

CONFIDENTIAL (FR)

Matters for consideration at the meeting of the Federal Open Market
Committee to be held on Tuesday, March 2, 1965, at 9:30 a.m.

Advices of the election of the following members and alternate members of the Federal Open Market Committee for the year commencing March 1, 1965, 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>
George H. Ellis	Karl R. Bopp
Alfred Hayes	William F. Treiber
Malcolm Bryan	Watrous H. Irons
Charles J. Scanlon	W. Braddock Hickman
President of Minneapolis Reserve Bank*	George H. Clay

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1. Election of officers to serve until the election of their successors at the first meeting of the Committee after February 28, 1966:
 - a. Chairman
 - b. Vice Chairman
 - c. Secretary and Assistant Secretaries
 - d. General Counsel and Assistant General Counsel
 - e. Economist and Associate Economists
2. Selection of a Federal Reserve Bank to execute transactions for the System Open Market Account.
3. Selection of (a) Manager of the System Open Market Account, and (b) Special Manager for foreign currency operations for such Account.
4. Approval of the minutes of the meeting of the Federal Open Market Committee held on February 2, 1965.

* The person who is on March 1, 1965, or who shall thereafter become, the President of the Federal Reserve Bank of Minneapolis.

5. Review of continuing authorities.

- a. Continuing authority directive to the Federal Reserve Bank of New York with regard to transactions in U.S. Government securities and bankers' acceptances. (Copy attached, along with memorandum from Mr. Stone relating to this item.)
- b. Authorization and guidelines regarding open market transactions in foreign currencies, and continuing authority directive for such operations. (Copies attached.)
- c. Procedure for allocation of securities in System Open Market Account. (Description attached of current procedure, as amended on December 3, 1963, and as last reviewed on March 3, 1964.)
- d. Distribution of periodic reports prepared by the Federal Reserve Bank of New York for the Federal Open Market Committee. (Copy attached of proposed authorization for distribution of such reports.)
- e. 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 is unable to function.
(Note: This authorization was first given in March 1951. The report of the Subcommittee on Defense Planning, approved by the Committee at its meeting on January 10, 1956, contained the recommendation that this authorization be reaffirmed, and that has been done at the first meeting in March of each year since.)
- f. & g. Resolution to provide for the continued operation of the Federal Open Market Committee during an emergency; and Resolution authorizing certain actions by the Federal Reserve Banks during an emergency. (Copies attached. These resolutions were first adopted on March 6, 1956, pursuant to the approval by the Committee on January 10, 1956, of the report of the Subcommittee on Defense Planning dated January 9, 1956. They were renewed in the form attached on March 3, 1964.)
- h. Authorization for System personnel assigned to the Office of Emergency Planning, Special Facilities Branch, to have access to the foregoing resolutions relating to emergency operations.
(Note: At the meeting on December 16, 1958, the Committee authorized System personnel assigned to the Office of Emergency Planning, Special Facilities Branch (formerly, Office of Civil and Defense Mobilization--Classified Location) on a rotating basis to have access to the resolutions referred to under f. and g. above. This authorization was reaffirmed on March 3, 1964.)

- i. Resolution requesting a report of each examination of the System Open Market Account by the Board's examining force.
(Note: The resolution requesting the Board of Governors to cause its examining force in the future to furnish the Secretary of the Open Market Committee a report of each examination of the System Open Market Account was adopted on June 21, 1939. Excerpts from the minutes showing the origin of this resolution are attached. The procedure then established was reviewed at the meeting on March 3, 1964, at which time it was continued without change.)
6. Review of procedure for granting access to minutes and other records of the Federal Open Market Committee. (Memorandum attached.)
7. Report by the Special Manager for foreign currency operations on such operations since the meeting of the Federal Open Market Committee on February 2, 1965; action with respect to transactions during such period; and consideration of recommendations of the Special Manager.
8. Report by the Manager of the System Open Market Account on open market operations since the meeting of the Federal Open Market Committee on February 2, 1965; and action with respect to transactions during such period.
9. Reports on economic and financial developments.
10. Discussion of factors bearing on monetary and credit policy; and derivation of consensus regarding open market operations in the forthcoming period. (See attached suggested list of questions relating to this item.)
11. Current economic policy directive to the Federal Reserve Bank of New York. (Copy of February 2, 1965, directive attached.)
12. Confirmation of date for next meeting (March 23, 1965).

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Note: It is contemplated that Committee members will hold a general discussion of the desirability of specifying quantities in its current economic policy directive. If this is done on March 2, it may involve reconvening after lunch.

Attachments