

A meeting of the Federal Reserve Board was held in the office of the Governor on Tuesday, November 1, 1927, at 11:30 a.m.

PRESENT: Governor Young
Mr. Platt
Mr. Hamlin
Mr. Miller
Mr. James
Mr. Cunningham
Mr. Eddy, Secretary
Mr. McClelland, Asst. Secretary

The minutes of the meeting of the Federal Reserve Board held on October 31st were read and approved as amended.

The Secretary then read to the Board draft of a letter to Mr. Gates W. McGarrah, Chairman of the Board of Directors of the Federal Reserve Bank of New York, replying to his letter to the Board of October 22nd, with respect to his accepting reappointment as a director of the Bank for Industrial German Debentures, upon the expiration of his present term in that capacity on December 31st next; the proposed reply, which was prepared in accordance with the discussion at the meeting yesterday, advising that inasmuch as members of the Board present at the time of Mr. McGarrah's appointment as Chairman and Federal Reserve Agent at the New York bank, took the position that they should not object to his serving out his present term as American member of the General Council of the Reichsbank, which runs until October 1, 1928, and inasmuch as it is understood that his appointment as American member of the Reichsbank Council carries with it appointment as American representative on the directorate of the Bank for Industrial German Debentures, the Board will not interpose objection to his accepting reappointment as a director of the industrial bank to serve until the expiration of his term as member of the General

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Council of the Reichsbank.

Upon motion, the letter was approved.

Letter dated October 31st from the Assistant Federal Reserve Agent at New York, with further reference to the absorption of the Nostrand Bank of Brooklyn, New York, by the Municipal Bank of Brooklyn, and advising that beginning November 1st the Nostrand Bank will be continued as a branch of the Municipal Bank; the Assistant Federal Reserve Agent also advising that the Municipal Bank on November 5th will open a branch at Coney Island Avenue and Avenue J, Brooklyn.

Noted.

Letter dated October 31st from the Assistant Federal Reserve Agent at New York, advising that at the close of business on that date the Hamilton Trust Company of Paterson, New Jersey, was to absorb the business of the Totowa National Bank of Paterson, which will go into voluntary liquidation and be continued as a branch of the Hamilton Trust Company.

Noted.

Memorandum dated November 1st from the Secretary, advising that under the authority granted by the Board at the meeting on October 20th, Mr. Frank J. Murdock has been employed as a stenographer in the Secretary's Office at a salary of \$1,500 per annum.

Noted.

The Governor then stated that the Chairman of the Open Market Investment Committee had furnished him with a number of copies of a preliminary memorandum now being considered by the Open Market Investment Committee, which is meeting in Washington today, and he handed a copy to

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each member of the Board for consideration prior to the meeting which the Board will hold with the Open Market Investment Committee. He stated that the Secretary of the Treasury is desirous of attending the meeting of the Board with the Committee, which will probably be arranged for tomorrow.

The Governor also stated that he had discussed with the Secretary of the Treasury the question of the advisability of having a stenographic record made of meetings of the Board with the Federal Advisory Council, the Open Market Investment Committee and members of that Committee as contemplated by the motions submitted by Mr. James at the meeting on October 12th, which are to be brought up for consideration today. He stated that from statements which the Secretary made to him he understood that the Secretary does not consider a stenographic record of meetings to be advisable.

The Secretary then read the motions submitted by Mr. James at the meeting on October 12th, as follows:

"That in the future an official stenographer be present whenever the Federal Advisory Council meets with the Federal Reserve Board, and that a record be made of proceedings at such meetings as is done in the case of conferences with the Governors of the Federal Reserve banks and the Federal Reserve Agents."

"That in the future an official stenographer be present whenever the Open Market Investment Committee, or any member thereof, meets with the Federal Reserve Board, and a verbatim record be made of the proceedings."

The Secretary also referred to the statement made by Mr. Hamlin at the meeting yesterday that he would submit the following motion as a substitute for those submitted by Mr. James:

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"That an abstract be made by the Secretary of the Board of all actions taken at meetings with the Board of the Federal Advisory Council and the Open Market Investment Committee."

After discussion, Mr. Hamlin stated that he would temporarily withhold submitting for a vote the substitute motion suggested by him in order that action might be had on the resolutions submitted by Mr. James.

By unanimous consent, Mr. James consolidated and amended his motions so as to read as follows:

"That in the future a stenographic record be made of all meetings between the Federal Reserve Board and the Federal Advisory Council, and that a stenographic record also be made of all meetings of the Board with the Open Market Investment Committee or any meetings with the Board of any member of the Open Market Investment Committee."

After full discussion, upon request that vote be taken by roll call, Mr. James' motion as amended was lost on a tie, the members voting as follows:

Mr. Miller, "aye"
Mr. James, "aye"
Mr. Cunningham, "aye"
Governor Young, "no"
Mr. Platt, "no"
Mr. Hamlin, "no"

Mr. Hamlin then submitted for action the motion suggested by him at the meeting yesterday, as follows:

"That an abstract be made by the Secretary of the Board of all actions taken at meetings with the Board of the Federal Advisory Council and the Open Market Investment Committee."

Mr. Miller moved, as a substitute for Mr. Hamlin's motion

"That detailed minutes be kept of all conferences or meetings of the Federal Reserve Board with the Federal Advisory Council and/or the Open Market Investment Committee and/or any member of that Committee."

Mr. Miller's substitute motion was put by the Chair, and a roll call vote being requested, was also lost on a tie, the members voting as follows:

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Mr. Miller, "aye"
 Mr. James, "aye"
 Mr. Cunningham, "aye"
 Governor Young, "no"
 Mr. Platt, "no"
 Mr. Hamlin, "no"

Discussion then ensued as to the detail into which the abstract of actions proposed by Mr. Hamlin would go.

Mr. Hamlin stated that he was willing to amend his motion so as to read

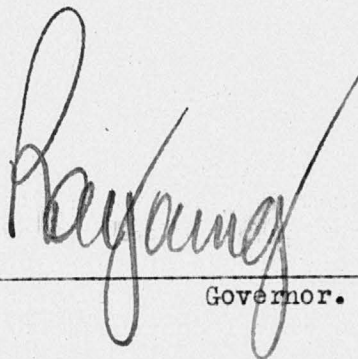
"That a record be made by the Secretary of the Board of all actions taken at meetings with the Board of the Federal Advisory Council and the Open Market Investment Committee."

The opinion was expressed by members of the Board, particularly by Mr. Miller, that the present record of actions taken by the Board is accurate and that unless a majority of the members of the Board believe that a detailed or verbatim record should be made of proceedings, no action is required.

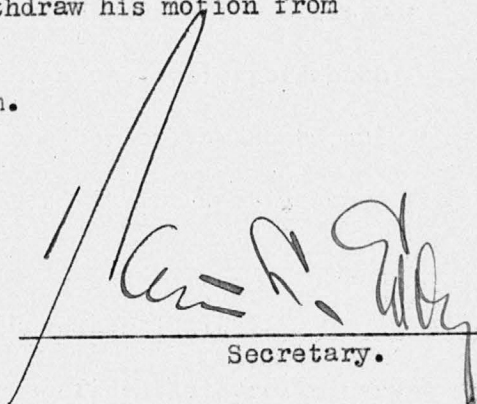
Mr. Hamlin then stated that on the statement of members of the Board who desire a verbatim record that they have no criticism to make of the present record of actions as kept by the Board's Secretary, he would withdraw his motion from further consideration.

The meeting adjourned at 1:20 p.m.

Approved:



 Governor.



 Secretary.