

A meeting of the Federal Reserve Board was held in the office of the Governor on Wednesday, April 3, 1929 at 11:00 a.m.

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

The minutes of the meetings of the Federal Reserve Board held on April 1st and 2nd were read and approved.

The Governor announced that the term of Mr. Hamlin as member of the Executive Committee expired on March 31st and designated Mr. Miller to serve as member of the Committee during the second quarter.

Report of Committee on Salaries and Expenditures on list submitted by the Federal Reserve Bank of Boston of employees for whom the directors of that bank authorized leaves of absence with pay, on account of illness, during the month of March, where the total of such absences since January 1, 1929 has exceeded thirty days; the Board's Committee recommending approval of the salary payments involved.

Approved.

The Assistant Secretary called attention to the fact that the resolution of the board of directors of the Federal Reserve Bank of Boston establishing a rediscount rate of 6%, which was taken under review by the Board on March 27th, provided that if the Board's determination of the change in rate shall not have been obtained by the close of business today, the action of the directors shall be considered rescinded and the proposed rate shall not be established without further consideration by the board of directors or the Executive Committee of the bank.

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Noted, without action.

Letter dated April 2nd from the Deputy Governor of the Federal Reserve Bank of New York, advising that since his letter of March 19th there has been no change in the total of securities held in the Open Market Investment Account amounting to \$40,000,000, although the Federal Reserve Bank of St. Louis is temporarily turning over to other Federal Reserve banks their participation in the account of \$2,200,000, and in addition is being temporarily relieved of \$9,500,000 of Treasury Notes from its own portfolio; the letter also pointing out that the tightening of money rates at the end of the month was accompanied by a slight reduction in bill holdings and by a substantial increase in discounts in the System.

Noted.

The Governor then reported that the Conference of Governors will be unable to finish consideration of its regular program in time to meet with the Board today and that accordingly the joint meeting will be held tomorrow morning.

He also reported advice from the Chairman of the Conference that it was voted yesterday unanimously that the Conference would prefer not to have a reporter present for the purpose of recording the discussions at the joint meeting with the Board.

The Governor then presented a telegram dated April 2nd from Mr. Harry A. Wheeler, Vice Chairman of the First National Bank of Chicago, Ill., expressing the hope that the Board will not be swayed from the exercise of its own deliberate judgment in the matter of an increase in discount rates, and pointing out that in his opinion an increase would add to the already heavy burden

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of commercial borrowers, without exercising any permanent restraining influence upon speculation.

Noted.

The Governor presented a letter dated April 3rd from the Secretary of the Governors' Conference, advising that after considering the question of the establishment of currency depots, submitted by the Board, the Conference adopted the following resolution:

"RESOLVED, That it is the opinion of the Conference that additional currency depots should not be established except as an emergency measure."

After discussion, upon motion, the resolution adopted by the Conference was noted with approval, with the understanding that the question of the continuance of the depots already established is subject to further consideration by the Board at any time.

The meeting adjourned at 12:15 p.m.

C. M. Rice
Assistant Secretary.

Approved:

R. Young
Governor.