

**FEDERAL RESERVE BANK  
OF DALLAS**

**Dallas, Texas, June 29, 1949**

**To All Member Banks  
in the Eleventh Federal Reserve District:**

**The following statement by the Federal Open Market Committee of the Federal Reserve System has been given to the press for immediate release:**

**“The Federal Open Market Committee, after consultation with the Treasury, announced today that with a view to increasing the supply of funds available in the market to meet the needs of commerce, business, and agriculture, it will be the policy of the Committee to direct purchases, sales, and exchanges of government securities by the Federal Reserve Banks with primary regard to the general business and credit situation. The policy of maintaining orderly conditions in the government security market and the confidence of investors in government bonds will be continued. Under present conditions the maintenance of a relatively fixed pattern of rates has the undesirable effect of absorbing reserves from the market at a time when the availability of credit should be increased.”**

**Very truly yours,**

**R. R. GILBERT**

**President**