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CONFIDENTIAL

333.3-a-1
Final Minutes
8/29/35

MEETING OF MEMBERS OF THE
FEDERAL OPEN MARKET COMMITTEE
HELD AT WASHINGTON, AUGUST 29, 1935

The members of the committee met at 10:30 a. m. in the office of the Board of Governors of the Federal Reserve System, there being present:

Governors Young, Seay, Fleming, and Schaller, and Deputy Governor Burgess, secretary.

It was agreed that Governor Young should be temporary chairman.

The secretary distributed the report of operations, which was reviewed.

Attention was called to the fact that the total shifts between maturities made under the authority of the last meeting of the full committee to make shifts to total \$250,000,000 had largely exhausted this authority, and it was agreed to recommend to all members of the Federal Open Market Committee that they approve by letter an additional \$100,000,000 of shifts pending a further meeting of the committee.

After an informal discussion of Treasury financing problems those present adjourned to the Treasury Department.

At eleven o'clock the members of the executive committee met with the Secretary of the Treasury, the Under Secretary, and Messrs. Bell, Haas, and Upham.

There ensued an informal discussion of Treasury financing problems.

In the course of the discussion Under Secretary Coolidge raised the question of the printing of new Federal reserve notes with the present redemption clause to replace old notes stating they were redeemable in gold at the Treasury. He indicated that the Treasury had no appropriation to use in replacing old notes in the hands of the Federal reserve banks with notes of the new form, but that any Federal reserve bank that wished could obtain the new notes at its own expense.

Trans letter 10/11/35 filed 333.3-a-1

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After further discussion of Treasury financing problems the members of the committee met separately at 12:40 p. m., and after discussion agreed that if the suggested Treasury refunding program is put into effect the Fourths in the System account should be replaced by notes unless other arrangements should be agreed upon by telephone.

The meeting was concluded at 12:45 p. m.

W. Randolph Burgess,
Secretary.