

Upon call of the Governor a meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Saturday, October 30, 1926 at 10:50 a.m.

PRESENT: Governor Crissinger

Mr. Platt

Mr. Miller

Mr. James

Mr. Cunningham

Mr. Eddy, Secretary

Mr. McClelland, Asst. Secretary

PRESENT ALSO: Mr. Goldenweiser, Acting Director of the
Division of Research & Statistics.

In accordance with the understanding at the meeting yesterday Mr. Goldenweiser submitted a revised form of article to be published in the forthcoming issue of the Federal Reserve Bulletin, with reference to the program for monetary reform in Belgium and the authority granted by the Board for the purchase from the National Bank of Belgium by the Federal Reserve Bank of New York, in association with the other Federal Reserve banks, of not to exceed \$10,000,000 of prime commercial bills.

After discussion of the proposed article, during which minor amendments were made, upon motion by Mr. Platt it was approved in the following form:

"A recent development in monetary reform in Europe was the announcement by the Belgian Government on October 25 of the putting into operation of a plan to establish the Belgian currency on a new basis. The reform includes the creation of a new unit of currency, the belga, with a fine gold content of .209211 grams and a fixed relationship to the Belgian paper franc at the ratio of 5 to 1. The relationship of the belga to the pound sterling at par is as 35 to 1 and to the dollar about 7.20 to 1. Thus under this plan the value of the Belgian franc will be 2.78 cents or about 14.4 per cent of its original gold parity. To accomplish the monetary reform thus undertaken the Belgian Government has negotiated in foreign markets a loan in an amount equivalent to about \$100,000,000. The proceeds of this loan are to be used to reduce the

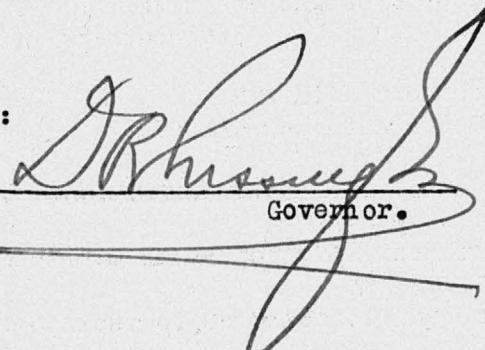
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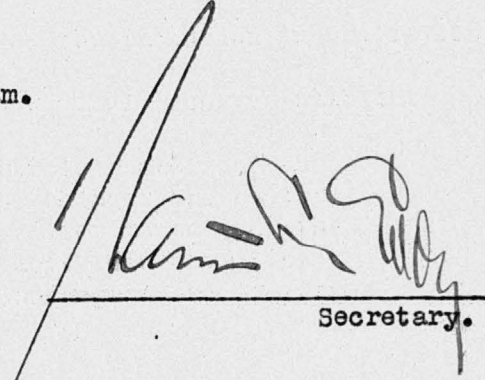
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"Government's debt to the National Bank of Belgium. The National Bank of Belgium on its own account has arranged for advances of credit of 5,000,000 pounds sterling from a number of European central banks including the Bank of England, the German Reichsbank, the Nederlandsche Bank, the Swedish Riksbank, the Bank of France, the Swiss National Bank, the Austrian National Bank, and the Hungarian National Bank -and also the Bank of Japan. In connection with the restoration of Belgian currency the Federal Reserve Bank of New York, on its own behalf and on the behalf of other Federal reserve banks desiring to participate, and with the approval of the Federal Reserve Board, will, for a period of a year, purchase from the National Bank of Belgium, if offered, prime bankers' bills, said bills to conform to the eligibility requirements of the Federal Reserve Act and to be payable in gold, the aggregate amount of such bills not to exceed \$10,000,000 at any one time."

The meeting adjourned at 11:05 a.m.

Approved:


Governor.


Secretary.