

Meeting of Federal Open Market Committee

April 1, 1969

MINUTES OF ACTIONS

A meeting of the Federal Open Market Committee was held in the offices of the Board of Governors of the Federal Reserve System in Washington, D.C., on Tuesday, April 1, 1969, at 9:30 a.m.

PRESENT: Mr. Martin, Chairman<sup>1/</sup>  
Mr. Bopp  
Mr. Brimmer  
Mr. Clay  
Mr. Coldwell  
Mr. Daane  
Mr. Maisel  
Mr. Mitchell  
Mr. Robertson  
Mr. Scanlon  
Mr. Sherrill  
Mr. Treiber, Alternate for Mr. Hayes

Messrs. Francis, Hickman, and Swan, Alternate  
Members of the Federal Open Market Committee

Messrs. Morris, Kimbrel, and Galusha, Presidents  
of the Federal Reserve Banks of Boston,  
Atlanta, and Minneapolis, respectively

Mr. Holland, Secretary  
Mr. Broida, Deputy Secretary  
Messrs. Kenyon and Molony, Assistant  
Secretaries  
Mr. Hackley, General Counsel  
Mr. Brill, Economist  
Messrs. Axilrod, Baughman, Eastburn, Green,  
Hersey, Link, Partee, Reynolds, Solomon,  
and Tow, Associate Economists  
Mr. Holmes, Manager, System Open Market  
Account  
Mr. Coombs, Special Manager, System Open  
Market Account

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<sup>1/</sup> Entered the meeting at the point indicated.

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Mr. Sherman, Consultant, Board of Governors  
Mr. Cardon, Assistant to the Board of  
Governors  
Messrs. Coyne and Nichols, Special Assistants  
to the Board of Governors  
Mr. Williams, Adviser, Division of Research  
and Statistics, Board of Governors  
Mr. Wernick, Associate Adviser, Division  
of Research and Statistics, Board of  
Governors  
Mr. Keir, Assistant Adviser, Division of  
Research and Statistics, Board of  
Governors  
Mr. Bernard, Special Assistant, Office of  
the Secretary, Board of Governors  
Miss Eaton, Open Market Secretariat  
Assistant, Office of the Secretary,  
Board of Governors

Mr. Black, First Vice President, Federal  
Reserve Bank of Richmond  
Messrs. Parthemos, Jones, and Craven,  
Senior Vice Presidents of the Federal  
Reserve Banks of Richmond, St. Louis,  
and San Francisco, respectively  
Mr. Brandt, Vice President of the Federal  
Reserve Bank of Atlanta  
Mr. Kareken, Economic Adviser, Federal  
Reserve Bank of Minneapolis  
Miss Beekel, Assistant Vice President and  
Economist, Federal Reserve Bank of  
Cleveland  
Mr. Meek, Assistant Vice President, Federal  
Reserve Bank of New York  
Mr. Anderson, Financial Economist, Federal  
Reserve Bank of Boston

By unanimous vote, Mr. Robertson was elected Acting Chairman  
for the period until Chairman Martin entered the meeting.

By unanimous vote, the minutes of actions taken at the  
meeting of the Federal Open Market Committee held on March 4, 1969,  
were approved.

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The memorandum of discussion for the meeting of the Federal Open Market Committee held on March 4, 1969, was accepted.

Chairman Martin entered the room and assumed the chair.

By unanimous vote, the System open market transactions in foreign currencies during the period March 4 through 31, 1969, were approved, ratified, and confirmed.

By unanimous vote, the open market transactions in Government securities, agency obligations, and bankers' acceptances during the period March 4 through 31, 1969, were approved, ratified, and confirmed.

With Messrs. Coldwell and Maisel dissenting, the Federal Reserve Bank of New York was authorized and directed, until otherwise directed by the Committee, to execute transactions in the System Account in accordance with the following current economic policy directive:

The information reviewed at this meeting suggests that, while expansion in real economic activity has moderated somewhat further, current and prospective activity now appears stronger than earlier projections had indicated. Substantial upward pressures on prices and costs are persisting. Most long-term interest rates have risen further on balance in recent weeks, but movements in short-term rates have been mixed. In the first quarter of the year bank credit changed little on average, as investments contracted while loans expanded further. In March the outstanding volume of large-denomination CD's continued to decline sharply; inflows of other time and savings deposits were moderate; and growth in the money supply remained at a sharply reduced rate. It appears that a sizable deficit reemerged in

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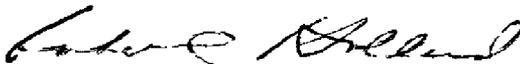
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the U.S. balance of payments on the liquidity basis in the first quarter but that the balance on the official settlements basis remained in surplus as a result of further large inflows of Euro-dollars. In this situation, it is the policy of the Federal Open Market Committee to foster financial conditions conducive to the reduction of inflationary pressures, with a view to encouraging a more sustainable rate of economic growth and attaining reasonable equilibrium in the country's balance of payments.

To implement this policy, System open market operations until the next meeting of the Committee shall be conducted with a view to maintaining firm conditions in money and short-term credit markets, taking account of the effects of other possible monetary policy action; provided, however, that operations shall be modified if bank credit appears to be deviating significantly from current projections.

It was agreed that the next meeting of the Committee would be held on Tuesday, April 29, 1969, at 9:30 a.m.

The meeting adjourned.

  
Secretary