

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Monday, December 17, 1928 at 11:10 a.m.

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

Letter dated December 13th from the Secretary of the Federal Reserve Bank of New York and telegram dated December 14th from the Secretary of the Federal Reserve Bank of Atlanta, 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.

Letter dated December 14th from the Chairman of the Federal Reserve Bank of Atlanta, advising of the election of the following directors of the Branches of that bank for terms beginning January 1, 1929:

Birmingham	-	A. E. Walker, Managing Director, one year
	-	J. H. Frye, three years
Jacksonville	-	W. S. McLarin, Jr., Managing Director, one year
	-	G. G. Ware, three years
New Orleans	-	Marcus Walker, Managing Director, one year
	-	R. S. Hecht, three years
Nashville	-	Joel B. Fort, Jr., Managing Director, one year.

The letter also advised that the election of a Director of the Nashville Branch for a term of three years, beginning January 1, 1929, to succeed Mr. T. A. Embrey, was postponed, and that Mr. Arthur F. Perry was elected a Director of the Jacksonville Branch for the unexpired term of Mr. C. P. Kendall, resigned, ending December 31, 1930.

Noted.

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Letter dated December 11th from the Federal Reserve Agent at San Francisco, requesting approval of the redesignation of the following Examiners at that Bank and its Branches for the year 1929:

S. G. Sargent, Chief Examiner	- San Francisco
H. A. Sonne	- San Francisco
J. P. Read	- San Francisco
Henry D. Swengel	- Los Angeles
John F. Prahl	- Los Angeles
C. R. Hupp	- Salt Lake City
G. A. Snow	- Portland

Approved.

Letters dated December 11th and 13th from the Federal Reserve Agent at Dallas, with reference to continued reserve deficiencies of the First State Bank of Abernathy, Texas and the First State Bank, Idalou, Texas; the Agent stating that the matter was brought to the attention of the banks with the result that their reserves have now been built up to the required amounts and recommending that no action be taken by the Board unless and until it is found that the banks again are not paying due attention to their legal requirements.

Noted.

The Governor then presented a letter addressed to him under date of December 11th by Mr. D. C. Biggs, transmitting copy of a letter addressed to the Chairman of the Federal Reserve Bank of St. Louis, requesting that he be not considered for reappointment as Governor of the bank for the year 1929.

Noted, and the Secretary instructed to address an appropriate letter to Governor Biggs expressing the regret of the Board at the severance of his connection with the Federal Reserve System.

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The Governor stated that the next order of business would be consideration of reports submitted by the various District Committees, with respect to the appointment of Class C Directors of Federal Reserve banks and Branch Directors and the designation of Chairmen and Deputy Chairmen for the year 1929.

Upon motion, Mr. Charles H. Manchester was reappointed as Class C Director of the Federal Reserve Bank of Boston for a term of three years, beginning January 1, 1929.

Upon motion, Mr. Frederic H. Curtiss was redesignated as Chairman of the Board of Directors and Federal Reserve Agent at the Federal Reserve Bank of Boston for the year 1929.

Upon motion, Mr. Allen Hollis was redesignated as Deputy Chairman of the Federal Reserve Bank of Boston for the year 1929.

Upon motion, Mr. Gates W. McGarrah was reappointed as Class C director of the Federal Reserve Bank of New York for a term of three years, beginning January 1, 1929.

Upon motion, Mr. McGarrah was redesignated as Chairman of the Board of Directors and Federal Reserve Agent at the Federal Reserve Bank of New York for the year 1929.

Upon motion, Mr. Owen D. Young was redesignated as Deputy Chairman of the Board of Directors of the Federal Reserve Bank of New York for the year 1929.

Upon motion, Mr. Edward A. Duerr was reappointed as a Director of the Buffalo Branch of the Federal Reserve Bank of New York for a term of three years, beginning January 1, 1929.

Upon motion, Mr. H. L. Cannon was reappointed as Class C Director of the Federal Reserve Bank of Philadelphia for a term of three years, beginning January 1, 1929.

Upon motion, Mr. R. L. Austin was redesignated as Chairman of the Board of Directors and Federal Reserve Agent at the Federal Reserve Bank of Philadelphia for the year 1929.

Upon motion, Mr. Alba B. Johnson was redesignated as Deputy Chairman of the Federal Reserve Bank of Philadelphia for the year 1929.



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Upon motion, Mr. L. B. Williams was reappointed as Class C Director of the Federal Reserve Bank of Cleveland for a term of three years, beginning January 1, 1929.

Upon motion, Mr. George DeCamp was redesignated as Chairman of the Board of Directors and Federal Reserve Agent at the Federal Reserve Bank of Cleveland for the year 1929.

Upon motion, Mr. L. B. Williams was redesignated as Deputy Chairman of the Federal Reserve Bank of Cleveland for the year 1929.

Upon motion, Mr. Fred A. Geier was reappointed as a Director of the Cincinnati Branch of the Federal Reserve Bank of Cleveland for a term of three years, beginning January 1, 1929.

Upon motion, Mr. Joseph B. Shea was reappointed as a Director of the Pittsburgh Branch of the Federal Reserve Bank of Cleveland for a term of three years, beginning January 1, 1929.

Upon motion, Mr. Robert Lassiter was reappointed as Class C Director of the Federal Reserve Bank of Richmond for a term of three years, beginning January 1, 1929.

Upon motion, Mr. W. W. Hoxton was redesignated as Chairman of the Board of Directors and Federal Reserve Agent at the Federal Reserve Bank of Richmond for the year 1929.

Upon motion, Mr. F. A. Delano was redesignated as Deputy Chairman of the Federal Reserve Bank of Richmond for the year 1929.

Upon motion, Mr. William H. Matthai was reappointed as a Director of the Baltimore Branch of the Federal Reserve Bank of Richmond for a term of three years, beginning January 1, 1929.

Upon motion, Mr. John L. Morehead was reappointed as a Director of the Charlotte Branch of the Federal Reserve Bank of Richmond for a term of three years, beginning January 1, 1929.

Upon motion, Mr. W. H. Kettig was reappointed as Class C Director of the Federal Reserve Bank of Atlanta for a term of three years, beginning January 1, 1929.

Upon motion, Mr. Oscar Newton was redesignated as Chairman of the Board of Directors and Federal Reserve Agent at the Federal Reserve Bank of Atlanta for the year 1929.

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Upon motion, Mr. W. H. Kettig was redesignated as Deputy Chairman of the Federal Reserve Bank of Atlanta for the year 1929.

Upon motion, Mr. W. H. Kettig was reappointed as a Director of the Birmingham Branch of the Federal Reserve Bank of Atlanta for a term of three years, beginning January 1, 1929.

Upon motion, Mr. Luke Lea was reappointed as a Director of the Nashville Branch of the Federal Reserve Bank of Atlanta for a term of three years, beginning January 1, 1929.

Upon motion, Mr. P. H. Saunders was reappointed as a Director of the New Orleans Branch of the Federal Reserve Bank of Atlanta for a term of three years, beginning January 1, 1929.

Upon motion, Mr. J. C. Cooper was reappointed as a Director of the Jacksonville Branch of the Federal Reserve Bank of Atlanta for a term of three years, beginning January 1, 1929.

Upon motion, Mr. F. C. Ball was reappointed as Class C Director of the Federal Reserve Bank of Chicago for a term of three years, beginning January 1, 1929.

Upon motion, Mr. W. A. Heath was redesignated as Chairman of the Board of Directors and Federal Reserve Agent at the Federal Reserve Bank of Chicago for the year 1929.

Upon motion, Mr. James Simpson was redesignated as Deputy Chairman of the Federal Reserve Bank of Chicago for the year 1929.

Upon motion, Mr. James Inglis was reappointed as a Director of the Detroit Branch of the Federal Reserve Bank of Chicago for a term of three years, beginning January 1, 1929.

Upon motion, Mr. Paul Dillard was reappointed as Class C Director of the Federal Reserve Bank of St. Louis for a term of three years, beginning January 1, 1929.

Upon motion, Mr. William McC. Martin was redesignated as Chairman of the Board of Directors and Federal Reserve Agent at the Federal Reserve Bank of St. Louis for the year 1929.

Upon motion, Mr. John W. Boehne was redesignated as Deputy Chairman of the Federal Reserve Bank of St. Louis for the year 1929.

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Upon motion, Mr. E. L. Swearingen was reappointed as a Director of the Louisville Branch of the Federal Reserve Bank of St. Louis for a term of three years, beginning January 1, 1929.

Upon motion, Mr. Moorhead Wright was reappointed as a Director of the Little Rock Branch of the Federal Reserve Bank of St. Louis for a term of three years, beginning January 1, 1929.

Upon motion, Mr. S. E. Ragland was appointed as a Director of the Memphis Branch of the Federal Reserve Bank of St. Louis for a term of three years, beginning January 1, 1929.

Upon motion, Mr. George W. McCormick was reappointed as Class C Director of the Federal Reserve Bank of Minneapolis for a term of three years, beginning January 1, 1929.

Upon motion, Mr. John R. Mitchell was redesignated as Chairman of the Board of Directors and Federal Reserve Agent at the Federal Reserve Bank of Minneapolis for the year 1929.

Upon motion, Mr. Homer P. Clark was redesignated as Deputy Chairman of the Federal Reserve Bank of Minneapolis for the year 1929.

Upon motion, Mr. C. J. Kelly was reappointed as a Director of the Helena Branch of the Federal Reserve Bank of Minneapolis for a term of two years, beginning January 1, 1929.

Upon motion, Mr. William L. Petrikin was reappointed as Class C Director of the Federal Reserve Bank of Kansas City for a term of three years, beginning January 1, 1929.

Upon motion, Mr. M. L. McClure was redesignated as Chairman of the Board of Directors and Federal Reserve Agent at the Federal Reserve Bank of Kansas City for the year 1929.

Upon motion, Mr. William L. Petrikin was redesignated as Deputy Chairman of the Federal Reserve Bank of Kansas City for the year 1929.

Upon motion, Mr. Murdo MacKenzie was reappointed as a Director of the Denver Branch of the Federal Reserve Bank of Kansas City for a term of three years, beginning January 1, 1929.

Upon motion, Mr. William Diesing was reappointed as a Director of the Omaha Branch of the Federal Reserve Bank of Kansas City for a term of three years, beginning January 1, 1929.



Upon motion, Mr. W. F. Nichols was reappointed as a Director of the Oklahoma City Branch of the Federal Reserve Bank of Kansas City for a term of three years, beginning January 1, 1929.

Upon motion, Mr. C. C. Walsh was reappointed as Class C Director of the Federal Reserve Bank of Dallas for a term of three years, beginning January 1, 1929.

Upon motion, Mr. Walsh was redesignated as Chairman of the Board of Directors and Federal Reserve Agent at the Federal Reserve Bank of Dallas for the year 1929.

Upon motion, Mr. Clarence E. Linz was redesignated as Deputy Chairman of the Federal Reserve Bank of Dallas for the year 1929.

Upon motion, Mr. C. M. Newman was reappointed as a Director of the El Paso Branch of the Federal Reserve Bank of Dallas for a term of three years, beginning January 1, 1929.

Upon motion, Mr. R. M. Farrar was reappointed as a Director of the Houston Branch of the Federal Reserve Bank of Dallas for a term of three years, beginning January 1, 1929.

Upon motion, Mr. Reagan Houston was reappointed as a Director of the San Antonio Branch of the Federal Reserve Bank of Dallas for a term of three years, beginning January 1, 1929.

Upon motion, Mr. William Sproule was reappointed as Class C Director of the Federal Reserve Bank of San Francisco for a term of three years, beginning January 1, 1929.

Upon motion, Mr. Isaac B. Newton was redesignated as Chairman of the Board of Directors and Federal Reserve Agent at the Federal Reserve Bank of San Francisco for the year 1929.

Upon motion, Mr. Walton N. Moore was redesignated as Deputy Chairman of the Board of Directors of the Federal Reserve Bank of San Francisco for the year 1929.

Upon motion, Mr. Peter McGregor was reappointed as a Director of the Spokane Branch of the Federal Reserve Bank of San Francisco for a term of two years, beginning January 1, 1929.

Upon motion, Mr. Edward C. Pease was reappointed as a Director of the Portland Branch of the Federal Reserve Bank of San Francisco for a term of two years, beginning January 1, 1929.

Upon motion, Mr. Henry A. Rhodes was reappointed as a Director of the Seattle Branch of the Federal Reserve Bank of San Francisco for a term of two years, beginning January 1, 1929.

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Upon motion, Mr. J. B. Alexander was reappointed as a Director of the Los Angeles Branch of the Federal Reserve Bank of San Francisco for a term of two years, beginning January 1, 1929.

Upon motion, Mr. G. G. Wright was appointed as a Director of the Salt Lake City Branch of the Federal Reserve Bank of San Francisco for a term of two years, beginning January 1, 1929.

The minutes of the meetings of the Federal Reserve Board held on December 13th and 15th were then read and approved.

The Governor then stated that special order of business for Wednesday will be consideration of reports of the Committee on Salaries and Expenditures, with respect to salary recommendations for employees of the Federal Reserve banks and with respect to the closing of the books of the banks and payment of dividends.

The Governor then submitted a letter dated December 14th from the Governor of the Federal Reserve Bank of Chicago, referring to the report submitted at the recent Governors' Conference by the Leased Wire Committee and commenting upon the increased volume of transfers over the Chicago-New York wire, which made it necessary to duplex that circuit.

Noted.

Letter dated December 13th from the Governor of the Federal Reserve Bank of Minneapolis, referring to the Board's letter of December 10th, regarding publication of end of the year articles, and advising that prior to receipt of the Board's letter he furnished a brief resume of conditions in the Ninth District to the Cambridge Associates; the Governor stating that this action should not be considered as having been taken in opposition to the suggestion of the Board and that the article contained nothing but what will appear in the next regular monthly bulletin of the Minneapolis bank.

Noted.



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Letter dated December 11th from the Chairman of the Federal Reserve Bank of Minneapolis, requesting approval of a salary of \$3,000 per annum for Mr. A. A. Hoerr, appointed Assistant Cashier of the Helena Branch to succeed Mr. W. A. Cutler, resigned.

Approved.

The Governor then brought up the matter on which action was deferred at the meeting on November 26th, namely, letter dated November 5th from the Chairman of the Federal Reserve Bank of New York advising of the action of the Board of Directors of that bank in voting that, subject to the approval of the Federal Reserve Board, the estate of Governor Strong be paid \$8,333.33.

After discussion, Mr. Platt moved that the Governor be authorized to inquire of the Secretary of the Treasury whether there would be any objection on the part of the Treasury Department to the payment in question.

Mr. Platt's motion, being put by the Chair, was lost on a tie, the members voting as follows:

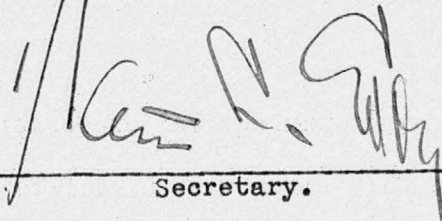
Governor Young, "aye"  
Mr. Platt, "aye"  
Mr. Hamlin, "aye"  
Mr. Miller, "no"  
Mr. James, "no"  
Mr. Cunningham, "no"

Further discussion of the matter then ensued, during which the Governor brought up the matter presented by the Executive Committee at the meeting of the Board on November 27th, namely, draft of a letter to the Chairmen of all Federal Reserve banks on the subject of the payment of compensation to officers and employees after death; the letter suggesting that the boards of directors of the various banks might adopt a resolution authorizing an agreement with all officers and employees that in consideration of continuing or accepting employment by the bank, one month's salary after death, while in the employ of the bank, will be paid to the employee's estate.

After detailed discussion, Mr. Miller suggested that a letter be addressed to the Federal Reserve Bank of New York, advising that Counsel informs the Board that the proposed payment to the estate of Governor Strong is legally unauthorized but, if the directors desire, the Board will refer the matter to the Attorney General of the United States for an opinion.

At the conclusion of the discussion, Mr. Miller was requested to prepare and submit to the Board, at a later meeting, draft of a letter to the New York bank along the lines of his suggestion.

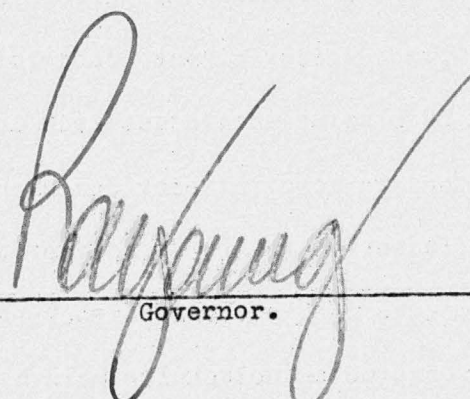
The meeting adjourned at 1:10 p.m.



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Secretary.

Approved:



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Governor.