

DECLASSIFIED
Authority E.O. 12356

MINUTES OF THE MEETING OF THE OPEN MARKET INVESTMENT COMMITTEE
HELD AT THE FEDERAL RESERVE BANK OF NEW YORK
TUESDAY, AUGUST 17, 1926

333-b-2
Final Minutes

8/17/26

Present:

Messrs. Crissinger, James and McIntosh of the Federal Reserve Board
Governors Harding of Boston and Fancher of Cleveland
Mr. Hutt, Deputy Governor, Federal Reserve Bank of Philadelphia
Mr. McKay, Deputy Governor, Federal Reserve Bank of Chicago
Messrs. Sailer, Harrison and Kenzel, Deputy Governors, Federal Reserve Bank of New York
Dr. Burgess, Assistant Federal Reserve Agent, Federal Reserve Bank of New York
Mr. Goldenweiser, Acting Director, Division of Research and Statistics, Federal Reserve Board
Mr. Matteson, Secretary

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

In the absence of the Chairman Mr. Sailer was, on motion, chosen to act as Chairman of the meeting.

On motion, it was

VOTED to dispense with the reading of the minutes of the last meeting of the Committee held on June 21, 1926.

The report of the Secretary was presented and read and, on motion, duly accepted.

The report of the Chairman of the Committee was presented and there followed a full discussion of the contents, with special reference to a request by the Treasury to purchase \$40,000,000 Third Liberty Loan 4 1/4% bonds, of which about \$25,000,000 are held in the Special Investment Account and about \$15,000,000 by the Federal Reserve Banks of Philadelphia, Cleveland and St. Louis. It was the sense of the meeting that the Treasury's request be complied with and that these securities should not be replaced for the present. It was understood that the Third Liberty Loan bonds held in the investment accounts of Reserve Banks be exchanged for other Government securities in the Special Investment Account.

On motion of Governor Harding, duly seconded, it was

VOTED that the sale of approximately \$40,000,000 Third Liberty Loan bonds be made to the Treasury, without replacement, and that a meeting be called the early part of September to consider conditions at that time.

2

On motion, it was also

VOTED to approve the sale, without replacement, to a foreign correspondent made on August 16, 1926 of \$2,337,000 United States 4 1/4% Treasury Notes due September 15, 1926, and the sale of \$5,000,000 additional notes of the same issue from the Special Investment Account to a foreign correspondent some time this week; also the sale to a foreign correspondent during the next few weeks of approximately \$15,000,000 Treasury Notes due September 15, 1926 and/or Treasury certificates of indebtedness due December 15, 1926.

Mr. Harrison reported on the condition of the foreign accounts, calling particular attention to the changes which had occurred since the last meeting of the Committee and referring briefly to general conditions abroad.

Mr. Kenzel joined the meeting at this point and made a brief report on the present condition of the bill market.

On motion, the meeting adjourned at 1:00 o'clock p. m.

W. B. Matteson

Secretary