

A special meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, April 17, 1928 at 3:00 p.m.

PRESENT: Vice Governor Platt
Mr. Hamlin
Mr. Miller
Mr. James
Mr. Noell, Asst. Secretary
Mr. McClelland, Asst. Secretary

The Vice Governor stated that he called the meeting for the purpose of presenting a telegram dated April 17th from the Chairman of the Federal Reserve Bank of Boston, advising that the board of directors of that bank at a meeting today voted unanimously to establish a rediscount rate of 4 1/2% on all classes of paper of all maturities, effective April 18th. He stated that he understood from a telephone conversation with the Governor of the Boston bank yesterday that the increase in rate is based upon a local condition, rediscounts for member banks having increased rapidly during the past few days with the result that the reserve percentage of the Boston bank at close of business last night was down to 56.2%. He also stated that the directors voted to make the new rate effective tomorrow, April 18th, because of the fact that Thursday, April 19th is a holiday in Massachusetts and the bank will be closed on that date. The Vice Governor stated that he had seen the Secretary of the Treasury and requested that he attend the meeting for the purpose of making a quorum. He stated that the Secretary is engaged but advised that he might be able to meet with the Board for a few minutes later in the afternoon.

Mr. Hamlin stated that he talked over the telephone with the Chairman of the Boston bank today and was advised that the earning assets of

4/17/28

324

-2-

the bank have increased \$40,000,000 since Saturday.

An informal discussion ensued of the action of the Boston directors both in the light of local conditions in the First Federal Reserve District and from a System standpoint based upon conditions throughout the country.

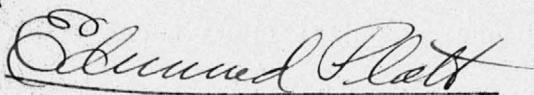
Following the discussion the Assistant Secretary was instructed to ascertain whether or not the Secretary of the Treasury will be able to join the Committee and reported that it is impossible for Mr. Mellon to leave his office. He reported to the Board that Mr. Mellon requested that the matter be put over until tomorrow stating he would attend a meeting at any hour fixed.

Upon motion, it was then voted to postpone consideration of the action of the directors of the Boston bank until a meeting tomorrow morning at 10:00 o'clock.

The meeting adjourned at 4:20 p.m.


Assistant Secretary.

Approved:


Vice-Governor.