

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Monday, April 2, 1928 at 11:00 a.m.

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

PRESENT ALSO: Mr. Harrison, Deputy Governor of the Federal Reserve Bank of New York.

Mr. Harrison stated that he had come to Washington at the request of Governor Young for the purpose of discussing with the Board the invitation extended the Federal Reserve Bank of New York by the Bank of France to participate in a credit arrangement in favor of the National Bank of Rumania amounting in all to \$20,000,000 or \$25,000,000, following consideration of which the directors of the New York bank voted to authorize the officers, subject to the approval of the Board, to agree to purchase not to exceed the equivalent of \$10,000,000 of prime commercial bills bearing at least two names and endorsed or guaranteed by the National Bank of Rumania.

In reply to an inquiry he stated that so far as he was advised as yet no foreign central banks have been approached by the Bank of France with reference to the credit except the Federal Reserve Bank of New York and the Bank of England. He stated that he had been informed that while the Bank of England had not yet been formally invited to participate, nevertheless it had expressed its willingness to enter into the arrangement provided the Bank of France and the Federal Reserve Bank of New York would be jointly responsible for passing upon the Rumanian stabilization program but that his directors were opposed to the Federal Reserve Bank of New York's assuming

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such responsibility and that the Bank of England was advised to that effect.

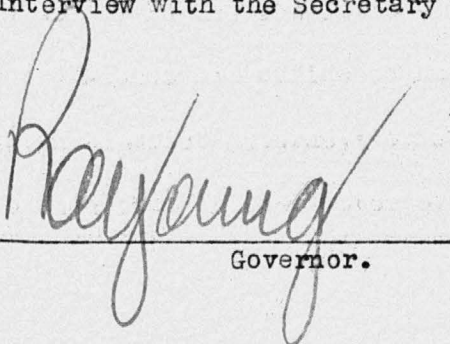
He also stated that the Federal Reserve Bank of New York has given no official consideration to the Rumanian program or to any arrangements which may be under way with private bankers for the government loan of \$70,000,000 contemplated in connection with Rumanian stabilization. He stated, however, that the participation authorized by the directors of the Federal Reserve Bank of New York in the central bank credit would not become effective unless and until the government of Rumania formally promulgates a program satisfactory to the Bank of France, including an international loan to the government to be issued by private bankers in New York and other markets.

He stated that he had been advised by the Governor that the Board contemplates reference of the matter under discussion to the State Department. He then outlined to the Board informal discussions already had with officials of the State Department regarding the matter, and expressed it to be his opinion that formal reference is unnecessary and in fact not desired by the State Department.

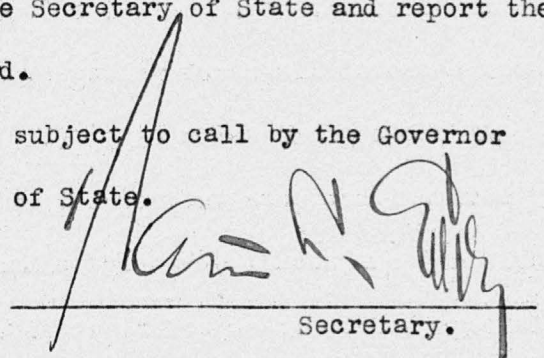
After some discussion the Governor stated that he would arrange with Mr. Harrison to discuss the matter with the Secretary of State and report the wishes of the State Department to the Board.

At 12:20 p.m. the meeting adjourned subject to call by the Governor following his interview with the Secretary of State.

Approved:



 Governor.



 Secretary.