

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Saturday, April 21, 1928 at 10:20 a.m.

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

The Governor stated that special order of business for this meeting is consideration of the telegram received yesterday 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, has voted to establish a rediscount rate of 4 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.

He presented the following telegram, replying to a wire addressed to the Chairman of the St. Louis bank this morning inquiring as to the reasons for the action of his Executive Committee:

"Total bills discounted have been showing steady increase, principally out of St. Louis and Louisville and on 19th had reached \$43,000,000 highest point for many months. Indications are proportion this rediscounting for purpose protecting funds in New York which otherwise would be withdrawn. Our reserve was at 52.5 and as it seemed undoubted tendency to increase rediscounts, thought it time to take action to protect our reserve. Boston's raised rate probably not affect us much but with raised rate at Chicago chances are if under circumstances we maintain lower rate, some borrowing will be shifted this district."

After brief discussion, Mr. Hamlin moved that the Board approve the rediscount rate of 4 1/2% fixed by the Executive Committee of the Federal Reserve Bank of St. Louis for all classes of paper of all maturities, effective April 23rd.

Carried, Mr. James voting "no" and Mr. McIntosh not voting.

4/21/28

Mr. James stated that his reasons for voting "no" on the motion are the same as those set forth in the statement submitted by him at the meeting on April 18th following action on an increase in the rate of the Boston Bank.


The Governor stated that he has received a letter from the Chairman of the Federal Reserve Bank of San Francisco, with further reference to the salary of the Governor of that bank for the year 1928. He suggested that the letter be made special order of business for a meeting next Tuesday.

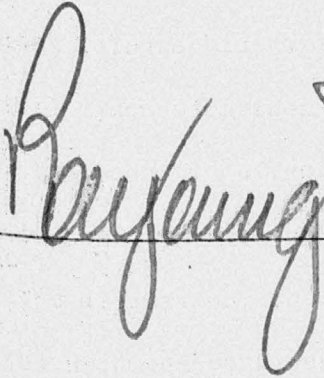
Mr. Platt then left the meeting.

The minutes of the meetings of the Board held on April 18th and 19th were read and approved.

The minutes of the meeting of the Executive Committee held on April 20th were read and upon motion the action recorded therein was ratified.

The meeting adjourned at 11:00 a.m.

  
Assistant Secretary.

Approved:   
Governor.