A meeting of the Federal Reserve Board was held in the Office of the Federal Reserve Board on Thursday, December 20, 1928, at 12:10 p.m.

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

The Governor presented a telegram dated December 19th from the Chairman of the Federal Reserve Bank of Minneapolis, requesting approval of a proposal to charge that bank's reserve for losses in the amount of $289,000, with credit of the same amount to undivided profits account, and a subsequent charge to undivided profits of $250,000, for the purpose of setting up a reserve for self-insurance; the transaction reducing the bank's reserve for losses to $325,000 against present estimated losses of $102,000, and making available for payment as franchise tax the additional sum of $39,000.

The above proposal, being in accordance with a suggestion made to the Minneapolis Bank as a result of informal discussion at the meeting yesterday, was, upon motion, approved, with the understanding that the Chief of the Board's Division of Bank Operations, in advising of the Board's action, will inform the Minneapolis Bank of the proper book entries to be made.

Letter dated December 17th from the Governor of the Federal Reserve Bank of Dallas, with further reference to borrowings by member banks in that district who are maintaining loans on call in New York.

Ordered circulated.

Letter dated December 19th, from the Chairman of the Federal Reserve Bank of Philadelphia, advising of the action of the Board of Directors of that bank in rescinding a resolution adopted by it on April 18, 1928,
that all member banks located in Philadelphia should maintain reserves of
ten per cent against demand deposits; the Chairman stating that he will
forward to the Board in a few days, a letter setting forth in detail
the attitude of his directors on the matter of the applications for
reduction in reserve requirements now before the Board.

Noted.

Letter dated December 18th, from the Deputy Governor of the Federal
Reserve Bank of New York, transmitting letter from member banks in Albany,
New York, with further reference to the termination of the designation
of Albany as a reserve city. The Governor pointed out that in the
letter of the member banks, it is stated that there is no difference
between the banks in Albany and hundreds of other cities throughout the
United States that are not classified as reserve cities.

Referred to the Governor for the preparation of a
reply, including a request that the Board be furnished
a list of the cities in the State of New York not now
designated as reserve cities which are considered to be
on a comparable basis with the City of Albany.

Letter dated December 18th, from the Deputy Governor of the Federal
Reserve Bank of New York, transmitting a report of transactions in the
Open Market Investment Account between December 3rd and December 17th,
which resulted in no net change in the size of the account.

Ordered circulated.

Mr. Cunningham then moved that the Governor address a letter to
the Federal Reserve Agent at Chicago, requesting a report of the average
monthly amount of rediscounts by member banks in the Seventh Federal
Reserve District for the past six months, by states, with the states of
Illinois and Michigan to be reported exclusive of Chicago and Detroit, for which cities rediscounts should be shown daily and by individual banks.

Carried.

The meeting adjourned at 1:00 p.m.

Approved:

[Signature]

Governor.

[Signature]

Assistant Secretary.