

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.

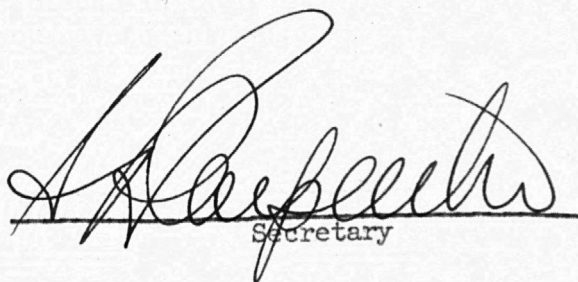
There was agreement with a suggestion by Governor Mills that it would be desirable to have an appropriate member of the staff review for

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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.



Secretary