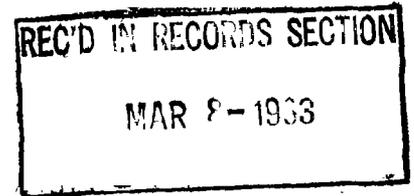




BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON



March 8, 1963.

TO: Federal Open Market Committee

FROM: Mr. Sherman

At the meeting of the Federal Open Market Committee on Tuesday of this week, Mr. Swan raised a question as to the language of the first full sentence on page 3 of the memorandum dated February 26, 1963, from Messrs. Stone and Farrell to the Committee suggesting revisions in procedures with respect to allocations of the System Open Market Account. The sentence in question has been revised as follows to make it say more clearly what was intended:

"An additional allocation of securities under the recommended provision would enable the Richmond Bank, or any Bank at which the same problem might develop, to pledge more Government securities and thereby make additional gold certificates available TO OTHER BANKS as reserve against deposits."

It will be appreciated if you will make an appropriate notation on the copy of the memorandum from Messrs. Stone and Farrell sent to you earlier.

A handwritten signature in cursive script, reading "Merritt Sherman", with a long, sweeping flourish extending to the right.

Merritt Sherman, Assistant Secretary,
Federal Open Market Committee.