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 Final minutes  
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MINUTES OF THE MEETING OF THE OPEN MARKET INVESTMENT COMMITTEE  
HELD IN WASHINGTON, D. C., JANUARY 12, 1928

The meeting of the Open Market Investment Committee was called to order at 10 a. m., with Deputy Governor Case of the Federal Reserve Bank of New York presiding. There were present Governors Harding, Fancher and McDougal, Deputy Governors Case and Hutt, and Mr. Burgess, who acted as secretary. The chairman presented a memorandum reviewing the credit situation, and also the secretary's report. After discussion the following motion was adopted:

The Committee has considered the memorandum submitted by the chairman and has reviewed the program adopted by the Committee on November 1, 1927 and approved by the Federal Reserve Board. Thereupon, the following conclusions were adopted:

1. The object of the policy adopted on November 1 has been accomplished.
2. The Committee program should now work towards somewhat firmer money conditions as far as necessary to check unduly rapid further increases in the volume of credit.
3. In order to accomplish this program the Committee would expect to sell further amounts of Government securities and if necessary, to deal with gold movements in such manner as necessary to carry out the program.

As outlined in the program of November 1, the Committee would expect to be charged with the execution of this program for the account of those Reserve Banks which approve and participate and would hope this program might guide the Committee for the present, unless a change of conditions makes further review desirable.

*Trans letter 1/16/28 filed 333-b-2*

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At 11 a. m. the Committee met with members of the Federal Reserve Board and there were present, in addition to the foregoing, Governor Young and Messrs. Miller, Hamlin, Platt, Cunningham, Goldenweiser, Eddy, Smead and McClelland. Secretary Mellon joined the meeting at 11:20 and Mr. McIntosh at 11:55 a. m.

Mr. Case reviewed the action of the Committee and presented the foregoing motion adopted by the Committee. There followed an extended discussion of open market and discount policy in relation to current credit conditions.

The meeting adjourned at 1 p. m.

The meeting reconvened at 2:15 p. m., and there were present Governors McDougal and Fancher, Deputy Governors Case and Hutt, and Mr. Burgess. Mr. Case brought up for discussion and subsequently requested authority to exchange \$100,000,000 of Third 4 1/4 per cent Liberty Bonds, now in the open market account, into the new 3-5 year notes offered by the Treasury Department. It was moved and carried that this authority be granted.

The chairman referred to a letter from Governor Calkins of the San Francisco bank saying that that bank had been asked by the Hongkong & Shanghai Banking Corporation to earmark gold in San Francisco for that institution, and requesting the views of the Open Market Committee. The members of the Committee present indicated that they saw no objection to this transaction being undertaken by the San Francisco bank.

The meeting adjourned at 2:35 p. m.

W. Randolph Burgess,  
Secretary pro tem