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Final minutes

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DECLASSIFIED Authority 6150 <u>12363-3825</u> By <u>gk</u> NARA. Date <u>3/7/45</u>	MINUTES OF MEETING OF EXECUTIVE COMMITTEE OF THE OPEN MARKET POLICY CONFERENCE, IN NEW YORK - JUNE 29, 1933
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The meeting was called to order at 11:10 a. m., there being present

Governor Harrison, chairman, Governors Young and Fancher, and Deputy Governors Hutt, McKay, and Burgess (secretary) and Mr. J. H. Williams (of the New York bank)

The preliminary memorandum and the report of operations were distributed, and after discussion accepted.

Governor Harrison reviewed recent open market operations carried on under action of the Open Market Policy Conference at its meeting on April 22, as modified later.

Governor Black entered the meeting at this point.

In a discussion of future policy Governor Harrison indicated that with the return flow of currency after the July 4 holiday it seemed possible that excess reserves might increase to the neighborhood of \$500,000,000. A situation would thus be created which would provide some justification from a technical point of view for tapering off purchases of government securities. On the other hand the psychological effect of the continuance or discontinuance of purchases needed careful consideration, particularly as they might be related to movements in the foreign exchanges or any steps which might or might not be taken toward stabilization of the dollar. The increase in prices and in business activity required some continued support until it became more firmly established. If the impetus which has arisen from the instability of the dollar in foreign exchange should be removed, it might be desirable to increase purchases of government securities, in accordance with the suggestion made by Governor Black at the meeting on May 23.

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There ensued a discussion of the desirable policy to be pursued in the current week, and at the conclusion of this discussion it was moved and carried that purchases of approximately \$20,000,000 be made in the current week. It was agreed that these purchases should be made for delivery on Thursday and Friday, June 29 and 30, in order to provide the market with funds which would tend to offset any possible stringency over the end of the half year. It was also agreed that it would be unwise to reach any definite decision beyond the current week because of the great uncertainties as to the position of the dollar and other influences affecting business activity.

Governor Harrison then reviewed briefly his discussions in London and the present situation with respect to proposals for monetary stabilization.

There was also a discussion of the policy to be pursued in keeping open licensed member banks, Governor Black stating that it was the Administration's policy to make the utmost effort to keep open all licensed member banks.

The meeting adjourned at 12:15 p. m.

W. R. Burgess,
Secretary.