conference and became law; seven members of the Board and five Presidents of Federal Reserve banks were to constitute the Open Market Committee.

Now, as you realize, the decisions made by this important group should not be divulged as they are made currently. That would help the speculators, who would want to use it. It would be of great benefit to them.

When you were Chairman of the Board, did you permit any person to come into that room where the Open Market Committee was in session, except the authorized people and certain staff people which you had to have?

Mr. ECCLES. I think the other presidents were present upon occasion when general policies were discussed. I think we had at that time a presidents' conference.

Chairman PATMAN. Was that the official Open Market Committee in session, Mr. Eccles?

Mr. ECCLES. I don't remember. I couldn't say whether it was or not. I think so long as you have five presidents members of the Open Market Committee, and all but the president of the New York bank rotate, that there may be some justification for others being present so as to be prepared and be informed currently.

I wouldn't have concern about the nonmember presidents being present. They don't have the voting power. I don't think they expressed their opinions with reference to policy matters unless invited to do so.

The fact that the position rotates from one president to another tends to, I think, keep them all in touch with the situation. I must say that I don't remember, at least while I was there, of any bad results coming from the meetings of all the Reserve bank presidents with the committee.

I have felt that it was inappropriate to have people on the committee, other than the Reserve Board, irrespective of their ability, and I must say that most of the presidents of the Reserve banks are outstanding. At the present time there are many who are trained economists, who have been the director of research of their bank, and they are very able.

The Board did get, in the Banking Act of 1935, a provision which gives them considerable influence, and that is, they have the veto power over the election of presidents and their salaries. However, I have felt that the Open Market Committee should be composed of those people who were appointed by the President and who were confirmed by the Senate, and whose salary is fixed by the Senate. They have a direct responsibility to the Congress.

The presidents of the Reserve banks are, as you say, elected by the nine directors of the bank. Six out of the nine are elected by the member banks. Their salaries are in the first instance fixed by those boards. It is true that the Board in Washington can veto their election and salaries. I think that it has worked pretty well considering the type of organization that came out of the Banking Act of 1935.

Chairman PATMAN. My time is up, Mr. Eccles, but I do want to make this suggestion: that you give further consideration to your thoughts as expressed. The Open Market Committee, by law, is set up and composed of 12 members—7 members of the Board and 5