CONGRESS OF THE UNITED STATES, JOINT ECONOMIC COMMITTEE

Letter from Representative Wright Patman, chairman, Joint Economic C tee, to Hon. William McChesney Martin, Jr., chairman, Board of Gov Federal Reserve System, requesting that condensation of the minutes of meetings of the Federal Open Market Committee in 1960 be made public

AUGUST 14, 1962.

Hon. WILLIAM MCCHESNEY MARTIN, Jr.,
Chairman, Board of Governors, Federal Reserve System,
Washington, D.C.

DEAR CHAIRMAN MARTIN: During the committee's hearings on June 1 and 2, 1961, on the annual report of the Board of Governors of the Federal Reserve System for the calendar year 1960, it quickly became apparent that neither members of the general public nor experts on monetary policy matters could adequately determine what policy decisions had been reached by the Federal Open Market Committee during the year 1960, nor ascertain the reasons for such decisions on the basis of the brief and vague summaries of that Committee's meetings which were published in the Board's annual report.

Accordingly, on June 2, 1961, while you were testifying before the committee, I requested that you submit to the committee for its information and use copies of the full minutes of the meetings of the Federal Open Market Committee which that Committee is required by law to keep.

Further, at your suggestion I wrote you a letter on June 14, 1961, renewing my request that you submit copies of those minutes for the year 1960, along with certain other materials specified in that letter.

In neither of my requests, nor at any time, was there any suggestion or understanding that the committee would treat as confidential these minutes. However, when these minutes of the meetings were delivered to my office they were accompanied by a letter from you which contains a statement that: "The Open Market Committee is prepared to make these minutes of its meetings held in 1960 available to the Joint Economic Committee on the understanding that they will be treated as confidential." In other words, it appears that in complying with my request for copies of the minutes you sought to impose a restriction upon the committee's use of these minutes.

While I do not acknowledge that you are privileged to restrict the committee in its use of the requested materials, I adopted a procedure for making the essence of the Open Market Committee's proceedings public, while at the same time avoiding making revelations of the kind which you indicated in your letter might be objectionable. Specifically, this was to have two competent and disinterested scholars in the field of monetary operations prepare a condensed report giving in their own words descriptions of the issues discussed at each of the meetings and the conclusions reached at each meeting. This report, prepared by Dr. John G. Gurley, professor of economics, Stanford University, and Dr. Asher Achinstein, senior specialist, Legislative Reference Service, Library of Congress, is also prepared in a manner which minimizes identification of particular participants in the Open Market Committee meetings, and minimizes the possibility that policy positions taken can be attributed to particular participants.

Last week I distributed, on a confidential basis, a copy of the Gurley-Achinstein report to each member of the Joint Economic Committee, indicating that after the committee's present series of hearings is completed I intended to take up with the committee the question of making this report public. However, it is apparent that a copy of the Gurley-Achinstein report has fallen into the hands of a newspaperman, as extracts from the report appeared in news items in the New York Times yesterday and again today, and possibly others will appear in the days to come. This premature disclosure of the contents of the report in the press has raised the question of immediate release of the report to the press generally.