

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Thursday, April 19, 1928 at 12:50 p.m.

PRESENT: The Chairman
Mr. Platt
Mr. Hamlin
Mr. Miller
Mr. James
Mr. Noell, Assistant Secretary

The Vice Governor stated that the meeting was called to consider a telegram just received from the Chairman of the Federal Reserve Bank of Chicago, advising that the Executive Committee, under authority of the board of directors, today voted unanimously to establish a rediscount rate of $4\frac{1}{2}\%$ on all classes of paper of all maturities, effective the first business day following that on which approved by the Federal Reserve Board, and stating that letter regarding the action follows by fast mail.

Mr. Platt also stated that he had just talked over the telephone with Governor McDougal who advised him that at last week's meeting of the Committee careful consideration was given to the current credit situation which suggested the propriety of advancing the discount rate and while the general sentiment was for an increase, no action was taken but postponed until today when further consideration would be given. Governor McDougal stated that their discount rate of 4% was about $1\frac{1}{2}\%$ below the minimum counter rates of Chicago banks. He also stated that five directors were present at today's meeting, and one other who could not be present, had signified his approval of the rate increase.

After discussion, upon motion it was voted to approve the rediscount rate of $4\frac{1}{2}\%$ fixed by the Executive Committee of the Federal Reserve Bank of Chicago for all classes of paper of all maturities, effective April 20th if that date is agreeable to the Chicago Bank.

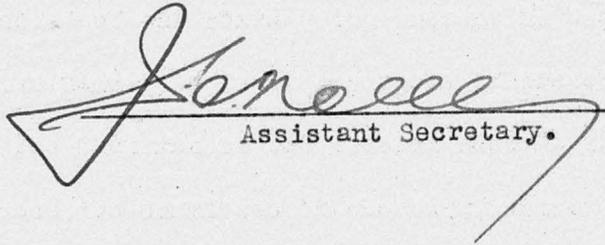
Carried, Mr. James voting "no".

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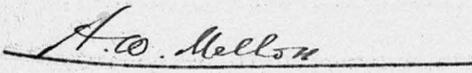
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Mr. James stated that he voted "no" on the Chicago rate for the same reasons he voted against an increase in the rate of the Boston bank yesterday, as set forth in the statement submitted by him.

The meeting adjourned at 1:20 p.m.


Assistant Secretary.

Approved:


Chairman.