



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

April 14, 1972

CONFIDENTIAL (FR)

To: Federal Open Market Committee

From: Mr. Altmann

Enclosed is a copy of a memorandum to the Committee from the General Counsel, dated April 14, 1972, and entitled "Whether FOMC members are required to state reasons for dissent from Committee actions."

A handwritten signature in cursive script, reading "Murray Altmann".

Murray Altmann
Assistant Secretary
Federal Open Market Committee

Attachment

Federal Open Market Committee

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The policy records of the Committee published in the Board's Annual Reports since 1936 indicate that on a number of occasions policy actions were taken by the Committee with dissenting votes but without statements of reasons by the dissenters. For example, at a meeting on December 30, 1938, three members of the Committee voted "no" with respect to the adoption of a resolution regarding replacement of maturing Treasury bills and without publication of reasons for their dissents. The same three members dissented from actions adopting similar resolutions, again without statements of reasons, on March 7 and March 20, 1939. At a meeting on September 28, 1942, the Committee took an action with respect to Reserve Bank purchases of Treasury bills at the posted discount rate. The policy record reflected the reasons for the majority action of the Committee but contained no statement of the reasons for which three members dissented from the action.

For long periods of time, there were no dissents to actions taken by the Committee, as, for example, between March 1943 and June 1953. Since the early 1960's, there have been a greater number of dissents and a practice has developed under which the policy record has contained a paragraph, and in a few instances two paragraphs, reflecting the reasons for which the dissenting member or members voted against a particular action. Even in recent years, however, there have been occasions on which one or more members have dissented from the adoption of the Committee's current economic policy directive without any statement of their reasons for doing so. (See, e.g., policy records for meetings of May 7, 1963, May 28, 1963, and July 30, 1963.)