

Upon call of the Governor, a special meeting of the Federal Reserve Board was held in the office of the Chamber of Commerce of the United States, where the Board was in session with the Governors of the Federal Reserve banks, on Thursday, April 4, 1929 at 3:00 o'clock p.m.

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

The Governor presented a telegram from the Chairman of the Federal Reserve Bank of Boston, advising that the Executive Committee today adopted a resolution, similar to that passed by the board of directors of the bank on March 27th, establishing a rediscount rate of 6%, provided, however, that if the Federal Reserve Board's determination of the change in the rate shall not have been obtained by the close of business on April 10th, the action taken shall be considered rescinded and the proposed rate shall not be established without further consideration by the board of directors or the Executive Committee of the bank.

Mr. Platt moved that the rate of 6% established by the Executive Committee of the Federal Reserve Bank of Boston on all classes of paper of all maturities be approved, effective tomorrow, April 5th.

Mr. Hamlin moved, as a substitute, "That the Federal Reserve Bank of Boston be advised that the Federal Reserve Board has received the advice that the Executive Committee of that bank has established a rediscount rate of 6%, and that the Board is taking the matter under review and during the interim has determined the rate of the bank to be 5%."

Mr. Hamlin's substitute motion, being put by the Chair, was carried, Mr. Platt voting "no".

The Governor stated that he had communicated with both Mr. Miller and Mr. Pole who desired to be recorded as opposed

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to the approval of a 6% rate at this time.

The Governor then advised that he had received word from the Federal Reserve Bank of New York that the directors of the bank have again voted to establish a rediscount rate of 6% on all classes of paper of all maturities, subject to review and determination by the Board, with the understanding, however, that their action is predicated upon approval or disapproval by the Federal Reserve Board today.

Mr. Platt moved approval of the rate of 6% established by the directors of the New York bank, effective tomorrow, April 5th.

Mr. Cunningham moved, as a substitute, "That the Federal Reserve Bank of New York be advised that the Federal Reserve Board has received the advice that the directors of that bank have established a rediscount rate of 6%, with the understanding, however, that their action is predicated upon approval or disapproval by the Federal Reserve Board today, and that the Board disapproves the action of the New York directors, and has determined that the rate of the bank be 5%."

Mr. Cunningham's substitute motion, being put by the Chair, was carried, Mr. Platt voting "no".

The Governor stated that Messrs. Miller and Pole also wished to be recorded as disapproving the establishment of the 6% rate.

The Governor then presented a telegram dated April 4th from the Chairman of the Federal Reserve Bank of Chicago, advising that the Executive Committee of the bank, under authority of the board of directors, today voted to establish a rediscount rate of 6% on all classes of paper of all maturities, effective the first business day following that on which approved by the Federal Reserve Board, but requesting immediate action by the Board.

Mr. Platt moved approval of the rate of 6% established by the Executive Committee of the Chicago bank, effective tomorrow, April 5th.

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Mr. Cunningham moved, as a substitute, "That the Federal Reserve Bank of Chicago be advised that the Federal Reserve Board has received the advice that the Executive Committee of that bank has established a rediscount rate of 6%, with the request that immediate action be taken thereon by the Federal Reserve Board, and that the Board disapproves the action of the Executive Committee of the Chicago bank and has determined the rate of the bank to be 5%."

Mr. Cunningham's substitute motion, being put by the chair, was carried, Mr. Platt voting "no".

The Governor stated that Messrs. Miller and Pole also wished to be recorded as disapproving the establishment of the 6% rate.

The meeting adjourned at 3:30 p.m.

C. W. Mc Clelland
Assistant Secretary.

Approved:

W. C. Young
Governor.