

Upon call of the Governor, a special meeting of the Federal Reserve Board was held in the office of the Governor on Thursday, October 13, 1927 at 4:30 p.m.

PRESENT: Governor Young
Mr. Platt
Mr. Hamlin
Mr. James
Mr. Cunningham
Mr. Eddy, Secretary

The Governor stated that he had just received a telephone call from the Governor of the Federal Reserve Bank of New York and was advised that the New York bank had received from the de Nederlandsche Bank of Amsterdam, Holland, a cablegram advising that the de Nederlandsche Bank, due to financial conditions in Holland, felt that it should advance its rate one-half or one percent and requesting the views of the Federal Reserve Bank of New York. The Governor reported that Mr. Strong advised him that owing to the fact that yesterday was a holiday in New York, the cablegram in question had not been received until today, and that in the meantime, the de Nederlandsche Bank, not hearing from the Federal Reserve Bank of New York, had advanced its rate one percent. The Governor further stated that Mr. Strong advised that the directors of the Federal Reserve Bank of New York are now in session and have unanimously voted to instruct him to cable the de Nederlandsche Bank offering to buy guilders to the extent of \$10,000,000. The Governor stated that he had advised Mr. Strong that he was not sure but that the members of the Board had left for the day and that he did not care to make any commitment on behalf of the Board. Mr. Strong advised him, he stated, that he did not want a commitment, but did want to refer the matter, and similar matters, to the Board before action was taken

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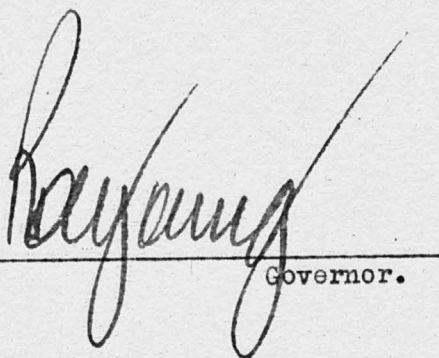
thereon by the Federal Reserve Bank of New York, although this is not always possible, and that while he (Governor Strong) felt that the transaction was an advisable one under the circumstances, if there was objection here the New York Bank would not send the cablegram referred to. The Governor further stated that Mr. Strong would make the matter the subject of a communication to the Board which would reach here tomorrow morning.

After discussion as to the advisability of postponing action on the matter until tomorrow morning, Mr. Platt moved that the Governor of the Board advise the Governor of the New York bank over the telephone tonight that the Board will interpose no objection to the dispatch of the proposed cablegram to the de Nederlandsche Bank.

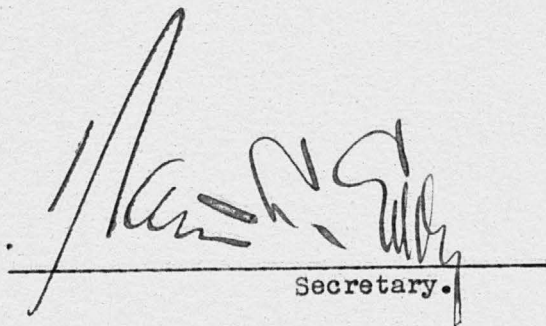
Mr. Platt's motion, being put by the Chair, was carried, Mr. Cunningham voting "no".

The meeting adjourned at 4:50 p.m.

Approved:



Governor.



Secretary.