

CONFIDENTIAL

A meeting of the Open Market Investment Committee and the Governors Conference with the Federal Reserve Board was held in Washington at 9:30 a. m. on Friday, November 16, 1928.

PRESENT: Governor Young, Messrs. Hamlin, Miller McIntosh, James, Cunningham, Platt and Eddy
Governors Harding, Norris, Fancher, Seay, Black, McDougal, Biggs, Geery, Talley and Calkins
Mr. McGarrah, Acting Chairman
Mr. Harrison, Acting Secretary.

The secretary distributed to each member of the Federal Reserve Board, a copy of the report of the Open Market Investment Committee as approved by the Conference of Governors together with copies of the preliminary memorandum dated November 14 and the formal report of the secretary of the committee dated November 12. Upon the request of the acting chairman, the secretary read the report of the committee. In the ensuing discussion it was pointed out that in substance the report involved a continuance of the present policy of the System, except that in the event of a possible emergency the System should be prepared to purchase government securities in order to avoid an acute credit stringency. This proposal involved no more than a renewal of the recommendation contained in the last report of the committee dated August 13 and approved by the Federal Reserve Board. It was the opinion of the committee that while there had been no occasion to exercise the emergency authority granted in August, and while at the moment there appeared to be a temporary period of ease in money rates, nevertheless in view of the approaching demands for currency

for holiday purposes, which normally result in an equivalent expansion of Federal Reserve credit, and the uncertainty of the present credit situation, the committee should have the same emergency authority that was granted to it in August when we were approaching the usual seasonal demand for crop moving purposes.

The meeting adjourned at 10:30 a. m.

George L. Harrison,
Acting Secretary.