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MINUTES OF THE MEETING OF THE OPEN MARKET INVESTMENT COMMITTEE
FOR THE FEDERAL RESERVE SYSTEM, HELD AT THE FEDERAL
RESERVE BANK OF CHICAGO, OCTOBER 24, 1924

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Final Minutes

10/24/24

PRESENT:

Governors Strong, McDougal, Fancher and Harding
Mr. William H. Hutt, Deputy Governor, Federal Reserve Bank of
Philadelphia, representing Governor Norris
Mr. W. B. Matteson, Secretary of the Committee

There were also present:

Honorable D. R. Crissinger, Governor of the Federal Reserve Board
Mr. William A. Heath, Chairman, Federal Reserve Bank of Chicago
Mr. C. R. McKay, Deputy Governor, Federal Reserve Bank of Chicago
Mr. Walter W. Stewart, Director, Division of Research and Statistics,
Federal Reserve Board
Mr. W. R. Burgess, Assistant Federal Reserve Agent, Federal Reserve
Bank of New York

The meeting was called to order at 10:45 a. m. by Governor Strong,
Chairman.

On motion, duly seconded, the minutes of the last meeting of the Com-
mittee held on July 16, 1924, were formally approved without reading.

A report was submitted by the Secretary reviewing the work of the
Open Market Investment Committee, with accompanying statements and data.

There was also submitted a report on foreign accounts which the
Federal Reserve Bank of New York had just transmitted to the banks participating
in these accounts.

The Chairman commented briefly on the work of the Committee since
the last meeting and the changes in the credit situation. He also discussed
the recommendation of the Advisory Council for the purchase of sterling bills.
The chairman expressed the opinion that any program of extensive buying of
these bills was not wise at this time because it would put additional funds
into the money market, was difficult because of the limited market in futures,
and would be futile unless undertaken in connection with a larger program for
bringing sterling to par.

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A resolution was passed authorizing the Chairman to continue the usual arrangements, if necessary and desirable, for the temporary sales of Government securities from the Special Account during the December 1924 tax period in the same manner as sales were made during the two previous tax periods.

A discussion followed with regard to further purchases and sales of Government securities for the Special Account, and a resolution was passed recommending that the Chairman should be given authority to buy or sell, after conferring with the other members of the Committee, up to \$100,000,000 of Government securities in order to meet any situation in the money market which might develop."

There followed a discussion with regard to the replacement of the \$65,000,000 of Government securities maturing December 15, 1924, held in the Special Account. It was the consensus of opinion that this was a matter that could well be postponed until a later meeting of the Committee.

The Chairman brought to the attention of the members of the Committee a statement showing that purchases of acceptances by various reserve banks had resulted in some of the banks securing bill holdings in excess of their respective quotas based on earning requirements. He explained that the Secretary of the Committee in prorating future purchases would take into consideration these overages.


The Chairman brought before the meeting a request from the Dallas bank for special consideration in securing additional investments to enable them to somewhat increase their earnings. It was the consensus of opinion that no special allotments could be made in fairness to other reserve banks whose earnings are also deficient.

At 12:30 p. m. the Committee adjourned to meet with the Directors of the Federal Reserve Bank of Chicago. All nine members of that Board were present and, at their request, the Chairman of the Committee reviewed at some length the objects of the Committee, what it had accomplished, and the policy which is being pursued.

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There followed a general discussion which was continued at luncheon at which Mr. John J. Mitchell, President of the Illinois Merchants Trust Company, Chicago, Illinois, was also present.



Adjournment was at 3:00 p. m.

(Signed) W. B. MATTESON,
Secretary.