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CONFIDENTIAL

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Final minutes
3/26/36

Final
see letter
3/11/36

Final
INTERIM DRAFT - SUBJECT TO CHANGE

MINUTES OF THE MEETING OF THE
EXECUTIVE COMMITTEE OF THE
FEDERAL OPEN MARKET COMMITTEE
HELD AT WASHINGTON, D. C.
FEBRUARY 26, 1936.

The meeting was called to order at 10:05 a. m., there being present

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

The report of operations was distributed and after discussion was
accepted and ordered filed.

There followed a discussion of maturities of holdings in the System
Account in March and April, and the effect of these on the distribution of
maturities in the account and on earnings. There was also discussion of the
facts that the provisions of the Banking Act of 1935 for a new open market com-
mittee become effective on March first, but that it would probably be impossible
to organize the committee for some days thereafter, and that in the meantime
some action with respect to the Treasury offering to be announced on March 2
should be taken promptly by the Reserve System. Governor Harrison said he had
discussed the matter with Governor Eccles and that they had agreed that it would
be desirable for the committee to continue to act until the organization of the
new committee.

The committee were unanimously of the opinion that if, in connection
with March financing, the Treasury offers securities in exchange for Treasury
notes maturing April 15, the \$132,386,000 of these notes in System Account
should be sold in the market and replaced to the extent of about \$50,000,000
with Treasury bonds, and the balance with Treasury notes or bills. It was

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understood, however, that in view of prospective changes in the organization of the open market committee this proposal would be submitted to the Board of Governors of the Federal Reserve System and carried through only if they were in agreement.

There followed a brief discussion of the Treasury financing program.

At 10:55 the meeting adjourned to the Treasury.

The meeting reconvened at the Treasury at 11 o'clock, there being present in addition to the committee

Secretary Morgenthau, Chairman Eccles, Dr. Viner, and Messrs. Bell, Haas, and Upham.

There ensued an informal discussion of various proposals as to Treasury March financing.

The meeting adjourned at 12:15 p. m.

W. Randolph Burgess,

Secretary.