A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Thursday, March 7, 1929 at 11:45 a.m.

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

The Governor reported a conversation yesterday afternoon with Deputy Governor Case of the Federal Reserve Bank of New York, in which Mr. James also participated, regarding the condition of the government bond market. Mr. Case stated that one bad effect of recent policy is that dealers are practically out of the government bond market. He stated that foreign banks have about $85,000,000 maturing on March 15th and that the System has only about $40,000,000 in its portfolio of maturities which the foreign banks are willing to take in replacement, in view of which it will be necessary to purchase the remainder in the market unless the foreign banks should buy acceptances instead. Mr. Case, the Governor stated, expressed the opinion that the Federal Reserve System should take about $25,000,000 of March 15th maturities from the market, as offered, during the next week, although the proposal has not been discussed with his directors. Governor Young stated that the matter would probably be considered at the directors' meeting today and invited an expression of opinion thereon by members of the Board.

Some of the members expressed the opinion that the Federal Reserve System should take no action which would have the result of easing the money market at this juncture, while others thought the Board would be justified in
leaving the matter to the discretion of Deputy Governor Case subject, of course, to approval by the directors of the New York bank.

Formal expression on the proposal was deferred, with the understanding that the Board will hold itself in readiness to act should the New York directors submit the proposal with their approval later in the day.

The Governor then reported a conversation this morning with Governor McDougal of the Federal Reserve Bank of Chicago, regarding the credit situation in the Seventh District. The Chicago bank, he stated, is disappointed because of its failure to secure liquidation of borrowings by its member banks. Governor McDougal, he stated, advised that eight of the directors of the Chicago bank are satisfied that the rate of the bank should be raised and inquired what the attitude of the Board would be. Governor Young stated he replied that, in his opinion, a majority of the Board would not favor an increase, and Governor McDougal expressed the opinion that in view of that fact no action would be taken by the Chicago directors.

Mr. Cunningham then left the meeting.

Telegram dated March 6th from the Assistant Federal Reserve Agent at Philadelphia, telegram dated March 7th from the Chairman of the Federal Reserve Bank of Richmond and telegram dated March 6th from the Chairman of the Federal Reserve Bank of St. Louis, all advising that their boards of directors at meetings on the dates stated made no changes in the banks' existing schedules of rates of discount and purchase.

Without objection, noted with approval.

Report of Executive Committee on letter dated March 2nd from the Comp-
troller of the Currency, recommending approval of a salary of $2700 per annum
for National Bank Examiner George R. Wilson, assigned to the Seventh Federal
Reserve District; the Board's Committee also recommending approval.

Approved.

Reports of Committee on Salaries and Expenditures on lists submitted by
the Federal Reserve Banks of Boston, Philadelphia and St. Louis, of employees
for whom the directors of the banks approved leaves of absence with pay, on
account of illness, during the month of February, where the total of such ab-
sences since January 1, 1929 has exceeded thirty days; the Board's Committee
recommending approval of the salary payments involved.

Approved.

The Governor then presented a telegram dated February 6th from the
Governor of the Federal Reserve Bank of San Francisco, who is Chairman of
the Governors' Conference, suggesting that the Spring Conference be held the
first week in April or, if that is not acceptable, during the second week.

After discussion, April 1st, 2nd and 3rd ap-
peared to be satisfactory to the members of the
Board for the holding of the Conference, and the
matter was referred to the Governor with power.

Letter dated March 4th from the Federal Reserve Agent at Chicago, ad-
vising of the resignation of Mr. D. B. Brann, of his Bank Relations force,
and further, that the vacancy will not be filled, as this work is being car-
rried on to a considerable extent by Examiners while not engaged in examining
work.

Noted.

Report of Executive Committee on letter dated February 27th from the
Assistant Federal Reserve Agent at St. Louis, transmitting and recommending
approval of an application of the St. Louis National Bank, St. Louis, Mo.,
an outlying institution, for a reduction in its reserve requirements from
10% to 7% of demand deposits; the Board's Committee also recommending approval.

Upon motion, the application was approved, the
five members present all voting in the affirmative.

Report of Committee on Salaries and Expenditures on letter dated March
1st from the Deputy Governor of the Federal Reserve Bank of New York, submit-
ting proposed changes in salary and grade classifications of employees of the
bank, effective March 1, 1929; the Board's Committee stating that all changes
are in accordance with the plan for standardization of salaries approved by
the Board on January 12, 1926, and recommending approval by the Board.

Approved.

The Assistant Secretary then presented an application on behalf of the
Straus National Bank and Trust Company of Pittsburgh, Pa., organizing, for
permission to exercise general fiduciary powers, together with a recommendation
by the Federal Reserve Agent at Cleveland that the application be approved,
effective if and when the bank is chartered by the Comptroller of the Currency.
He also submitted a letter dated February 27th from the Deputy Comptroller of
the Currency, advising that on February 26th the application to organize the
"Straus National Bank and Trust Company of Pittsburgh" was disapproved by the
Comptroller.

Noted, no action by the Board being required.

Matter acted upon on initials on March 2nd, namely, letter dated Febru-
ary 27th from the Governor of the Federal Reserve Bank of St. Louis, transmit-
ting inquiry by Mr. Max B. Nahm, Class A Director of the Bank, as to whether under the Regulations of the Board he may also serve as member of the Kentucky National Park Commission; the Board having advised Mr. Martin that there is no objection to such service by Mr. Nahm.

Upon motion, the Board's informal action was ratified.

Matter approved on initials on March 5th, namely, letter dated March 2nd from the Chairman of the Federal Reserve Bank of Atlanta, requesting permission to rediscount for the First National Bank, Lakeland, Fla. and the Snell National Bank, Winter Haven, Fla., paper acquired from non-member banks; the Board having granted the permission for a period of thirty days, if, in the judgment of the Atlanta directors, a situation exists requiring such action.

Formally approved.

The Governor then referred to a letter received from the Deputy Governor of the Federal Reserve Bank of New York, advising that member banks in Albany are disappointed at the unfavorable decision of the Board on their application for the termination of the designation of Albany as a reserve city, and have requested a hearing before the Board. He stated that he addressed a letter to the correspondent for the Albany banks, advising that the Board will be glad to grant a hearing and requesting that he suggest a date therefor.

Noted.

Letter dated March 5th from the Governor of the Federal Reserve Bank of Philadelphia, advising that because of a considerable change in the condition of that bank since his letter to the Board of March 2nd, he would not recommend an increase in rate at the meeting of the board of directors of the bank on
March 6th.

Noted.

Letter dated March 6th from the Assistant Deputy Governor of the Federal Reserve Bank of New York, advising that it is proposed to make an advance to the Reichsbank today of $7,562,398.97 against a consignment of United States gold bars valued at $7,960,419.97 going forward today; the advance being 95% of the value of the shipment, interest to be charged at the discount rate of the Federal Reserve Bank of New York and the duration of the advance to be the transit time of the shipment. In his letter, the Assistant Deputy Governor stated that participation in the advance is being offered to each other Federal Reserve bank.

The Board having already expressed itself in favor of such an advance, the above letter was noted with approval.

REPORTS OF STANDING COMMITTEES:

Dated, March 1st, Recommending changes in stock at Federal Reserve banks as set forth in the Auxiliary Minute Book of this date. Recommendations approved.

Dated, March 1st, Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date. Recommendations approved.

Dated, March 2nd, Recommending approval of the application of Mr. William J. Jones for permission to serve at the same time as director and officer of the Lafayette-South Side Bank and Trust Company, St. Louis, Mo., and as director of the First National Bank, Clayton, Mo. Approved.

Dated, March 5th, Recommending approval of the application of Mr. Alfred K. Foreman for permission to serve at the same time as director of the Foreman National Bank, Chicago, Ill. and as director of the North-Western Trust & Savings Bank, Chicago, Ill. Approved.
REPORTS OF STANDING COMMITTEES: (Cont'd)

Dated, March 5th, Recommending approval of the application of Mr. Frank E. Lackowski for permission to serve at the same time as director of the North-Western Trust and Savings Bank, Chicago, Ill., as director of the Foreman National Bank, Chicago, Ill., and as director of the Second North-Western State Bank, Chicago, Ill.

Approved.

Dated, March 5th, Recommending approval of the application of Mr. J. E. Woodard for permission to serve at the same time as director of the Metals Bank & Trust Company, Butte, Mont., and as director of the Midland National Bank, Billings, Mont.

Approved.

Dated, March 5th, Recommending approval of the application of Mr. William R. Reid for permission to serve at the same time as director of the Torrington National Bank, Torrington, Conn., and as director of the Union Trust Company, Springfield, Mass.

Approved.

The meeting adjourned at 1:00 p.m.

Approved:

[Signature]

Assistant Secretary.

[Signature]

Governor.