

Upon call of the Governor, a meeting of the Federal Reserve Board was held in the office of the Governor on Monday, February 20, 1928 at 4:00 p.m.

PRESENT: Governor Young
Mr. Platt
Mr. Hamlin
Mr. Miller
Mr. Cunningham
Mr. Eddy, Secretary
Mr. McClelland, Asst. Secretary

The Governor stated that he had called the meeting for the reason that Dr. Miller is leaving town for an absence of several days, which will result in no quorum of the Board being present.

He presented the matter approved on initials today, namely, telegram dated February 20th from the Chairman of the Federal Reserve Bank of St. Louis advising that the Executive Committee of the bank, under authority of the board of directors, today voted to establish a rediscount rate of 4% on all classes of paper of all maturities, effective the first business day following that on which approved by the Federal Reserve Board.

The rate of 4% established by the Executive Committee of the St. Louis bank having been informally approved, effective as at the opening of business tomorrow, February 21st, was formally ratified, Mr. Cunningham not voting.

Mr. Cunningham stated that the members of the Board are already familiar with his reasons for not voting on adjustments in Federal Reserve bank rates being made at this time.

The Governor then stated that the Federal Reserve Bank of Cleveland is now the only bank maintaining a rediscount rate of 3 1/2% and suggested that the Executive Committee be given authority during Mr. Miller's absence to act upon a rate of 4% if established by the directors of that bank.

Upon motion, the Executive Committee was authorized to approve a rate of 4% if established by the directors of the Federal Reserve Bank of Cleveland.

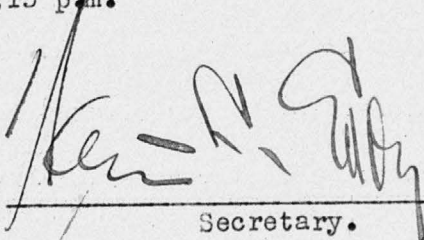
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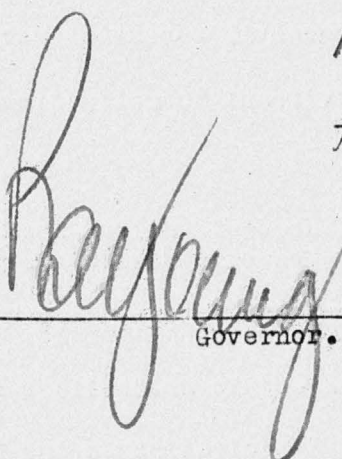
Mr. Hamlin then stated that the Board's Counsel has prepared and submitted to the Law Committee draft of a reply to a letter from the Federal Reserve Agent at Boston, with respect to the desire of Lee, Higginson and Company of Boston to draw bankers acceptances for the purpose of financing the storage of cotton in Italy. He stated that Counsel is now revising the proposed letter under instructions from the Committee and suggested that the matter be referred to the Executive Committee with power.

Upon motion, Mr. Hamlin's suggestion was adopted.

The meeting adjourned at 4:15 p.m.


Secretary.

Approved:


Governor.