

A meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Federal Reserve Board on Wednesday, August 31, 1927 at 12:45 p.m.

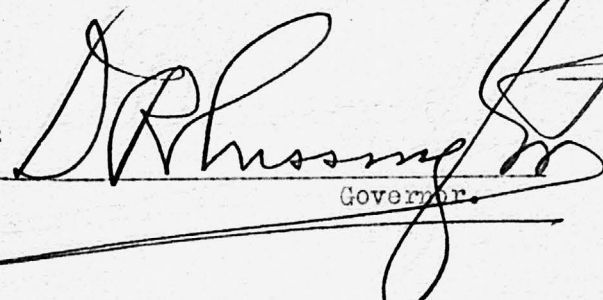
PRESENT: Governor Crissinger
 Mr. James
 Mr. Cunningham
 Mr. McIntosh
 Mr. Noell, Asst. Secretary

The Governor stated that he had called the meeting for the purpose of reporting telephone conversations this morning with the Chairman of the board of directors of the Federal Reserve Bank of Chicago and with Mr. Simpson, Class C director of the bank, regarding the action of the board of directors at its meeting on August 26th in voting to continue the bank's present re-discount rate of 4 percent and the action of the Board's Executive Committee yesterday in voting that the action of the Chicago directors be not approved. He stated that Mr. Heath had intimated that a reduction in the Chicago bank's rate might be made in the near future and had inquired whether it would be agreeable to the Board if the question was voted on at a meeting of the bank's executive committee scheduled to be held on September 9th, with the understanding that the present rate of 4 percent would be continued until that time.


Discussion ensued, during which it was suggested that any change to be made in the rate of the Chicago bank should be made next Friday, September 2nd. The Governor was authorized to so advise the Chairman of the Chicago bank over the telephone.

The meeting adjourned at 1:00 p.m.

Approved:



 Governor.



 Assistant Secretary.