

## MEETING OF THE OPEN MARKET INVESTMENT COMMITTEE

HOTEL MAYFLOWER, WASHINGTON, 4 p. m. o'clock

NOVEMBER 7, 1926.333.-b-2  
Final Minutes  
11/7/26

## PRESENT:

Mr. Norris  
Mr. McDougal  
Mr. Paddock  
Mr. Case  
Mr. Harrison

The committee met for the purpose of reviewing in advance of the Governors Conference the proposed report, prepared by the acting chairman, to be submitted to the conference. After the report was read and discussed it was

VOTED that as amended it should be approved and submitted to the conference as the report of the Open Market Investment Committee.

Mr. Harrison then reviewed in some detail the procedure now followed by the Federal Reserve Bank of New York relative to its foreign business, with particular reference to the opening of accounts, the negotiation of credits and the subsequent offering of participation in those accounts and credits when arranged to all Federal reserve banks. The committee expressed its approval of the present procedure in handling all these matters.

Mr. Harrison then referred to the number and detail of the schedules and reports now submitted by the Federal Reserve Bank of New York to all Federal reserve banks participating in foreign transactions. After consideration of these schedules and reports it was

VOTED as recommended by Mr. Harrison that the present procedure of sending to each Federal reserve bank complete schedules of all bills purchased, and duplicate tickets of all security transactions, for foreign accounts in which other Federal reserve banks participate, should be abolished and that in lieu thereof the Federal Reserve Bank of New York should submit

2

- (a) A monthly acceptance liability schedule showing acceptors and endorsers liabilities on account all bills purchased for foreign account for which other Federal reserve banks are jointly liable as guarantors.
- (b) A confidential monthly statement to each governor (as at present) showing free balances, investments in bills and in Treasury securities, and the amounts of gold held under earmark for each foreign account in which Federal reserve banks participate.
- (c) A statement similar to (b) whenever participations are made during the course of the month.

It was also understood that Mr. Harrison would furnish to each governor a form of the summary of foreign accounts which the Federal Reserve Bank of New York now submits weekly to its directors, it being suggested that this form of statement might be suitable as a guide to other Federal reserve banks in furnishing necessary information to their directors without the detailed information as to individual accounts, which it was understood should be regarded as strictly confidential by each governor.

Mr. Harrison reported that the Bank of France has recently opened an active account with the Federal Reserve Bank of New York, maintaining a working balance and requiring the investment of funds in Government securities under the usual terms and conditions. Mr. Harrison indicated that in line with its previous policy, the Federal Reserve Bank of New York would like to offer a participation in this account to each other Federal reserve bank. After some discussion, in which it was pointed out that the Federal Reserve Bank of New York does not wish now to offer any participation in the balance which it carries with the Bank of France, in which there is a loss due to the depreciation in the franc, it was

VOTED that the committee approve of the suggestion to offer to other

3

Federal reserve banks a participation in the account which the Bank of France maintains with the Federal Reserve Bank of New York.

On motion, the meeting adjourned.

(Signed) J. H. CASE,  
Acting Chairman.