

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Thursday, December 27, 1928 at 11:30 a.m.

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

The minutes of the meetings of the Federal Reserve Board held on December 19th, 20th and 21st were read and approved.

Telegram dated December 19th from the Chairman of the Federal Reserve Bank of Boston, letter dated December 20th from the Secretary of the Federal Reserve Bank of New York, telegram dated December 19th from the Chairman of the Federal Reserve Bank of Philadelphia, telegram dated December 19th from the Chairman of the Federal Reserve Bank of St. Louis, telegram dated December 20th from the Chairman of the Federal Reserve Bank of Kansas City and telegram dated December 20th from the Chairman of the Federal Reserve Bank of San Francisco, 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.

The Secretary then reported that Miss Rose Hornstein, stenographer in the State Bank Examination Section, which will be discontinued February 1, 1929, has been seriously ill and will be unable to attend to her official duties until about January 15, 1929. He recommended that Miss Hornstein be granted extended leave of absence with pay until January 15th, at which time her resignation will be tendered.

Upon motion, the recommendation of the Secretary was approved.

12/27/28

-2-

Memorandum dated December 22nd from the Secretary, advising that the budget for the Federal Reserve Issue and Redemption Division, approved on December 21st, did not include provision, which the Comptroller of the Currency desires, for the filling of vacancies caused by the death of Mrs. Helen P. Wedderburn, stenographer-clerk and the resignation of Miss Alys E. Gott, money-counter.

Upon motion, it was voted to increase the Personal Services item of the budget approved for the Division of Issue and Redemption in the amount of \$3,300 to cover the appointments in question.

Telegram dated December 18th from the Chairman of the Federal Reserve Bank of Atlanta, advising of the re-election of Mr. E. C. Melvin as Class A Director and Mr. Luke Lea as Class B Director of the bank, both for terms of three years beginning January 1, 1929.

Noted.

Letter dated December 19th from the Chairman of the Federal Reserve Bank of St. Louis, advising of the election of Messrs. John T. Reynolds, John W. Alderson and Jo Nichol as directors of the Louisville, Memphis and Little Rock Branches, respectively, for terms of three years beginning January 1, 1929, and of Messrs. W. P. Kincheloe, W. H. Glasgow and A. F. Bailey as Managing Directors of the respective Branches for the year 1929.

Noted.

Letter dated December 21st from the Chairman of the Federal Reserve Bank of San Francisco, advising of the re-election of Messrs. R. L. Rutter, M. F. Backus, John F. Daly, L. H. Farnsworth and H. M. Robinson as directors of the Spokane, Seattle, Portland, Salt Lake City and Los Angeles Branches, respectively, for terms of two years beginning January 1, 1929.

Noted.

12/27/28

-3-

Report of Committee on Salaries and Expenditures on list submitted by the Federal Reserve Bank of Atlanta of employees for whom the directors of that bank 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.

Report of Executive Committee on letter dated December 17th from the Secretary of the Federal Reserve Bank of New York, transmitting and recommending approval of an application of the Nassau National Bank of Brooklyn, N. Y., for permission under the provisions of Section 13 of the Federal Reserve Act, to accept drafts and bills of exchange drawn upon it up to 100% of its paid-up and unimpaired capital and surplus; the Board's Committee also recommending approval.

Approved.

Letter dated December 20th from the Chairman of the Federal Reserve Bank of Atlanta, advising that following the regular monthly meeting of the board of directors of the bank on January 12th, members of the board and the Governor of the bank will leave for Cuba for an inspection of the Havana Agency; the letter expressing the hope that representatives of the Board would also be able to make the trip.

Noted.

Memorandum from Counsel dated December 19th with reference to the Clayton Act application of Mr. Thomas A. Marlowe, involving the National Bank of Montana, Helena, Mont., The Merchants National Bank, St. Paul, Minn., and

12/27/28

-4-

The Metals Bank and Trust Company, Butte, Mont.; Counsel calling attention to the fact that Mr. Marlowe is also serving as director of the Midland National Bank of Billings, Mont., which connection he is willing to discontinue when his present term of office is completed at the next meeting of the shareholders in January 1929. With his memorandum, Counsel submitted draft of a letter to Mr. Marlowe advising that the Board will permit him to serve as director of the three banks set out in his application upon receipt of advice that he has severed his connection as a director of the Midland National Bank of Billings, which he will not be required to do until his present term is completed in January.

Upon motion, it was voted to approve Mr. Marlowe's application and to advise him in accordance with the letter submitted by Counsel.

Memorandum from Counsel dated December 17th with reference to the Clayton Act application of Mr. W. W. Lanahan, involving the private banking firm of W. W. Lanahan and Company, The Equitable Trust Company, The Mercantile Trust and Deposit Company and the Maryland-Virginia Joint Stock Land Bank, all of Baltimore, Md.; Counsel suggesting that the Board may wish to defer taking action on Mr. Lanahan's application until it is determined whether the proposed amendment to the Clayton Act, eliminating joint stock land banks from the provisions of that Act, will be enacted at the present session of Congress, inasmuch as the enactment of the bill would make it unnecessary for Mr. Lanahan to obtain the Board's permission to serve the banks set out in his application.

Upon motion, it was voted to defer action on the application in accordance with Counsel's suggestion.

Letter dated December 20th from Mr. Paul Klopstock, correspondent for

12/27/28

-5-

the organizers of the proposed "Foreign Banking and Investment Corporation", requesting that this title be reserved for an additional thirty days for the corporation which it is proposed to organize under Section 25 (a) of the Federal Reserve Act.

Upon motion, the Board's approval and reservation of the title in question was extended for thirty days from December 26th.

Memorandum from Counsel dated December 17th on letter dated December 7th from the President of the Federal Farm and Real Estate Company of Philadelphia, inquiring whether the use of the word "Federal" by the corporation is in contravention of the Act of May 24, 1926; Counsel stating that it is the practice of the Board to decline to express an opinion in such cases, and suggesting that the letter be referred to the Attorney General, calling his attention to the request for advice as to whether the law is being violated.

Upon motion, Counsel's suggestion was approved and the Secretary was instructed to furnish the Attorney General also with a copy of Counsel's memorandum.

Letter dated December 10th from the Governor of the Federal Reserve Bank of New York, transmitting copy of letter to all other Federal Reserve banks offering pro-rata participation in the bank of issue credit to the National Bank of Roumania; the letter also transmitting a copy of the credit agreement, together with a copy of the Roumanian Stabilization program.

The above letter and enclosures, having been circulated among the members of the Board, were noted.

The Secretary then called attention to the fact that it is the practice of the Board at the beginning of each year to address a letter to all Federal

12/27/28

-6-

Reserve banks advising them that the Board's Chief Examiner has been directed to make at least one examination of each Federal Reserve bank during the forthcoming year on dates to be selected by him.

Upon motion, it was voted to issue the usual instructions to the Chief Examiner and to advise all Federal Reserve banks accordingly.

Mr. James then presented a letter, apparently addressed to each member of the Board by the Secretary of the National Bank Division of the American Bankers Association, advising of endorsement by the National Bank Division of the resolution adopted at the last convention of the American Bankers Association, regarding computation of reserves of member banks.

Upon motion, the Secretary was directed to write Mr. Mountjoy acknowledging his several letters to the members of the Board and transmitting copy of a letter regarding the resolution which the Board on December 6th addressed to the Executive Manager of the American Bankers Association.

Mr. James then inquired as to the status of the joint Congressional resolution introduced at the last session of Congress which would authorize an expenditure by the Federal Reserve Bank of San Francisco for the erection of a building to house the Los Angeles Branch. The Secretary reported that at the time of the recent Conferences the Governor discussed this matter with the Chairman and Governor of the San Francisco bank, and it is understood that a representative of the bank will visit Washington shortly after the first of the year in an effort to secure action on the resolution.

In the absence of the Governor, the Vice Governor was requested to make inquiry of the Banking and Currency Committees of the House and Senate as to the present status of the resolution.

12/27/28

-7-

REPORTS OF STANDING COMMITTEES:

Dated, December 26th, Recommending a change in stock at a Federal Reserve bank as set forth in the Auxiliary Minute Book of this date.

Recommendation approved.

Dated, December 15th, Recommending action on an application for fiduciary powers as set forth in the Auxiliary Minute Book of this date.

Recommendation approved.

Dated, December 17th, 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.

Dated, December 26th, Recommending approval of the application of Mr. W. S. Pettit for permission to serve at the same time as director and officer of the Union National Bank, Springfield, Mo., and as director and officer of the Citizens National Bank, Harrison, Ark.

Approved.

Dated, December 26th, Recommending approval of the application of Mr. John L. Dickey for permission to serve at the same time as director and officer of the National Exchange Bank, Wheeling, W. Va., and as director of the Security Trust Company, Wheeling, W. Va.

Approved.

Dated, December 26th, Recommending approval of the application of Mr. W. E. Stone for permission to serve at the same time as director of the National Exchange Bank, Wheeling, W. Va., and as director and officer of the Security Trust Company, Wheeling, W. Va.

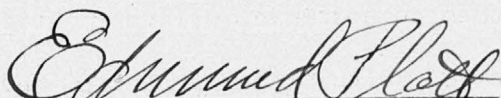
Approved.

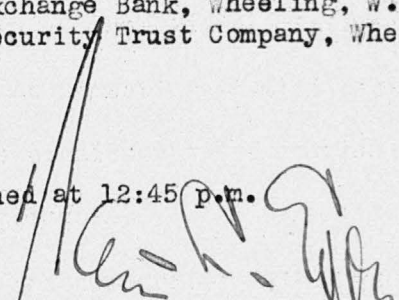
Dated, December 26th, Recommending approval of the application of Mr. H. E. Vance for permission to serve at the same time as director of the National Exchange Bank, Wheeling, W. Va., and as director of the Security Trust Company, Wheeling, W. Va.

Approved.

The meeting adjourned at 12:45 p.m.

Approved:


Vice-Governor.


Secretary.