

A meeting of the Federal Reserve Board was held in the office of the Governor on Thursday, July 30, 1931, at 2:15 p. m.

PRESENT: Governor Meyer  
Mr. Hamlin  
Mr. Miller  
Mr. James  
Mr. Magee  
Mr. McClelland, Assistant Secretary.

The Governor stated that he is advised by the Governor of the Federal Reserve Bank of New York that the board of directors of that bank is now considering a resolution authorizing the officers of the bank to arrange with the Bank of England, for a period of not exceeding three months, for the purchase of prime commercial bills endorsed or guaranteed by the Bank of England; it being understood that the question of a renewal for an appropriate term will, if requested, have favorable consideration at the expiration of the three months' period.

He stated that the amount of the bills to be purchased has not yet been determined. He also stated that it is understood that the Bank of France is arranging to take the equivalent of \$125,000,000 of bills endorsed or guaranteed by the Bank of England, for a period of three months, which is its legal limit, although it will arrange an understanding for a longer period, if necessary. He said it was for this reason that the original arrangement of the New York Bank was to run for a period of only three months. During the discussion which ensued, certain of the Board members expressed the opinion that the amount involved in the arrangement of the Federal Reserve Bank should not exceed that of the Bank of France.

After some discussion on the part of the Board, the Governor was called over the telephone by the Governor of the Federal Reserve Bank of

7/30/31

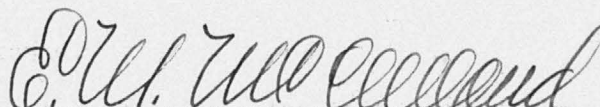
-2-

New York, who reported that the resolution had been adopted by his board of directors in the following form:

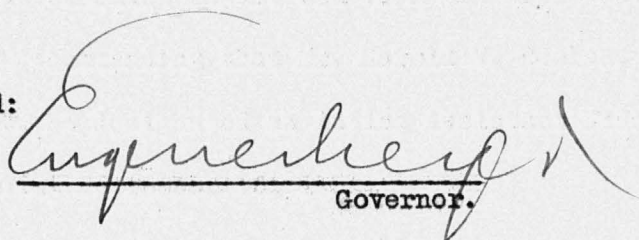
"It is voted to authorize the officers, subject to the approval of the Federal Reserve Board, to arrange with the Bank of England for a period of not exceeding three months for the purchase of not in excess of the equivalent of \$125,000,000 of prime commercial bills endorsed or guaranteed by the Bank of England. It is understood that the question of a renewal for an appropriate term will, if requested, have favorable consideration at the expiration of the three months' period."

After some further discussion, upon motion, it was voted to approve the action taken by the directors of the New York Bank, with the understanding that any renewal of the credit will be submitted to the Board for approval.

The meeting adjourned at 2:45 p. m.

  
Assistant Secretary.

Approved:

  
Governor.