

333.-6-2

~~333~~ Final Minutes

12/1/25

The meeting of the Open Market Investment Committee with the Federal Reserve Board, called by the Board for December 1, 1925, was held in the office of the Governor at 11:00 a.m.

PRESENT: Governor Crissinger,
Mr. Platt,
Mr. Hamlin,
Mr. Miller,
Mr. James,
Members of the Board.
Governor Strong,
Governor Harding,
Governor Fancher,
Mr. Hutt,
Mr. McKay
Members of the Committee
Dr. Stewart,
Mr. Noell.

The subject submitted to the meeting for discussion was the following resolutions of the Federal Reserve Board:

"That the Federal Reserve Board approves in general the report of the Open Market Committee dated November 2nd, but desires an immediate meeting of the committee to consider whether changed conditions do not make a change in the open market policy of the Federal Reserve System desirable."

"That one of the matters to be referred to the Open Market Committee be the question of allowing December 15th maturities of Government securities to run off without replacement."

After thorough canvass of the System's open market policy, as well as the subject of rates of discount and bill rates, it was the consensus of opinion that the Treasury certificates held in the System account, amounting to about \$38,000,000, maturing on December 15th, should be replaced by other maturities to be purchased by the Committee.

The meeting adjourned at 1:00 o'clock to reconvene at 2:30. There were present at that time in the Board room the same members present at the morning session.

The meeting formally approved the action taken informally at the morning conference.

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The balance of the session was devoted to a discussion of conditions bearing upon the discount rates of the System and especially of the Federal Reserve Bank of New York. It was the consensus of opinion that it would be better to await the turn of the year before the Federal Reserve Bank of New York made any rate advance, as at that time there was likely to be considerable liquidation and a large return flow of currency, with some easing of the money market, which might prove to be the appropriate time for selling some of the System's holdings of Government securities and for an increase in the New York discount rate.

Dr. Miller expressed the view that the rate should be advanced to 4 per cent at once and Mr. Platt expressed the view that he would prefer to see it advanced to 4 1/2 per cent.

The meeting adjourned at 4:30 p.m.

(Signed) Benj. Strong,
Chairman.

*Not quite
correct
E.P.*

DECLASSIFIED
 Authority E.O. 12356

Knob

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(11)

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See trans letter 12/2/25 filed 333.-6-2

Revised

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