

A meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, August 6, 1929, at 11:30 a. m.

PRESENT: Governor Young,
Mr. James,
Mr. Cunningham,
Mr. Pole,
Mr. McClelland, Assistant Secretary.

PRESENT ALSO: Governor Harrison of the Federal Reserve Bank of New York.
Governor Talley of the Federal Reserve Bank of Dallas.

Letter dated August 1st from the Secretary of the Federal Reserve Bank of New York and telegram dated August 1st from the Chairman of the Federal Reserve Bank of San Francisco, both advising that their boards of directors at meetings on that date made no change in their banks' existing schedules of rates of discount and purchase.

Without objection, noted with approval.

Letter dated July 31st from the Comptroller of the Currency advising of the appointment of the following money counters in the Federal Reserve Issue and Redemption Division, with salaries at the rate of \$1,200 per annum:

Mrs. Helen K. Post
Mrs. Emma N. Moore
Mrs. Frederick Knopp
Mrs. Irene L. Conner
Miss Margaret Walsh.

Noted.

Matter approved on initials on August 2nd, namely, letters dated August 1st from the Comptroller of the Currency recommending approval of a salary of \$2,700 per annum for National Bank Examiner Leo D. Donovan, and a salary of \$4,500 per annum for National Bank Examiner Charles A. Bryan, both assigned to the Seventh Federal Reserve District.

Formally approved.

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Reports of Committee on Salaries and Expenditures on lists submitted by the Federal Reserve Banks of Boston, Philadelphia and Dallas of employees for whom the directors of those banks approved leaves of absence with pay, on account of illness, during the month of July where the total of such absences since January 1, 1929, have exceeded thirty days; the Board's Committee recommending approval of the salary payments involved.

Approved.

Report of Committee on Salaries and Expenditures on list submitted by the Federal Reserve Bank of Chicago of employees for whom the directors of that bank approved leaves of absence with pay, on account of illness, during the period June 28 to July 25, where the total of such absences since January 1, 1929, have exceeded thirty days; the Board's Committee recommending approval of the salary payments involved.

Approved.

Letter dated July 31st from the Chairman of the Federal Reserve Bank of Cleveland advising that if agreeable to the Board, he will leave the bank on August 19 for a vacation of about three weeks.

Noted, without objection.

Letter dated July 29 from Mr. Edward A. Duerr tendering his resignation as a director of the Buffalo Branch of the Federal Reserve Bank of New York; the letter stating that since the absorption of the Community National Bank of Buffalo by the Liberty Bank, he is no longer actively engaged in banking.

Upon motion, Mr. Duerr's resignation was accepted and the matter of an appointment for his unexpired term ending December 31, 1931, was referred to the Committee on District No. 2 for recommendation.

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Letter dated July 31st from the Deputy Governor of the Federal Reserve Bank of New York, advising that there has been no change in the Open Market Investment Account since his letter to the Board of July 24th; the letter also stating that the Government security market has continued dull and that bills were in slightly less demand during the week.

Noted.

The Governor then referred to the discussion at the meeting of the Board on August 2nd, and Governor Harrison reiterated briefly his statements regarding the present situation and possible future credit policy. He stated that only three directors of his bank were present at the meeting on Monday and he was, therefore, unable to give the Board any expression of the opinion of his board of directors. Two of those directors present at the meeting, he stated, considered the plan suggested by him at the meeting of the Board on August 2nd, the best so far suggested for meeting the fall requirements, but the third made inquiries as to the apparent inconsistency of an increase in rate with a simultaneous policy of ease through purchases of bills or Governments.

Governor Talley expressed doubt that a special commodity rate would be much availed of, even without a restriction as to the rate charged customers on notes securing the preferential rate at the Federal Reserve Bank. He stated that commodities generally do not rest long enough, except at terminal points, to be used as collateral, so that the commodity rate would become practically a special export rate available at terminal points which already get preferential rates on this class of business.

A general discussion as to System policy during the coming months then ensued, during which Mr. Miller joined the meeting. Various opinions

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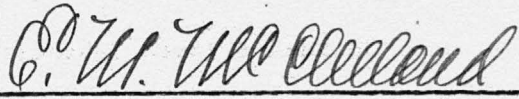
were expressed but no consensus was arrived at. It was understood that the matter would be thoroughly discussed at the meeting to be attended by all Governors tomorrow.

REPORTS OF STANDING COMMITTEES:

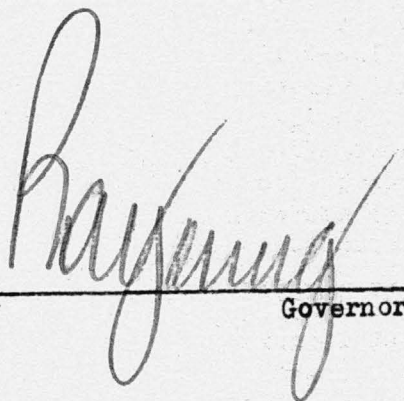
Dated, August 1, Recommending changes in stock at Federal Reserve Banks
 2, as set forth in the Auxiliary Minute Book of this date.
 6, Recommendations approved.

Dated, August 1, Recommending action on applications for fiduciary powers
 as set forth in the Auxiliary Minute Book of this date.
 Recommendations approved.

The meeting adjourned at 2:30 p. m.


Assistant Secretary

Approved:


Governor