

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Thursday, May 16, 1929 at 11:30 a.m.

PRESENT: The Chairman
Governor Young
Mr. Platt
Mr. Hamlin
Mr. Miller
Mr. James
Mr. Cunningham
Mr. Pole
Mr. McClelland, Asst. Secretary

PRESENT ALSO: Dr. Goldenweiser

Dr. Goldenweiser reviewed Federal Reserve policy and banking developments during the last several years, particularly during 1929 and from February 6th to date, following which the Board engaged in a general discussion regarding the success of the policy which the System has been pursuing and the advisability or necessity of supplementing that policy by increases in the discount rates of the Federal Reserve banks.

The Governor was called from the room and upon his return reported telephone advice from the Governor of the Federal Reserve Bank of New York that the board of directors of that bank today unanimously voted to establish a rediscount rate of 6% with the understanding, however, that their action is predicated upon approval or disapproval by the Federal Reserve Board today.

The Governor moved that the rate of 6% established by the New York directors on all classes of paper of all maturities be approved, effective tomorrow, May 17th.

Governor Young's motion, being put by the Chair, was lost, the members voting as follows:

The Chairman, "aye"
Governor Young, "aye"
Mr. Platt, "aye"
Mr. Hamlin, "no"
Mr. Miller, "no"
Mr. James, "no"
Mr. Cunningham, "no"
Mr. Pole, "no"

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The Governor then referred to the action of the Board yesterday in taking under review action of the directors of the Federal Reserve Banks of Boston and Philadelphia in voting to establish rates of 6% for those banks.

He moved that the action of the Boston and Philadelphia directors be continued under review.

Carried.

The Governor then stated that the board of directors of the Federal Reserve Bank of San Francisco is meeting today and may vote to establish a rate of 5% for that bank.

Upon motion, the Governor was authorized to approve a rate of 5% on all classes of paper of all maturities, if established by the directors of the Federal Reserve Bank of San Francisco.

The meeting adjourned at 1:00 p.m.

C. W. McCreedy
Assistant Secretary.

Approved:

A. W. Mellon
Chairman.

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