

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Thursday, December 13, 1928 at 11:00 a.m.

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

The minutes of the meeting of the Federal Reserve Board held on December 10th were read and approved.

Telegram dated December 12th from the Chairman of the Federal Reserve Bank of Richmond and telegram dated December 10th from the Chairman of the Federal Reserve Bank of Minneapolis, both 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.

Telegram dated December 10th from the Chairman of the Federal Reserve Bank of Minneapolis, advising of the re-election of Mr. R. O. Kaufman as Director of the Helena Branch for a term of two years beginning January 1, 1929.

Noted.

Letter dated December 12th from the Chairman of the Federal Reserve Bank of Richmond, advising of the re-election of Messrs. L. B. Phillips and W. H. Wood as directors of the Baltimore and Charlotte Branches, respectively, for terms of three years beginning January 1, 1929 and the reappointment of Messrs. A. H. Dudley and Hugh Leach as Managing Directors of the respective Branches for the year 1929.

Noted.

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Letter dated December 12th from the Chairman of the Federal Reserve Bank of Richmond, advising of the election of Mr. John Poole, President of the Federal-American National Bank of Washington as member of the Federal Advisory Council from the Fifth District during the year 1929, and the election of Mr. James C. Braswell, President of the Planters National Bank of Rocky Mount, N. C., as alternate member of the Council.

Noted.

Reports of Committee on Salaries and Expenditures on lists submitted by the Federal Reserve Banks of Richmond and San Francisco of employees for whom the directors of those banks approved leaves of absence with pay, on account of illness, during the month of November 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 December 11th from the Federal Reserve Agent at Chicago, with reference to the recent action of the Iowa State Savings Bank, Fairfield, Iowa, a member bank, in taking over the Farmers State Bank of Fairfield; the Federal Reserve Agent recommending that the Board offer no objection to the consolidation.

Noted, without objection.

Letter dated December 4th from the Federal Reserve Agent at Boston, advising of the action of the Rhode Island Hospital Trust Company of Providence, R. I., in absorbing the Globe National Bank and the Mechanics Savings Bank, both of Woonsocket, which are to be merged into the present Woonsocket Branch of the Rhode Island Hospital Trust Company.

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Noted, without objection.

Letter dated December 7th from the Assistant Federal Reserve Agent at New York, transmitting tabulation of brokers loans by reporting member banks in New York City, including a new series of figures as to the amount of the loans of the banks for their own account that represents loans to customers of the banks.

The letter having been circulated among all members of the Board was noted.

Memorandum from Counsel prepared in accordance with the action of the Board at its meeting on December 10th, submitting draft of letter to the Federal Reserve Agent at Boston, transmitting copy of opinion with regard to the right of the Union Trust Company of Providence, R. I. to purchase the controlling interest in the stock of a national bank located in Woonsocket, R. I.; the letter requesting that the Federal Reserve Agent not make public the views expressed in the letter or in the opinion and not give any information as to the position taken on the question to any member bank except upon receipt of a specific inquiry from such member bank.

Upon motion, the letter submitted by Counsel was approved.

Memorandum from Counsel dated December 8th, submitting copy of S. 4662, a bill to amend the Federal Reserve Act with respect to venue of civil suits against a Federal Reserve bank, which if enacted would permit suits against any Federal Reserve bank in any state court within any state, county or judicial district in its Federal Reserve District; Counsel stating that a copy of the bill has been sent to Counsel for each Federal Reserve bank with the request that he advise the Board of his views thereon in order that the Board may be

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prepared to give a prompt expression of its views to Congress.

Noted.

The Governor then stated that Chairman Martin of the Federal Reserve Bank of St. Louis is in Washington today, and advised him that Governor Biggs has addressed a letter to the board of directors of the St. Louis Bank requesting that he be not considered for re-election to the office of Governor of the bank for the year 1929. The Governor stated that it is quite probable that Mr. Martin will be elected Governor of the bank, and if so, it will be necessary for the Board to appoint a new Federal Reserve Agent and Chairman of the Board of Directors.

Upon motion, the Committee on District #8 was requested to take under consideration the matter of a successor to Mr. Martin as Chairman and Federal Reserve Agent should he be elected Governor of the St. Louis bank.

At the suggestion of Mr. James, the Governor appointed Mr. Pole a member of the Committee on District #8 vice Mr. McIntosh, and also appointed him as successor to Mr. McIntosh on the Law Committee and Committee on District #7.

The Governor stated that the next order of business would be the hearing of representatives of outlying member banks in Philadelphia which have applied to the Board for reduction of reserve requirements. Mr. Austin, Federal Reserve Agent at Philadelphia then entered the room, together with Messrs. Frank Adshead, Vice President of the Second National Bank of Frankford; Walter Williams, President of the National Bank of Germantown; G. C. Tuft, Cashier, Kensington National Bank; A. I. Wood, President, West Philadelphia Title and Trust Company; H. U. Porter, trust officer, Northeast-Tacony Bank and Trust Company; C. J. Birkmann, President, Northeast National Bank of Holmesburg; Ira W. Barnes

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President, Ninth Bank and Trust Company; J. W. Whiting, Vice President, National Security Bank; L. L. Darling, Vice President, Textile National Bank, and H. L. Ache, Cashier, Northern National Bank.

Mr. Barnes addressed the Board in detail with respect to the general situation in Philadelphia and, in particular, the application of the Ninth Bank and Trust Company.

Messrs. Williams, Wood and Porter also discussed the applications briefly.

The Governor stated that briefs substantiating oral statements made at the meeting have been filed by certain of the member banks and that the Board would be glad to receive briefs from the other institutions or additional information from those who have already filed their briefs. He explained, however, that the Board is considering the applications in connection with a general review of its procedure in the matter of granting reduced reserves to outlying banks and is not prepared at this time to act upon them. He also stated that the Board has received an adverse recommendation on the applications from the board of directors of the Federal Reserve Bank of Philadelphia to which it must give consideration.

REPORTS OF STANDING COMMITTEES:

Dated, December 12th, Recommending changes in stock at Federal Reserve banks as 13th, set forth in the Auxiliary Minute Book of this date.

Recommendation approved.

Dated, December 10th, Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date.

Recommendation approved.

Dated, December 11th, Recommending approval of the application of Mr. J. A. Bandi for permission to serve at the same time as director and officer of the Canal Bank and Trust Company, New Orleans, La., and as director of the First National Bank, Gulfport, Miss.

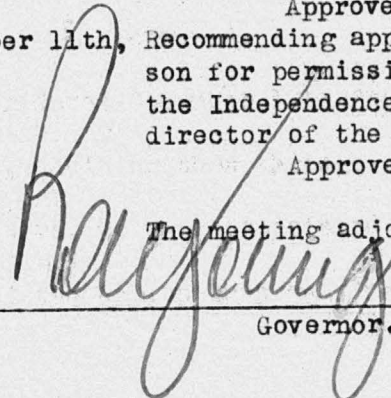
Approved.

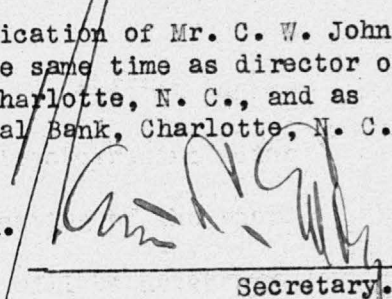
Dated, December 11th, Recommending approval of the application of Mr. C. W. Johnson for permission to serve at the same time as director of the Independence Trust Company, Charlotte, N. C., and as director of the Commercial National Bank, Charlotte, N. C.

Approved.

The meeting adjourned at 2:20 p.m.

Approved:


Governor.


Secretary.