

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, November 5, 1929 at 11:00 o'clock.

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

The minutes of the meeting of the Federal Reserve Board held on November 4th were read and approved.

The Governor stated that November 25th is satisfactory to all parties as the date for the proposed hearing on the establishment of a Branch Federal Reserve Bank at Wichita and, upon motion by him, that date was fixed for the hearing.

Letters dated November 1st from the Chairman of the Federal Reserve Bank of Dallas and November 4th from the Secretary of the Federal Reserve Bank of Cleveland, advising of the establishment on November 1st of the following schedule of rates for purchases of acceptances:

Bankers acceptances:		
1 to 120 days	-	4 3/4%
121 to 180 days	-	5%
Repurchase	-	4 3/4%
Trade acceptances	-	5%

Noted, with approval.

Report of Committee on Salaries and Expenditures on list submitted by the Federal Reserve Bank of Dallas of employees for whom the directors of that bank authorized leaves of absence with pay, on account of illness, during the month of October where the total of such absences since January 1, 1929 has exceeded thirty days; the Board's Committee recommending approval of the salary payments involved.

Approved.

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Bonds in the amount of \$100,000 and \$50,000 executed under date of October 25th by Mr. R. L. Austin and Mr. Arthur E. Post, Federal Reserve Agent and Assistant Federal Reserve Agent, respectively, at the Federal Reserve Bank of Philadelphia.

Approved.

The Governor then stated that special order of business for this meeting is consideration of the proposed regulation governing open market operations submitted by Mr. James at the meeting on October 31st. Mr. James then filed two alternative drafts of the proposed regulation which were discussed. The Governor suggested that the Board consider the adoption of a very brief regulation providing merely that except with the approval of the Federal Reserve Board, no Federal Reserve bank shall engage in open market operations in securities having a maturity in excess of fifteen days, and that a letter then be addressed to all Federal Reserve banks advising that the Board contemplates putting such a regulation into effect and asking for their reactions.

He submitted a form of regulation which was amended, during the discussion, to read as follows:

"Except with the approval of the Federal Reserve Board, no Federal Reserve Bank shall (a) buy any bonds, notes, certificates of indebtedness or Treasury bills of the United States, having a maturity in excess of fifteen days, or (b) sell any bonds, notes, certificates of indebtedness, or Treasury bills of the United States."

Mr. James stated that adoption of the above regulation, in lieu of the several drafts which he submitted, was agreeable to him.

Mr. Miller then moved that the regulation be adopted in the form above quoted, with the understanding that the date on which it is to become effective be left for subsequent determination by the Board.

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Mr. Miller's motion, being put by the Chair was carried, Mr. Platt voting "no".

Mr. Miller then moved that the Governor be requested to prepare for consideration and action by the Board at its meeting tomorrow, draft of a letter to all Federal Reserve banks transmitting the regulation just approved.

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

Mr. Smead, Chief of the Division of Bank Operations, then entered the room and advised the Board of consideration which has been given in his Division for some time past to the question of the adequacy of the information received by the Board regarding changes in the banking structure throughout the country. He submitted draft of a proposed letter to be addressed to all Federal Reserve Agents, requesting them to report to the Board monthly, on forms to be furnished them, all changes in member and nonmember banks in their respective districts, including bank suspensions, consolidations, organizations, chain and group banking developments and branch banking changes.

He explained various phases of the proposed reports to the Board and, upon motion, he was authorized to proceed to secure the desired information along the lines contemplated by him.

REPORTS OF STANDING COMMITTEES:

Dated, November 4th, Recommending changes in stock at Federal Reserve banks as set forth in the Auxiliary Minute Book of this date.

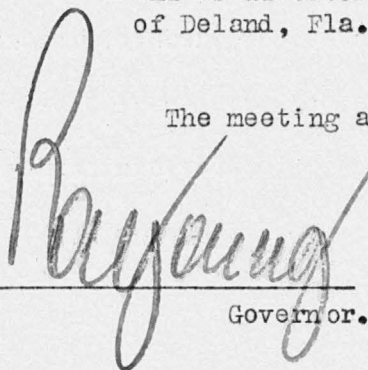
Recommendations approved.

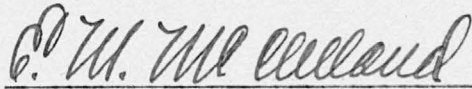
Dated, November 2nd, Recommending approval of the application of Mr. Frank W. Norris for permission to serve at the same time as officer of the Barnett National Bank of Jacksonville, Fla., and as director and officer of the Barnett National Bank of Deland, Fla.

Approved.

The meeting adjourned at 1:00 p.m.

Approved:


Governor.


Assistant Secretary.