A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, November 27, 1928 at 11:30 a.m.

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

The minutes of the meetings of the Federal Reserve Board held on November 15th, 16th and 26th were read and approved.

Letter dated November 26th from the Secretary of the Federal Reserve Bank of New York, advising that the board of directors at the meeting on that date made no change in the bank's existing schedule of rates of discount and purchase.

Without objection, noted with approval.

Memorandum dated November 26th from the Director of the Division of Research and Statistics, transmitting resignations of Mr. Woodlief Thomas, effective December 5, 1928 and Mr. Norman J. Wall, effective December 31, 1928.

Accepted.

Memorandum dated November 26th from the Director of the Division of Research and Statistics, recommending the appointment of Mr. Meredith B. Givens at a salary of $4,200 per annum, effective January 1, 1929.

Approved.

Report of Executive Committee on letter dated November 27th from the Comptroller of the Currency, recommending approval of a salary of $5,000 per annum for National Bank Examiner Robert Neill, assigned to the Eighth
Federal Reserve District; the Board's Committee also recommending approval.

Approved.

Letter dated November 26th from the Chairman of the Federal Reserve Bank of New York, supplementing his letter to the Board of November 23rd, advising of the appointment on November 22nd of Mr. George L. Harrison as Governor of the bank to succeed the late Governor Strong; the letter stating that the appointment was to take effect immediately and that Governor Harrison's salary until December 31, 1928 is to be the same as he has been receiving as Deputy Governor, namely, $37,000 per annum.

Upon motion, payment of salary at the rate of $37,000 per annum to Governor Harrison was approved.

The Governor then stated that special order of business for this meeting is consideration of the recommendations of the Open Market Investment Committee, set out in the report submitted by the Committee at the meeting with the Board on November 19th. He presented draft of a proposed letter to the Acting Chairman of the Committee which, after discussion, was unanimously approved as follows:

"The Federal Reserve Board has had under review the preliminary memorandum of the Open Market Investment Committee dated November 14, 1928, together with the report of the Committee dated November 15, 1928. It is pointed out in both reports that there are many undetermined factors in the present credit situation and the Board is in agreement with the conclusions of the Committee that for the present at least the policy should be one of 'marking time'.

The Board further observes that the Committee suggests the System should be prepared, in the event of an emergency, to prevent any undue stringency of credit, and that it should be the policy of the System to purchase Government securities if and when it might become necessary to avoid such credit stringency.

If the Board approves this recommendation it will give approval to a policy of buying an indefinite amount of Government securities. It does not care to give this approval for three reasons:
1. It would not be in harmony with expressions and actions already taken by certain reserve banks.

2. It is not prepared at this time to say definitely that an emergency should be handled by the purchase of Government securities, or whether other avenues should be resorted to.

3. It believes that if any real emergency develops in the country, it might be advisable to have another meeting of the committee.

During the interim, however, adjustments of temporary credit situations, which would not be in the nature of serious emergencies, may be advisable and the Board will hold itself in readiness to act promptly upon written or telephone request from the Committee in an amount not to exceed $25,000,000."

The Governor then submitted, on behalf of the Executive Committee, in accordance with the request of the Board at its meeting yesterday, draft of a proposed letter to the Chairmen of all Federal Reserve banks, prepared in consultation with the Board's Counsel, on the subject of the payment of compensation to officers and employees who die while in the service of the banks.

After discussion, the proposed letter was ordered circulated.

REPORTS OF STANDING COMMITTEES:

Dated, November 26th, Recommending changes in stock at Federal Reserve Banks as set forth in the Auxiliary Minute Book of this date. Recommendations approved.

Dated, November 24th, Recommending action on an application for fiduciary powers as set forth in the Auxiliary Minute Book of this date. Recommendation approved.

The meeting adjourned at 12:15 p.m.

Approved: Governor.

Secretary.