Minutes for November 1, 1956.

To: Members of the Board

From: Office of the Secretary

Attached is a copy of the minutes of the Board of Governors of the Federal Reserve System on the above date.

It is not proposed to include a statement with respect to any of the entries in this set of minutes in the record of policy actions required to be maintained pursuant to section 10 of the Federal Reserve Act.

Should you have any question with regard to the minutes, it will be appreciated if you will advise the Secretary's Office. Otherwise, if you were present at the meeting, please initial in column A below to indicate that you approve the minutes. If you were not present, please initial in column B below to indicate that you have seen the minutes.

		A	В
Chm.	Martin	11111	\times \times
Gov.	Szymczak	x W	
1/Gov.	Vardaman	2	x
Gov.	Mills	*	
Gov.	Robertson	x R	
Gov.	Balderston	* cos	
Gov.	Shepardson	x(en)	

If he attached set of minutes was sent to Governor Vardaman's office in accordance with the procedure approved at the meeting of the Board on November 29, 1955. The set was returned by Governor Vardaman's office with the statement (see Mr. Kenyon's memorandum of February 12, 1957) that hereafter Governor Vardaman would not initial any minutes of meetings of the Board at which he was not present. Therefore, with Governor Shepardson's approval, these minutes are being filed without Governor Vardaman's initial.

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Thursday, November 1, 1956. The Board met in the Board Room at 10:00 a.m.

PRESENT: Mr. Balderston, Vice Chairman

Mr. Szymczak

Mr. Mills

Mr. Robertson

Mr. Shepardson

Mr. Carpenter, Secretary

Mr. Kenyon, Assistant Secretary

Mr. Thurston, Assistant to the Board

Mr. Thomas, Economic Adviser to the Board

Mr. Vest, General Counsel

Mr. Young, Director, Division of Research and Statistics

Mr. Garfield, Adviser, Division of Research and Statistics

Messrs. Marget, Furth, Katz, Reynolds, and Wood of the Division of International Finance

Messrs. Reynolds and Katz presented reports on international developments in the light of the crisis which developed in the Egyptian area over the past weekend. The comments of Mr. Reynolds were directed principally toward the current and possible future effect of these developments on world commodity prices, with particular reference to commodities whose movement would be affected most significantly by shipping shortages and a blocking of the Suez Canal. The remarks of Mr. Katz concerned recent movements in the price of sterling and the steps available to the British authorities should there be a continuation of the pressures on sterling that had existed during the past few days.

There was agreement with a suggestion by Governor Mills that it would be desirable to have an appropriate member of the staff review for

the Board within the next few days the nature of actions in the credit and related areas which might be taken under the authority of existing emergency legislation in the event of a worsening of the international situation.

The meeting then adjourned.

Machella