

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Friday, November 8, 1929 at 12:30 p.m.

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

The minutes of the meeting of the Federal Reserve Board held on November 7th were read and approved.

Telegrams dated November 7th from the Chairmen of the Federal Reserve Banks of Boston, Kansas City, Dallas and San Francisco, all advising that their boards of directors at meetings on the date stated made no changes in the banks' existing schedules of rates of discount and purchase.

Without objection, noted with approval.

Bond in the amount of \$100,000 executed under date of November 1, 1929, by Mr. W. A. Heath, Federal Reserve Agent at Chicago.

Approved.

Report of Committee on Salaries and Expenditures on list submitted by the Federal Reserve Bank of Richmond, 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.

Memorandum dated November 7th from the Director of the Division of Research and Statistics, advising of a cable just received from the National Bank of Czechoslovakia to the effect that an act reestablishing the gold standard has been passed, the relation of the crown to gold being fixed at one crown

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to 44.58 milligram fine gold; the memorandum stating that the date of the convertibility of the notes to gold is subject to an agreement between the bank and the government, and the Board will be notified when the arrangement is proclaimed.

Noted.

Letter dated November 7th from the Deputy Governor of the Federal Reserve Bank of New York, with reference to operations in the open market during the week ending October 30th; the letter stating that total purchases of securities by the New York bank to relieve the present situation amounted to \$132,652,000 at the close of business November 6th, of which \$25,000,000 were transferred to the Open Market Investment Account on October 31st and a further \$25,000,000 on November 7th; the letter also stating that securities held under repurchase agreement declined during the week from \$32,660,000 to \$8,750,000 and that System holdings of bills decreased approximately \$4,000,000.

Noted.

Draft of reply, prepared by Counsel, to letter dated November 4th from the Vice President of the Central National Bank, Cleveland, Ohio, which has heretofore received permission from the Board to exercise trust powers, inquiring whether it will be necessary to secure a new fiduciary permit when consolidation of the Central National Bank and the United Banking and Trust Company takes place, under the charter of the Central National Bank and the title "Central United National Bank of Cleveland"; the reply stating that by the provisions of the Act of February 25, 1927, under which the consolidation will take place, the consolidated bank will have corporate power to act in fiduciary capacities without any further formality and it will not be necessary for it to obtain a new permit from the Board.

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Upon motion, the proposed reply was approved.

Memorandum from Counsel dated November 5th, submitting draft of a letter to all Federal Reserve banks and a press statement, announcing the ruling adopted by the Board on October 31st, permitting the purchaser of goods under bankers acceptance credits covering domestic shipments to draw bills having a maturity consistent with the usual credit time prevailing in the relative trade; the letter to the Federal Reserve banks further stating that the Board has not taken action on the proposed ruling to permit bankers acceptances against staples placed with an independent converter or processor.

After discussion, upon motion, the letter and press statement submitted by Counsel were approved.

Letter dated November 7th from the Governor of the Federal Reserve Bank of New York, advising that at the meeting of the board of directors of the bank on that date, after discussion of current conditions, as well as a proposed meeting of the Open Market Investment Committee next week, the following resolution was adopted by the directors as an expression of their views as to what should be the policy of the System and that bank during the coming weeks:

"It is the unanimous opinion of this board that, in the interest of maintaining business and employment, the policy of the Federal Reserve System and this bank for the coming weeks should be to keep a plentiful supply of money in the market through the purchase of bills, if available, and if not, then through the purchase of governments, in order that discounts of the Federal Reserve System may be reduced and at the proper time a further reduction of the discount rate effected, with the objective of securing lower interest rates for business throughout the country."

Governor Young stated that before a meeting of the Open Market Investment Committee is held Governor Harrison would like to come to Washington and informally discuss current conditions

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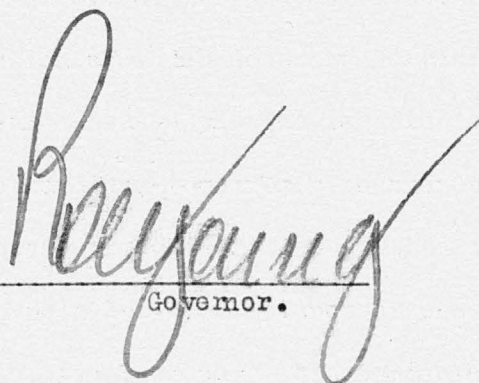
with the members of the Board. He stated that if there is no objection, Governor Harrison will be in Washington tomorrow.
No objection was expressed.

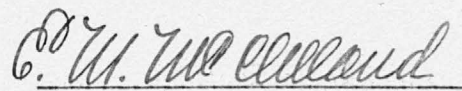
REPORTS OF STANDING COMMITTEES:

- Dated, November 7th, Recommending changes in stock at Federal Reserve banks as set forth in the Auxiliary Minute Book of this date.
Recommendations approved.
- Dated, November 7th, Recommending approval of the application of Mr. Anthony Pepe for permission to serve at the same time as member of the firm of private bankers doing business under the name of A. Pepe & Sons, Bankers, Buffalo, N. Y., and as director of the Niagara National Bank of Buffalo, N. Y.
Approved.
- Dated, November 7th, Recommending approval of the application of Mr. Frank Pepe for permission to serve at the same time as member of the firm of private bankers doing business under the name of A. Pepe & Sons, Bankers, Buffalo, N. Y., and as director and officer of the Niagara National Bank of Buffalo, N. Y.
Approved.

The meeting adjourned at 1:30 p.m.

Approved:


Governor.


Assistant Secretary.