

A meeting of the Federal Reserve Board was held in the office of the Board on Tuesday, December 18th at 10:40 a.m.

PRESENT: Governor Crissinger
 Mr. Platt
 Mr. Hamlin
 Mr. Miller
 Mr. James
 Mr. Cunningham
 Mr. Eddy, Secretary.

PRESENT ALSO, BY INVITATION:

Governor Bailey, Federal Reserve Bank of Kansas City.
 Senator Curtiss of Kansas
 Senator Capper of Kansas
 Governor Allen of Kansas
 Congressman Tincher of Kansas
 Congressman Ayres of Kansas
 Mr. C. Q. Chandler, Chairman, First National Bank,
 Wichita, Kansas.

The Governor announced that the gentlemen from Kansas were appearing before the Board on a rehearing of the application for the establishment at Wichita, Kansas of a branch of the Federal Reserve Bank of Kansas City, which application had been refused by the Board following the original hearing held on September 9th.

Thereafter the various members of the Kansas delegation presented their arguments for a reconsideration by the Board of its action in disapproving the establishment of a branch at Wichita, calling particular attention to the fact that the Wichita Clearing House Association, in order to secure such a branch, was prepared to pay all expenses of operation in excess of the cost to the Federal Reserve Bank of Kansas City of handling business in the territory proposed to be assigned to the Wichita branch, if established. Governor Bailey then presented a resolution adopted by the directors of the Federal Reserve Bank of Kansas City instructing him to "proceed to Washington and use all honorable means to prevent the establishment of such branch at this time", and presented figures to the Board in support of his argument

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that the establishment of a branch at Wichita would not improve the service to banks in that territory to any appreciable extent, stating further that any branch established would be administered by the board of directors of the Federal Reserve Bank of Kansas City and that he was unalterably opposed to the assumption of any expense by anyone other than the Federal Reserve Bank of Kansas City.

Thereupon, those present at the meeting by invitation withdrew from the room, and the Board proceeded with its regular business.

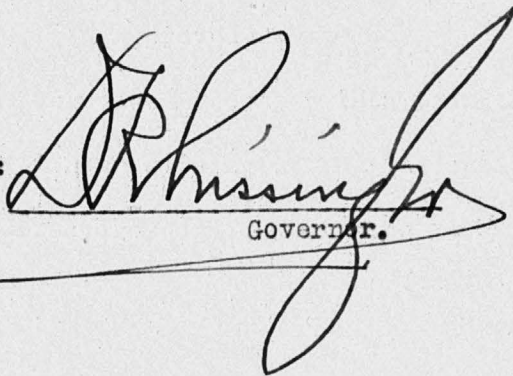
The minutes of the meeting of the Federal Reserve Board held on December 15th were read and approved.

At this point Governor Strong, Mr. Jay and Dr. Stewart joined the meeting and submitted to the Board draft of a statement on the subject of open market operations for insertion in the January issue of the Federal Reserve Bulletin, prepared in accordance with the action of the Board at its meeting on yesterday.

After discussion of the statement as submitted and the suggestion of several minor amendments, Mr. Hamlin moved that the committee return to conference and prepare a final draft of the statement for transmission to the Board at a meeting to be called at 10:00 o'clock tomorrow.

Thereupon, the meeting adjourned at 1:10 p.m. to meet again at 2:30 p.m.

Approved:



Governor.



Secretary.