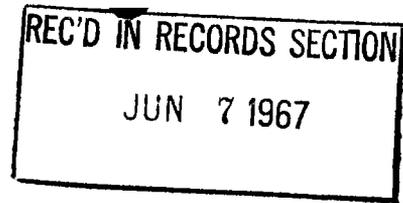




**BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON**



June 7, 1967

CONFIDENTIAL (FR)

TO: Federal Open Market Committee

FROM: Mr. Holland

Enclosed is a copy of a memorandum entitled "Time for FOMC meetings" that Governor Maisel addressed to the Board of Governors on May 29, 1967. The Board has held a preliminary discussion of some aspects of the memorandum, and at Chairman Martin's suggestion the subject will be placed on the agenda for the Committee meeting to be held on June 20, 1967.

Robert C. Holland, Secretary,
Federal Open Market Committee.

Enclosure

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

REC'D IN RECORDS SECTION
JUL 5 1967
Date May 29, 1967

Office Correspondence

To Board of Governors

Subject: Time for FOMC meetings

From S. J. Maisel *S.J.M.*

I suggest that the FOMC give serious consideration to some alteration in its format. Specifically, I propose that a somewhat longer meeting be held approximately once a quarter, or whenever a major change in the economic environment seems imminent. This longer session would be scheduled to encompass either the afternoon of the day before the regular meeting plus the morning meeting, or include both a morning and afternoon session on the regular meeting day.

The additional meeting time would be devoted primarily to a staff projection of the economy together with alternative credit policy packages designed to meet specific objectives. The presidents and their staffs would be expected to add their information on the economic outlook and to join in the debate. The object of the session would be to attempt to get a clear picture of various views on where the economy was going and what proper goals for System policy ought to be during the coming period.

Against the background of such periodic projection sessions, the FOMC could devote less time in its regular meetings to current reporting of economic events. Such information could be related to the prevailing set of projections and credit policy targets, with emphasis on whether events were unfolding along a track consistent with achievement of the desired objectives. If at any time the staff or several members of the Committee felt that there was a basic divergence between the current projection and events, they could inform other members of the Committee in advance. Then either an additional special session could be scheduled or more time could be assigned for a new debate and review of current economic events.

At our meetings now, time is too limited for examining adequately the basic economic situation, the appropriate over-all stance of policy, and the specific magnitudes of monetary variables to implement this policy stance. Neither is time available to bring to bear adequately the regional information available to the presidents, nor to question the staff in detail on their analyses and recommendations. An occasional additional session of two or three hours to explore the situation more thoroughly would be useful to all participants.

See
MINUTES

JUN 7 1967