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4/29/28

A meeting of the Open Market Investment Committee was held at the Hotel Mayflower, Washington, at 3:30 p. m. on Sunday, April 29, 1928.

PRESENT: Deputy Governor Case, Acting Chairman.  
Governors Harding, Norris, Fancher and McDougal.  
Mr. Harrison, Acting Secretary.

Mr. Case distributed copies of the formal report of the secretary to the committee dated April 30. The committee thereupon discussed the principal transactions in the open market account since last November, as reviewed in the report of the secretary, and after discussion, it was duly VOTED to approve and accept the report.

Mr. Case then distributed to the committee a preliminary memorandum dated April 27 reviewing the operations in the account since the last meeting of the committee in their relation to the money market and credit conditions generally. After a discussion of the memorandum, together with past and prospective gold movements, the memorandum and its conclusions were agreed to by the committee, with a few minor amendments which were incorporated in the memorandum.

After further consideration the following report was adopted as the report of the committee:

"The committee has considered the memorandum submitted by the chairman, and has carefully reviewed the open market operations of the system since the last meeting of the committee, in the light of the general credit situation referred to in the memorandum.

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"In view of the fact that it now appears that the expansion in the total volume of bank credit, referred to in its last report, has continued at what seems to be an unduly rapid rate since that time, notwithstanding the sales of securities made by the committee and the recent increase in the discount rates of some of the reserve banks, the committee now recommends that the general policy adopted at its last meeting be continued until its next meeting, which it would expect to hold shortly after the middle of June, unless conditions make an earlier meeting advisable.

"The committee would expect to make such changes in the open market account as might be necessary to carry out the policy recommended."

The meeting adjourned at 6 p. m.

George L. Harrison,  
Acting Secretary.