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Authority E.O. 10501~~CONFIDENTIAL~~~~PRELIMINARY DRAFT~~*See Burgess letter May 5, 1932**333.-C-2
Final Minutes**4/5/32*

MINUTES OF MEETING OF THE EXECUTIVE COMMITTEE
OF THE OPEN MARKET POLICY CONFERENCE HELD AT THE
OFFICE OF THE FEDERAL RESERVE BANK OF NEW YORK
APRIL 5, 1932.

The meeting was called to order at 10:25 a. m., there being present Governor Harrison, chairman, Governors Young, Norris, Black, and McDougal, and Deputy Governor Burgess, secretary.

A preliminary memorandum by the chairman and the secretary's report were presented.

Governor Harrison reviewed the current economic situation, the continued decline in prices, the increase in the pressure of debts, the increase in bankruptcies, and the threat of radical action in Congress. He reviewed in particular conversations with Senator Thomas with regard to a proposed bill for a soldier's bonus financed by the Federal reserve banks. He reported also recent conversations with member banks indicating that some change in lending policy was already taking place on the basis of funds made available through government purchases and the return of currency.

After extended discussion of these questions it was moved and carried that purchases of government securities be continued at a rate of \$25,000,000 a week as authorized by the program adopted at the meeting of the Open Market Policy Conference on February 24. This motion was carried unanimously, although two members of the committee explained that they voted in the affirmative in a ministerial capacity in carrying out the wishes of the Open Market policy conference. While these two of the members of the committee were in general opposed to further purchases of government securities it appeared that purchases made up to this time had been followed by about as satisfactory results on the banking position as could be anticipated, and there seemed to be no new factor in the situation which would justify a discontinuance of the program adopted by the

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full conference.

It was further voted that a meeting of the Open Market Policy Conference should be called for April 12 in Washington to review the open market program, particularly with the object of considering the extent of the present program, both as to amount and duration, and determining whether, in view of current developments, a more comprehensive program should be adopted.

The meeting adjourned at 12:45.

W. Randolph Burgess

Secretary