

DECLASSIFIED
 Authority E.O. 12356

MINUTES OF THE MEETING OF THE OPEN MARKET INVESTMENT COMMITTEE
 HELD IN WASHINGTON, SATURDAY, MARCH 20, 1926

333.-6-2

Final Minutes

3/20/26

Present: Governor Strong, Chairman.
 Governors Harding, Norris,
 Fancher and McDougal.
 Mr. Harrison, Secretary pro tem.

The meeting was called to order by Governor Strong at
 11:00 o'clock a. m.

APPOINTMENT OF A SECRETARY PRO TEM.

Upon request of Governor Strong, Mr. Harrison was appointed secretary
 pro tem.

REPORT OF CHAIRMAN.

The Chairman submitted his report dated March 19 to the committee for
 their consideration. Before acting upon the report, business conditions through-
 out the several districts were discussed in some detail. The opinion was ex-
 pressed that while production seems still active, nevertheless there are some
 evidences of a recession in sales to the ultimate consumer, certainly evidences
 of caution and hesitation, which might result in accumulating inventories, lower-
 ing of prices, and some unemployment, unless sentiment is changed before the
 process continues too long. It was the unanimous opinion of the committee that
 other than to replace March 15 maturities, no action should be taken, at least
 until after March 23, when the Treasury pays off \$121,000,000 of Third Liberty
 bonds, and when readjustments after the usual quarter day movement will have
 been completed. It was felt that until that time it will be difficult to judge
 the normal trend of the money market.

With a slight verbal amendment, the report of the Chairman was approved
 by the committee and adopted as their report to the Governors Conference.

PLACE OF FUTURE MEETINGS OF COMMITTEE.

The Chairman reported to the committee the Federal Reserve Board's

2

letter of March 9, 1926, a copy of which had previously been mailed to each member, advising of the action taken by the Federal Reserve Board on March 9, to the effect "that Washington be designated as the future regular meeting place of the Open Market Investment Committee, except when the committee is authorized by the Board to meet elsewhere."

After full discussion, it was

VOTED to be the sense of the committee, who were serving at the request of the Federal Reserve Board in order to cooperate voluntarily in an orderly System policy respecting the purchase and sale of bills and securities, that they are anxious now, as in the past, to arrange meetings of the committee to suit the convenience of all concerned and at such places as might be most consistent with the purposes to be accomplished by each meeting, and that, therefore, a resolution of the Board fixing Washington as the regular meeting place of the committee, except when the committee is authorized by the Board to meet elsewhere, is in the opinion of the committee unnecessary in all the circumstances and an inadvisable restriction upon the freedom of the committee, after consultation with the Federal Reserve Board, to hold meetings at such places as might best suit conditions.]

The meeting adjourned at 12:00 o'clock noon to meet with the Federal Reserve Board.

George L. Harrison
Secretary pro tem.

MINUTES OF JOINT MEETING OF OPEN MARKET INVESTMENT COMMITTEE
AND FEDERAL RESERVE BOARD HELD IN WASHINGTON,
SATURDAY, MARCH 20, 1926.

333-62
Final Minutes

3/20/26

Present: Governor Strong, Chairman
Governors Harding, Norris,
Fancher and McDougal.
Governor Crissinger and Messrs.
Platt, Hamlin, Miller, James,
Cunningham, Wyatt, Eddy,
McClelland and Goldenweiser.
Mr. Harrison, Secretary pro tem.

The meeting was called to order by Governor Strong
at 12:00 o'clock noon.

Governor Strong reported to the Federal Reserve Board the action of
the Open Market Investment Committee with respect to the Board's letter of
March 9, 1926, [advising the Chairman of the committee that in future its regular
meeting place would be in Washington, except when the committee is authorized by
the Board to meet elsewhere.] Individual members of the Board expressed their
opinion regarding the procedure outlined in the letter, and Governor Strong
then stated to the Board that no meeting of the Open Market Investment Committee
had ever been held without previous advice to and conference with the Federal
Reserve Board about the meeting, that the Open Market Investment Committee would
always be glad to meet in Washington when asked to do so, but that they did not
want to be denied the right to meet elsewhere when conditions make it advisable.

At this point Mr. James and Mr. Miller left the meeting, and after
further informal discussion the meeting adjourned at 1:00 o'clock p. m. to re-
convene at 2:30 o'clock p. m.

The joint meeting of the Open Market Investment Committee with the
Federal Reserve Board reconvened at 2:30 o'clock p. m. on Saturday, March 20,
1926.

The secretary of the Open Market Investment Committee read to the
conference the report which the Open Market Investment Committee had adopted
for submission to the Governors Conference on Monday, March 22, 1926.

2

After a discussion of business conditions, particularly in their relation to the committee's statement about reports of business hesitation and the possible need for further purchases of securities in the event that the very near future might show further evidence of a business recession, Governor Strong asked for a discussion of the question of future procedure, pointing out that the situation would be much clearer in a short time - possibly a matter of days only. Individual members of the Federal Reserve Board expressed their agreement with the recommendation of the committee relative to the replacement of March 15 maturities, but no formal action was taken with respect either to that or to the suggestion as to possible future purchases.

The committee adjourned at 4:00 o'clock p. m. in order to permit Professor Sprague to address the Federal Reserve Board and those members of the Governors Conference who were present at that time.

George L. Harrison
Secretary pro tem