

Upon call of the Governor a special meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Monday, November 22, 1926, at 3:50 p.m.

PRESENT: Governor Crissinger
Mr. Platt
Mr. Hamlin
Mr. Miller
Mr. Cunningham
Mr. McIntosh
Mr. Eddy, Secretary
Mr. McClelland, Assistant Secretary

The Governor stated that the meeting was called for the purpose of bringing up for action the following resolutions submitted at the meeting this morning:

(1) That the report of the Board's Committee on Examinations, dated October 30, 1926, which report was tentatively approved by the Board at the meeting on November 3rd, be now definitively approved, and the recommendation contained therein, to the effect that a competent examiner be appointed "to make a survey, and report as to the efficiency and thoroughness of examinations and credit investigations made by each Federal reserve bank, and as to the efficiency and thoroughness of examinations of State banking departments", be adopted;

(2) That the outline of the scope of the proposed survey, presented today in a supplementary report of the Committee on Examinations, be approved;

(3) That for the purpose of making this inquiry and survey Mr. Claude Gilbert be employed by the Board effective November 24, 1926, with the title of Supervisor of Examination, with compensation at the rate of \$10,000 a year, and that for administrative purposes he be connected with the office of the Secretary of the Board; and

(4) That action under that paragraph of the Board's resolution of August 11, 1926, reading "in order that there may be available a staff of examiners to conduct such special examinations of state member banks as may be found necessary by the Board following the report of the bank examiner referred to in the previous resolution, that the Governor be authorized to employ as and when necessary the services of a sufficient number of bank examiners", be suspended until the results of the survey to be undertaken by the Supervisor are available, when it may be determined how far it may be necessary for the Board to go in

11/22/26

-2-

itself undertaking member bank examinations through a division of member bank examination.

After discussion, Mr. Cunningham moved adoption of the resolutions.

Mr. Cunningham's motion, being put by the Chair, was unanimously carried.

Telegram dated November 22nd from the Chairman of the Federal Reserve Bank of St. Louis, advising of the death of Mr. C. P. J. Mooney, Class "C" Director of that bank.

Noted, with regret and referred to the Committee on District #8.

The Secretary then referred to the fact that among national banks to which the Board has granted permission under Section 11 (k) of the Federal Reserve Act to exercise fiduciary powers, there are about 900 banks which have never availed themselves of the privilege, and a considerable number that, having accepted only one or two small trusts, have not set up a separate trust department or designated a trust officer or officers for the management of such department as provided in the Board's regulations. He submitted and recommended approval of draft of a letter to be addressed over the signature of the Comptroller of the Currency to the boards of directors of such banks, calling their attention to the provisions of the Board's regulations and transmitting draft of a resolution for adoption by them containing some of the important requirements for the organization and operation of a trust department in accordance with the Federal Reserve Act and the regulations of the Federal Reserve Board, and requesting that a certified copy of such resolution when adopted be filed with the Comptroller of the Currency.

After a discussion, during which the Comptroller stated that he saw no objection,

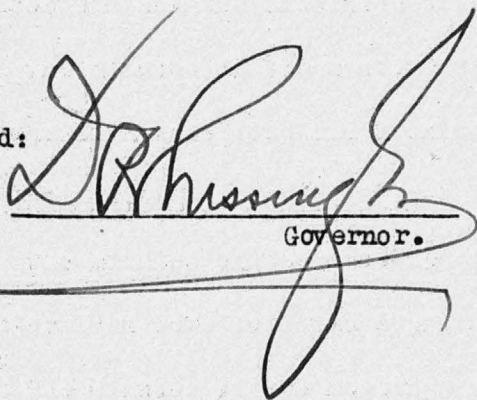
11/22/26

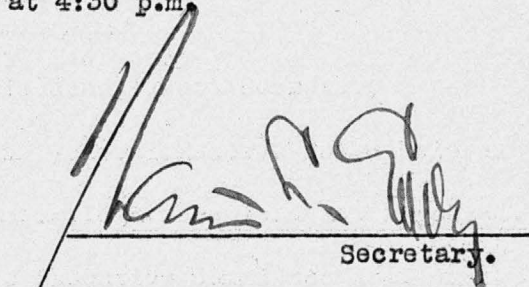
-3-

it was unanimously voted to approve the transmittal of the letter as recommended by the Secretary.

The meeting adjourned at 4:30 p.m.

Approved:


Governor.


Secretary.