

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Friday, December 28, 1928 at 11:15 a.m.

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

The minutes of the meeting of the Federal Reserve Board held on December 27th were read and approved.

The Governor referred to the inquiry mentioned in the above minutes as to the present 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. He stated that he was informed by the Chairman of the Committee on Banking and Currency of the House that it would be impossible to do anything toward reporting out the resolution until the first of the year and that it is understood that the Chairman will advise him when the matter is coming up in order that he may communicate with the Federal Reserve Bank of San Francisco and arrange for a representative of that bank to come to Washington.

Letter dated December 27th from the Secretary of the Federal Reserve Bank of New York, advising that the board of directors at a meeting on that date made no change in the bank's existing schedule of rates of discount and purchase.

Without objection, noted with approval.

Report of Executive Committee on memorandum dated December 27th from the Comptroller of the Currency, recommending approval of an application of the First National Bank of Jacksboro, Texas for permission to reduce its capital from \$150,000 to

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\$100,000 on condition that no money be returned to the shareholders, but that assets to the amount of the reduction be withdrawn and trusted for the benefit of the shareholders; the Comptroller also advising that simultaneously with the reduction in capital the bank will reduce its surplus from \$50,000 to \$25,000 by the declaration of a dividend payable in assets.

Upon recommendation of the Executive Committee, the reduction in capital was approved subject to the condition recommended by the Comptroller.

The Governor then referred to the matter ordered circulated at the meeting on December 3rd, namely, letter dated November 27th from the President of the First National Bank of Miami, Fla., with reference to continuance of the revolving currency fund at that bank which expires January 1, 1929. He presented a letter dated December 24th from the Federal Reserve Agent at Atlanta transmitting a resolution adopted by the Executive Committee of the bank that the fund be extended for a period of six months from January 1, 1929, without the designation of Miami as a reserve city, as suggested by the Board at the time the fund was last extended on August 16, 1928. The Governor stated that, in his opinion, no emergency exists at the present justifying continuance of the revolving fund after January 1, 1929, and he submitted drafts of letters to the President of the First National Bank of Miami and to the Chairman of the Federal Reserve Bank of Atlanta advising that the fund should be discontinued as soon as practicable after that date.

After discussion, during which it was the consensus of opinion that the Federal Reserve Bank of Atlanta and the member bank should be given a reasonable length of time in which to make arrangements for discontinuance of the fund, it was upon motion voted that the revolving currency fund at Miami be discontinued as of January 15, 1929.

It was also voted to amend and transmit the letters to the President of the First National Bank of Miami and the Federal Reserve Bank of Atlanta submitted by the Governor.

The Governor then referred to the tentative committee assignments, effective January 1, 1929, made by him following discussion with members of the Board at the meeting on December 21st. He read the revised list of committees for the information of Messrs. Miller and Pole who were not present at the meeting.

Upon being advised by these members that the proposed committee assignments are satisfactory to them, the Governor formally appointed the following committees, effective January 1, 1929 and until further notice:

LAW:

Mr. Hamlin, Chairman  
Mr. Platt

EXAMINATIONS:

Mr. Platt, Chairman  
Mr. Cunningham

RESEARCH AND STATISTICS:

Mr. Miller, Chairman  
Mr. Cunningham

SALARIES AND EXPENDITURES OF  
FEDERAL RESERVE BANKS:

Mr. James, Chairman  
Mr. Platt

DISTRICT COMMITTEES:

Boston:

Mr. Hamlin, Chairman  
Mr. Platt

New York:

Mr. Platt, Chairman  
Mr. Young

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Philadelphia:

Mr. Miller, Chairman  
Mr. Platt

Cleveland:

Mr. Pole, Chairman  
Mr. Hamlin

Richmond:

Mr. Hamlin, Chairman  
Mr. Cunningham

Atlanta:

Mr. James, Chairman  
Mr. Pole

Chicago:

Mr. Cunningham, Chairman  
Mr. Miller

St. Louis:

Mr. James, Chairman  
Mr. Hamlin

Minneapolis:

Mr. Cunningham, Chairman  
Mr. Miller

Kansas City:

Mr. Cunningham, Chairman  
Mr. Young

Dallas:

Mr. Platt, Chairman  
Mr. James

San Francisco:

Mr. Miller, Chairman  
Mr. James

The Governor then stated that the term of Mr. Cunningham as a member of the Executive Committee expires on December 31, 1929 and he appointed Mr. Hamlin to serve on the committee for the quarter ending March 31, 1929.

Upon motion, the Secretary was authorized to advise the Chairmen of the Federal Reserve banks of the membership of the district committees, as set out above.

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The Governor then reported consideration being given by the Treasury Department to a change in its policy in the matter of selling obligations of the government stating that it is desired to do away with the present depository system which, however, can not be accomplished without an amendment to the law.

He then brought up and the Board discussed the question of possible retirement of National bank note circulation, decision regarding which must be made by the Secretary of the Treasury by 1930. He stated that he has had prepared a memorandum on the subject which he will circulate among the members of the Board.

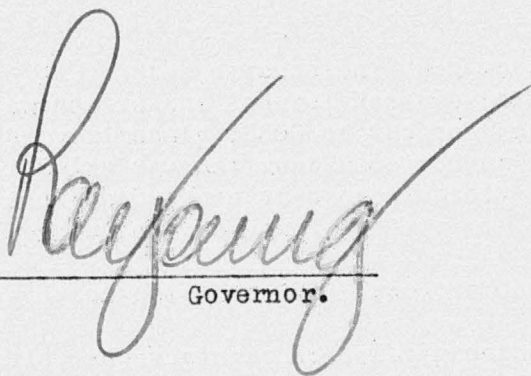
REPORTS OF STANDING COMMITTEES:

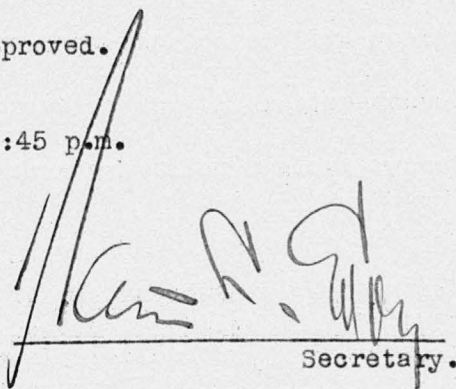
Dated, December 27th, Recommending action on an application for fiduciary powers as set forth in the Auxiliary Minute Book of this date.

Recommendation approved.

The meeting adjourned at 12:45 p.m.

Approved:

  
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 Governor.

  
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 Secretary.