



CONFIDENTIAL (FR)

To: Board of Governors                      Subject: Procedures with respect to  
From: Mr. Holland                              FOMC policy record entries

This memorandum summarizes the results of the discussion at the Board meeting on June 13, 1967, concerning procedures for handling FOMC policy record entries.

It is understood that the Board desires to continue past procedures in the following respects:

(1) A preliminary draft entry for each meeting is to be prepared and distributed for comment to the Committee members, to the Reserve Bank Presidents not currently serving on the Committee, and to the staff.

(2) A revised draft entry is to be prepared on the basis of comments received, and submitted to the Board for approval for publication in the Board's Annual Report.

(3) The revised entry in the form approved by the Board is to be distributed to the Committee and to other Reserve Bank Presidents, primarily for information but with an indication of the date by which any further comments should be received in the Board's offices.

(4) Any suggestions for further changes (except for minor editorial changes) are to be referred to the Board for consideration.

A question raised in the course of the discussion that the Board may want to consider further is whether the Committee's directives should be published in advance of the publication of the complete text of the policy record entry. Among the possibilities mentioned were transmittal of the directives to the Federal Register

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after a lag of 90 or 60 days (or perhaps a shorter period), and publication of the full text of the entry in the first following Federal Reserve Bulletin for which that was practicable.

Some reasons in favor of accompanying the directives with the text of the policy record entries were adduced in the Secretariat's memorandum of March 29, 1967, pages 4-5. Some comments on the subject at recent Committee meetings are recorded on pages 82 and 83 of the minutes for the meeting of March 7, 1967, and on page 96 of the minutes for May 23, 1967. Also, Mr. Hackley touches on certain aspects of this question in his memorandum to the Board, dated today, entitled, "Publication in the Federal Register of FOMC directives."

After the meeting of the Board on June 13, a member raised another question that the Board may want to consider: whether, after Board approval of FOMC policy record entries for inclusion in the Annual Report, the entries shall be subject to an additional review shortly before initial publication. The purpose of this second review would be to determine whether any material in the entry is likely to prove prejudicial to the conduct of operations following publication. For example, the summary in the entry of the Committee's policy discussion and conclusions would be reviewed in light of presently-existing market conditions to determine whether particular passages might be read as foreshadowing some particular policy course in the coming period.