

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Wednesday, June 26, 1929 at 11:00 a.m.

PRESENT: The Chairman
Governor Young
Mr. Platt
Mr. Hamlin
Mr. Miller
Mr. James
Mr. Cunningham
Mr. Pole
Mr. Noell, Asst. Secretary

The minutes of the meeting of the Federal Reserve Board held on June 25th were read and approved.

The Board then proceeded with consideration of the special order of business for this meeting, namely, participation of the Federal Reserve banks in the proposed central bank credit to the National Bank of Hungary. Governor Young briefly outlined the details of the credit, as recorded in previous minutes, and moved that the action of the directors of the Federal Reserve Bank of New York, in authorizing the officers of that bank to arrange for a period of not to exceed one year for the purchase of prime commercial bills bearing at least two names and guaranteed or endorsed by the National Bank of Hungary, in an amount not to exceed the equivalent of \$5,000,000, be approved with the understanding that the Federal Reserve banks participating satisfy themselves as to the details for the safety of the credit.

At the conclusion of the discussion, the Governor's motion was put by the Chair and carried, the members voting as follows:

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

Mr. Miller stated that he would have voted for approval had the same safeguards been applied as in the credits approved for the National Bank of Belgium and the Banca d'Italia.

Mr. Hamlin stated he was willing to leave the matter to the discretion of the directors of the Federal Reserve Bank of New York, with the hope that they would be able to make an arrangement similar to those which have been made with other central banks, and felt that this credit would be of the greatest benefit to the export trade of the United States.

Mr. Cunningham made the following statement - "I voted 'aye' on the National Bank of Hungary credit with reservations as to my position in the future in matters of this kind. I especially regard the elimination of the provision whereby the country securing this credit is not undertaking to guarantee the release of gold for export to cover this indebtedness, if necessary, as something that I do not stand committed to for the future. I regard this as the safeguard in the granting of past credits of this kind."

The Governor requested authority to employ a stenographer at not to exceed \$50 a month for the purpose of carrying on official correspondence during his vacation absence.

Upon motion, the authority requested by the Governor was granted.

REPORTS OF STANDING COMMITTEES:

- Dated, June 25th, Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date.
Recommendations approved.
- Dated, June 25th, Recommending approval of the application of Mr. Howard E. Coffin for permission to serve at the same time as director of the Guardian Detroit Bank of Detroit, Mich., as director of the Industrial Morris Plan Bank of Detroit, Mich., and as director of the Citizens & Southern National Bank of Savannah, Ga.
Approved.
- Dated, June 24th, Recommending approval of the application of Mr. A. R. Thompson for permission to serve at the same time as director and officer of the Valley National Bank of Des Moines, Iowa, and as director and officer of the Nebraska National Bank of Hastings, Nebraska.
Approved.

6/26/29

The meeting adjourned at 12:00 o'clock noon.

J. Wallace
Assistant Secretary.

Approved:

A. W. Mellon
Chairman.

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