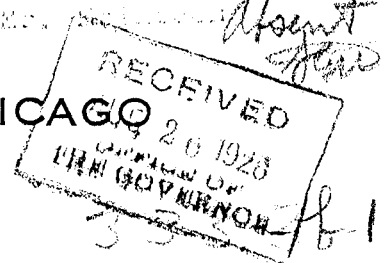


FOR SPECIAL CIRCULATION
PLEASE REPLY BY RETURN TO SECRETARY'S OFFICE
Mr. Young ✓ Mr. James ✓ Mr. [unclear] ✓
Mr. [unclear] ✓ Mr. [unclear] ✓ Mr. Cunningham ✓
FEDERAL RESERVE BANK OF CHICAGO
230 SOUTH LA SALLE STREET



August 17, 1928

Mr. Roy O. Young, Governor
Federal Reserve Board
Washington, D. C.

Dear Governor Young:

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8/16/28 not in files

In response to your request for an expression of opinion of our directors regarding the recommendations of the Open Market Committee at its meeting in Washington on the 13th instant, these recommendations were submitted to our Executive Committee this morning, two of our directors being present.

The opinion expressed was that no money should be released to the market under the present condition of the money market and that only in the case of real emergency should any action be taken by the Committee. This, I understand, is in accordance with the report of the Open Market Committee, as modified and approved by the Federal Reserve Board.

With regard to the demand for credit for crop-moving purposes this fall, very little concern is felt as to the ability of the member banks to supply this demand, even if it should be greater than usual, as it can be met by rediscounting with the Federal reserve banks. The experience of the past few years has been that credit demands for crop-moving purposes in this district have had only a moderate effect on the credit situation and at the present time there is no indication of any unusual demand this fall. We shall watch the situation closely and will advise you if there appears to be any probability of an unusual demand for this purpose.

Very truly yours,

C. R. McKay
C. R. McKay,
Deputy Governor.