

Upon call of the Governor, a special meeting of the Federal Reserve Board was held in the office of the Governor on Wednesday, November 10, 1926, at 10:30 a.m.

PRESENT: Governor Crissinger  
Mr. Platt  
Mr. Hamlin  
Mr. Miller  
Mr. James  
Mr. Cunningham  
Mr. McIntosh  
Mr. Eddy, Secretary  
Mr. McClelland, Assistant Secretary.

The Governor referred to the action taken by the Board at its meeting yesterday afternoon in voting

"that the Board advise the Open Market Investment Committee that it sees no occasion at the present time for a change in the amount of the System's Special Investment Account, as approved by the Board on September 10, 1926, which approval fixed the amount of the account at from 200 million to 225 million dollars, and that the Committee be advised that it is understood that it shall have authority to replace those investments now in the account which mature December 15, 1926."

He stated that in discussing the matter with Mr. Case, Acting Chairman of the Open Market Investment Committee after the meeting, Mr. Case informed him that the Committee had not intended as a recommendation, or even as a suggestion calling for action by the Board, the statement contained in its report that "it may be desirable to purchase up to 100 million of securities during the coming six weeks, to be sold again at such time as credit conditions appear to make that course desirable." The Governor stated that Mr. Case had informed him that this was merely a statement of what might be desirable in case of certain future developments and that no action was contemplated by the Committee without further conference with the Board.

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The minutes of the meeting of the Federal Reserve Board held yesterday afternoon were then read and approved.

Mr. Cunningham moved reconsideration of the action taken at that meeting as stated by the Governor.

Mr. Cunningham's motion, being put by the Chair, was unanimously carried.

Governor Crissinger then submitted the following proposed letter to the Acting Chairman of the Open Market Investment Committee:

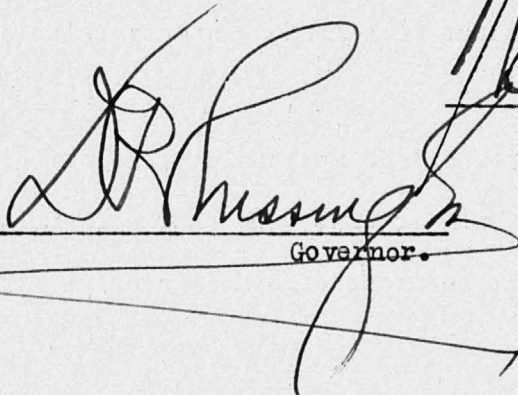
"The Board has considered the report of the Open Market Investment Committee and notes particularly the Committee's suggestion that 'it may be desirable to purchase up to 100 million of securities during the coming six weeks, to be sold again at such time as credit conditions appear to make that course desirable'. The Board understands from the Committee's report that as the Committee views the situation at this time there is no need for action looking toward a change in the amount of the special investment account, as approved by the Board on September 10, 1926, and in this view the Board concurs. The Board, therefore, construes the Committee's suggestion as an expression of opinion on the part of the Committee that in the event of a future change in the present situation, it may be desirable to give consideration to increasing the account temporarily.

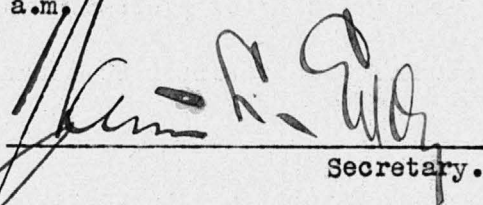
"The Board assumes that should there be any change in the present situation or any new developments which would seem to warrant increasing the account temporarily the Committee will confer further with the Board."

Upon motion by Mr. Hamlin, the above letter was unanimously approved.

The meeting adjourned at 10:45 a.m.

Approved:

  
Governor.

  
Secretary.