall continue to be held by the Federal Reserve Bank or shall be sold in the open market.

By unanimous vote, guideline 6 for the conduct of System operations in Federal agency issues was amended to read as follows:

System holdings of any one issue at any one time will not exceed 20 per cent of the amount of the issue outstanding. Aggregate holdings of the issues of any one agency will not exceed 10 per cent of the amount of outstanding issues of that agency.

The meeting adjourned.


Secretary