

Upon call of the Governor a special meeting of the Federal Reserve Board was held in the office of the Board on Thursday, April 22, 1926 at 3:30 p.m.

PRESENT: The Chairman
 Governor Crissinger
 Mr. Platt
 Mr. Hamlin
 Mr. James
 Mr. Noell, Asst. Secretary
 Mr. McClelland, Asst. Secretary

The Governor stated that the meeting had been called by him to consider a request received over the telephone from the Federal Reserve Bank of New York for approval of the action of the board of directors of the bank taken today in voting to reduce their rediscount rate on all classes of paper of all maturities from 4% to $3\frac{1}{2}\%$, effective at opening of business tomorrow morning April 23rd. Governor Crissinger stated that the New York bank had communicated with four other Federal Reserve banks and advised that two of them rather felt their rate should be lowered to $3\frac{1}{2}\%$ also, while the other two were of the opinion that their rate should remain at the present level of 4% at least for awhile. He stated that the New York bank was anxious to have the matter disposed of by the Board this afternoon.

The Chairman stated that he knew of no objection to the action of the directors of the Federal Reserve bank or to the Board's approving the reduction recommended by them.

Governor Crissinger thereupon moved that the Board approve for the Federal Reserve Bank of New York a rediscount rate of $3\frac{1}{2}\%$ on all classes of paper of all maturities, effective tomorrow, April 23, 1926.

4/22/26

-2-

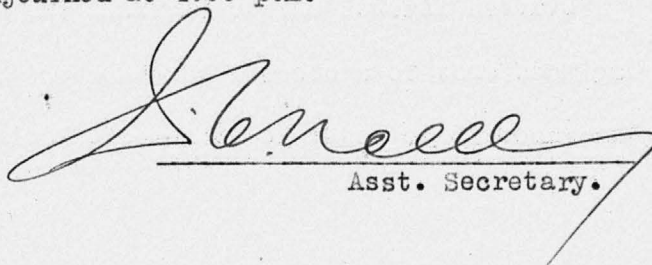
During the discussion which followed, all members of the Board expressed themselves as favoring the reduction except Mr. Platt who stated he did not see any reason for making the reduction right at the present time.

Following the discussion, Mr. Hamlin seconded Governor Crissinger's motion, which was then put by the Chair and unanimously carried.

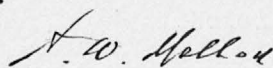
Mr. Platt stated that he would not vote against approving the reduction, but he thought it premature. He stated that the present ease in the money market is due to the recent purchase of some \$65,000,000 of short time government securities, coming on top of a considerable release of loans on stock exchange collateral. The indications, he stated he believed, are not yet sufficiently clear that a reduction of rate is desirable and action might better have been deferred another week or two.

Upon motion by Mr. Hamlin, the Governor was authorized to advise the Federal Reserve Bank immediately of the Board's approval of the action of their directors.

The meeting adjourned at 4:00 p.m.


Asst. Secretary.

Approved:



Chairman.