

CONFIDENTIAL (FR)

Matters for consideration at the meeting of the Federal Open Market Committee to be held on Tuesday, March 7, 1961, at 10:00 a.m.

1. Advices of the election of the following members and alternate members of the Federal Open Market Committee for the year commencing March 1, 1961, have been received by the Secretary and it appears that they will be legally qualified to serve after they have executed their Oaths of Office:

<u>Member</u>	<u>Alternate Member</u>
Alfred Hayes	William F. Treiber
Edward A. Wayne	George H. Ellis
Carl E. Allen	Wilbur D. Fulton
Watrous H. Irons	Delos C. Johns
Eliot J. Swan	Frederick L. Deming

2. Election of officers to serve until the election of their successors at the first meeting of the Committee after February 28, 1962.
  - a. Chairman
  - b. Vice Chairman
  - c. Secretary and Assistant Secretaries
  - d. General Counsel and Assistant General Counsel
  - e. Economist and Associate Economists
3. Selection of a Federal Reserve Bank to execute transactions for the System Open Market Account. Approval of the Manager of the Account.
4. Approval of the minutes of the meetings of the Federal Open Market Committee held on January 24 and February 7, 1961.
5. Review of continuing operating policies.
  - a. It is not now the policy of the Committee to support any pattern of prices and yields in the Government securities market, and intervention in the Government securities market is solely to effectuate the objectives of monetary and credit policy (including correction of disorderly markets).
  - b. Operations for the System Account in the open market, other than repurchase agreements, shall be confined to short-term securities (except in the correction of disorderly markets), and during a period of Treasury financing there shall be no purchases of (1) maturing issues for which an exchange is being offered, (2) when-issued securities, or (3) outstanding issues of comparable maturities to those being offered for exchange; these policies to be followed until such time as they may be superseded or modified by further action of the Federal Open Market Committee.

- c. Transactions for the System Account in the open market shall be entered into solely for the purpose of providing or absorbing reserves (except in the correction of disorderly markets), and shall not include offsetting purchases and sales of securities for the purpose of altering the maturity pattern of the System's portfolio; such policy to be followed until such time as it may be superseded or modified by further action of the Federal Open Market Committee.
6. Review of continuing authorities (see attached memorandum relating to this topic and copies of authorizations and resolutions referred to).
    - a. Purchase and sale of cable transfers, bills of exchange, and bankers' acceptances payable in foreign currencies.
    - b. Allocation of securities in System Open Market Account.
    - c. Distribution of periodic reports prepared by the Federal Reserve Bank of New York for the Federal Open Market Committee.
    - d. Authorization to Manager of System Account to engage in transactions on a cash as well as a regular delivery basis.
    - e. Authorization to the Federal Reserve Bank of New York to enter into repurchase agreements covering Government Securities.
    - f. Authorization to the Federal Reserve Bank of New York to purchase bankers' acceptances.
    - g. Authorization of a charge on special short-term certificates of indebtedness purchased direct from the Treasury pursuant to paragraph (2) of the Committee's directive to the Federal Reserve Bank of New York at a rate of  $1/4$  of 1 per cent below the discount rate of that Bank at the time of such purchase.
    - h. Authority for Chairman to appoint a Federal Reserve Bank as agent to operate the System Account temporarily in case the Federal Reserve Bank of New York was unable to function.
    - i. Resolution to provide for the continued operation of the Federal Open Market Committee during an emergency.
    - j. Resolution authorizing certain actions by the Federal Reserve Banks during an emergency.
    - k. Authorization to make available to System personnel assigned to High Point the foregoing resolutions relating to emergency operations.
    - l. Resolution regarding a report of each examination of the System Open Market Account by the Board's examining force.
  7. Review of procedure for giving access to minutes and other records of the Federal Open Market Committee. (Memorandum attached.)
  8. Report of open market operations since the meeting of the Federal Open Market Committee on February 7, 1961, and action with respect to transactions during the period since similar action at the meeting on the same date.
  9. Review of economic and credit outlook.

10. Discussion of:
  - a. Open market operations.
  - b. Other matters.
  
11.
  - a. Derivation of consensus.
  - b. Record vote on policy indicated in consensus.
  - c. General directive to be issued to the Federal Reserve Bank of New York covering transactions in the System Open Market Account. (See attached copy of directive issued at the meeting on February 7, 1961.)
  
12. Initiation of publication of market statistics relating to Government securities transactions (see accompanying memorandum).
  
13. Date and time for the next meeting of the Committee.

Attachments