

A meeting of the Executive Committee of the Federal Reserve Board was held in Washington on Thursday, May 25, 1933, at 11:30 a.m.

PRESENT: Mr. Black, Governor
Mr. Hamlin
Mr. Miller
Mr. O'Connor

Mr. Morrill, Secretary
Mr. Carpenter, Assistant Secretary
Mr. McClelland, Assistant to the Governor.

Governor Black stated that Governor Harrison of the Federal Reserve Bank of New York had just advised him over the telephone that the board of directors of the Federal Reserve Bank of New York undoubtedly will take action at its meeting this afternoon to reduce the rediscount rate of the bank from 3 per cent to 2 1/2 per cent, effective as of the opening of business on May 26, 1933.

After discussion, Governor Black was authorized, upon receipt of advice that the board of directors of the Federal Reserve Bank of New York had taken such action, to state that the Board approves for the New York bank a rediscount rate of 2 1/2 per cent on all rediscounts of eligible paper for member banks under sections 13 and 13(a) of the Federal Reserve Act, and on advances to member banks under the provisions of the eighth paragraph of section 13, effective as of the opening of business on May 26, 1933.

Governor Black reported that he had been called over the telephone by Mr. Herbert Feis, economic adviser in the State Department, who advised him of the desire of the Department that the services of Mr. W. R. Gardner of the Board's Division of Research and Statistics be made available as a member of the staff of the American Delegation at the forthcoming International Monetary and Economic Conference in London.

All of the members of the Board were in accord that the wishes of the State Department should be met in the matter referred to, and the Governor was authorized to advise Mr. Feis accordingly, at the same time

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requesting, however, that the Department address a formal communication regarding the matter to the Board for its records. It was also the consensus that, in advising Mr. Gardner that the Board has approved his serving on the staff of the Delegation at the Conference, it should be pointed out that he will not be undertaking such service as a representative of the Federal Reserve Board, and therefore should exercise care to avoid any action which might be construed as committing the Board in any way.

It was also understood by the Board that, although Mr. Gardner will remain on the payroll of the Federal Reserve Board, reimbursement of his expenses in connection with the trip abroad will be arranged by the State Department.

Thereupon the meeting adjourned.

Chester Morrill
Secretary.

Approved:

E. R. Black
Governor.