

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Wednesday, October 17, 1928 at 12:00 o'clock noon.

PRESENT: Vice Governor Platt  
 Mr. Hamlin  
 Mr. Miller  
 Mr. Cunningham  
 Mr. McIntosh  
 Mr. Eddy, Secretary  
 Mr. McClelland, Asst. Secretary

The minutes of the meeting of the Federal Reserve Board held on October 12th were read and approved.

The minutes of the meeting of the Federal Reserve Board held on October 16th were read and approved as amended.

Discussion then ensued regarding the letter dated October 10th from the Deputy Governor of the Federal Reserve Bank of New York, ordered circulated at the meeting on October 12th, with reference to the increased bill holdings of the System and the effect which a further increase in the System's purchases of bills is likely to have upon money rates.

Following an informal discussion, the Vice Governor was requested to address a letter to the Deputy Governor of the Federal Reserve Bank of New York, advising that members of the Board are not quite clear as to the meaning of the last paragraph of his letter and wish that it could be clarified, stating that one or two members of the Board have so interpreted it as to reach the conclusion that it involves an abandonment of the policy which the System has been following of keeping certain pressure on the money market.

The Vice Governor was also requested to inquire as to the position of the directors of the Federal Reserve Bank of New York in the matter."

Telegrams dated October 17th from the Assistant Federal Reserve Agent at Philadelphia, October 12th from the Secretary of the Federal Reserve Bank of Atlanta and October 15th from the Chairman of the Federal Reserve Bank of

10/17/28

-2-

Dallas, 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 October 12th from the Comptroller of the Currency, recommending approval of a salary of \$5,000 per annum for National Bank Examiner Roby L. Hopkins, assigned to the Seventh Federal Reserve District; the Board's Committee also recommending approval.

Approved.

Reports of Committee on Salaries and Expenditures on letters dated October 15th from the Deputy Governor of the Federal Reserve Bank of New York, October 12th from the Secretary of the Federal Reserve Bank of Atlanta, October 11th from the Secretary of the Federal Reserve Bank of Kansas City and October 6th from the Chairman of the Federal Reserve Bank of San Francisco, transmitting lists of employees for whom the directors of those banks approved leaves of absence with pay, on account of illness, during the month of September, where the total of such absences since January 1, 1928 has exceeded thirty days; the Board's Committee recommending approval of the salary payments involved.

Approved.

Letter dated October 16th from the Comptroller of the Currency, recommending approval of an application of the First National Bank of Benson, N. C., for permission to reduce its capital stock from \$100,000 to \$50,000; the Comptroller stating that at the time of the last examination of the bank, the Examiner set up as a loss \$97,000 of second mortgage bonds on its building

10/17/28

-3-

carried in the bond account of the bank, and that the amount of the reduction together with \$40,000 in cash being paid into the bank, will be used to write off \$90,000 of the bonds.

After discussion, upon motion it was voted to approve the capital reduction in accordance with the recommendation of the Comptroller.

The Secretary then presented correspondence with the Secretary of the Federal Advisory Council, regarding the next meeting of the Council which was scheduled to be held on Friday, November 16th, the date of the Board's meeting with the Joint Conference of Governors and Federal Reserve Agents. He stated that the Council meeting has been postponed until Thursday, November 22nd.

The Secretary then referred to the question of topics for the next meeting of the Federal Advisory Council and stated that the only one so far suggested is that also referred to the forthcoming Conferences of Governors and Federal Reserve Agents at the meeting on October 10th, namely, a proposed amendment to the Federal Reserve Act which would authorize the Board, in its discretion, to waive the six months' notice now required before permitting a state member bank to withdraw from the Federal Reserve System.

A discussion ensued with respect to other questions which might be submitted to the Council, but action was deferred until after the return of the Governor next week.

Memorandum from Counsel dated October 17th, submitting draft of reply to letter dated October 15th from the Assistant Federal Reserve Agent at New York, inquiring whether certain firms in New York City are "private bankers" within the meaning of the Clayton Act, so that it will be necessary for members of those firms who desire to serve as directors of the Commercial National Bank and Trust Company of New York City to obtain the permission of the Federal



10/17/28

-4-

Reserve Board to do so; the proposed reply stating that while the question is not free from doubt, the Board is of the opinion that on the basis of the information submitted the firms should be deemed "private bankers" and members thereof who desire to serve as directors of the Commercial National Bank and Trust Company should file applications for the Board's permission to do so.

Upon motion, the reply submitted by Counsel was approved.

The Vice Governor then submitted the following statement which he issued to the press following the meeting of the Board yesterday:

"The report of the death of Governor Benjamin Strong of the Federal Reserve Bank of New York was a surprise and a severe shock to the members of the Federal Reserve Board. He was the outstanding personality of the Federal Reserve System, a man of great force of character, of highest ideals, unsparing of himself in his devotion to duty. For several years he has been handicapped by recurring illness, but could rarely be persuaded to escape completely, even for a season, from the responsibilities of his position, and he was rarely so far away that he could not be reached for consultation. He played a large part in the original working out of the organization and functioning of the Federal Reserve Banks and was the leader in all conferences of the Federal Reserve Banks with the Federal Reserve Board so long as his health permitted. His advice and cooperation were eagerly sought by the Central bankers of Europe on the recent reconstruction of monetary systems from the demoralization caused by war.

The members of the Federal Reserve Board are profoundly grieved at his loss."

#### REPORTS OF STANDING COMMITTEES:

Dated, October 12th, Recommending changes in stock at Federal Reserve Banks  
13th, as set forth in the Auxiliary Minute Book of this date.  
15th, Recommendations approved.  
17th,

Dated, October 8th, Recommending action on applications for fiduciary powers  
11th, as set forth in the Auxiliary Minute Book of this date.  
Recommendations approved.

Dated, October 13th, Recommending action on an application for admission of a state bank, subject to the conditions stated in the individual report attached to the application, as set forth in the Auxiliary Minute Book of this date.  
Recommendation approved.

10/17/28

-5-

REPORTS OF STANDING COMMITTEES: (Cont'd)

Dated, October 12th, Recommending approval of the application of Mr. J. Lee Davis, for permission to serve at the same time as director of the Citizens National Bank, Waco, Texas and as director of the Planters National Bank, Rosebud, Texas.

Recommendation approved.

Dated, October 12th, Recommending approval of the application of Mr. Lamot du Pont, for permission to serve at the same time as director of the Chemical National Bank, New York City, as director of the Fidelity-Philadelphia Trust Company, Philadelphia, Pa., and as director of the Wilmington Trust Company, Wilmington, Del.

Recommendation approved.

Dated, October 12th, Recommending approval of the application of Mr. J. S. Verlenden, for permission to serve at the same time as director and officer of the First National Bank of Darby, Pa., and as director of the Lansdowne Bank and Trust Company, Lansdowne, Pa.

Recommendation approved.

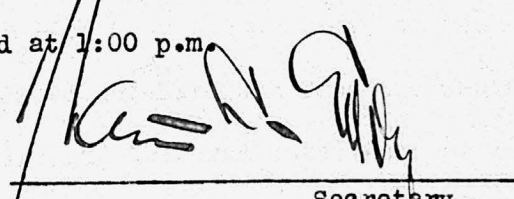
Dated, October 12th, Recommending approval of the application of Mr. Dwight C. Morgan, for permission to serve at the same time as director of the First National Bank and Trust Company of Ford City, Pa., and as director of the Armstrong County Trust Company, Kittanning, Pa.

Recommendation approved.

Dated, October 12th, Recommending approval of the application of Mr. C. L. Billman, for permission to serve at the same time as officer and director of the Winchester National Bank, Winchester, Mass., as officer of the National Shawmut Bank, Boston, Mass., and as officer and director of the Workingmen's Cooperative Bank, Boston, Mass.

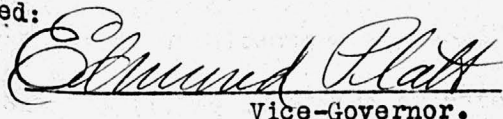
Recommendation approved.

The meeting adjourned at 1:00 p.m.



Secretary.

Approved:



Vice-Governor.