

TO: MISS ADAMS

December 9, 1955

FROM: M. BURNETT

SUBJECT: OPEN MARKET COMMITTEE Supplementary Data, No. 2

Following is an explanation of the changes made in dates on pages 1 and 2 of memorandum of November 29.

P. 1 Open Market Investment Committee

The date of April 7, 1923 given for the creation of this Committee should be changed to April 1, 1923, as given in the Resolution adopted March 22, 1923 by the Federal Reserve Board. This is quoted in Appendix 4 of S. R. Carpenter's "Development of the Open Market Function of the Federal Reserve System".

P. 2 The date of March 31, 1930 given for the expiration of this Committee should be changed to March 25, which is the date of the approval by the Federal Reserve Bank Governors of the creation of the new "Open Market Policy Conference". The date March 31, 1930 is that of the letter from the Federal Reserve Board, X-6556, to the Chairmen of the Federal Reserve Banks, announcing the action and requesting submission to the directors of the respective Federal Reserve Banks for acceptance of participation.

Miscellaneous notes from Miss Adams:

May 2-4, 1922 Conference of Governors of Federal Reserve Banks created "Committee of Governors on Centralized Execution of Purchases and Sales of Government Securities". This committee was composed first of the Governors of the Banks at Boston, New York, Philadelphia and Chicago, and in Oct. 10, 1922 the Cleveland Bank Governor was added.

Fall of 1923. System Open Market Account established.

May 18, 1928. Statement of Federal Advisory Council expressing the belief that it was desirable to include in the System open market account all operations

connected with any Government security holdings of the System as this would seem to be the only means of making the policy of the Open Market Committee effective. (Fed. Res. Bd. An. Rept. 1928, p. 227)