

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, February 12, 1929, at 11:45 a.m.

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

The minutes of the meetings held on January 8th and 11th were read and approved.

Letter dated February 11th 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.

Noted.

Report of Committee on Salaries and Expenditures on letter dated February 9th from the Secretary of the Federal Reserve Bank of Cleveland, transmitting list of employees of that bank for whom the directors authorized leaves of absence with pay, on account of illness, during the month of January in excess of thirty days; the Board's Committee recommending approval of the salary payments involved.

Approved.

Reports of Executive Committee on letters dated February 11th from the Comptroller of the Currency, recommending approval of salaries for newly appointed national bank examiners, as follows:

		<u>Salary</u>	<u>District</u>
Glenn W. Baugh	-	\$3,000	7
David H. Reimers	-	2,500	7
Francis M. Von Birgelen	-	2,700	9
Richard Rossman	-	3,000	4

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Upon recommendation of the Executive Committee, the above salaries were approved.

Report of Executive Committee on letter dated February 11th from the Comptroller of the Currency, recommending approval of an increase from \$5,300 to \$6,000 per annum in the salary of National Bank Examiner J. F. Wanberg; the Board's Committee also recommending approval.

Approved.

Letter dated February 9th from the Federal Reserve Agent at Dallas reporting a six months' average reserve deficiency on the part of the American National Bank, Ft. Towson, Oklahoma; the Agent stating, however, that the reserve has been restored to the legal requirement and recommending that action by the Board be deferred pending further developments.

Noted, with approval.

Memorandum from Counsel dated February 11th, submitting and recommending approval of an informal application of Mr. Clarence R. Chaney, for permission to serve at the same time as Vice President and director of the Northwestern National Bank, as director of the Third Northwestern National Bank and as director of the Fourth Northwestern National Bank, all of Minneapolis, Minn.; Counsel stating that Mr. Chaney was previously authorized to serve as Assistant Cashier of the Northwestern National Bank and as director of the other two institutions named.

Approved.

Memorandum from Counsel dated February 11th, with reference to the Worcester County National Bank case now pending in the United States Supreme Court, involving the question of the constitutionality of that provision of the McFadden Act

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which provides, upon the consolidation of a state and national bank, for the passage of the right of succession as trustee, executor, etc., from the state bank into the consolidating institution; Counsel stating that Hon. Newton D. Baker has been retained to argue the case in the Supreme Court and that the Comptroller of the Currency is to file a brief as amicus curiae. In his memorandum, Counsel recommended that the Board also file a short brief as amicus curiae calling to the attention of the Court the interest of the Board in the case and the importance to the Board and to the Federal Reserve System of the outcome, Mr. Baker having indicated that he has no objection to this being done.

After discussion, it was voted to inquire of the Comptroller of the Currency if, in his opinion, it will be of assistance in the case to have the Board file a brief, advising that, if so, the Board will be glad to take such action.

Memorandum from Counsel dated February 9th submitting draft of letter to the Attorney General of the United States, transmitting copies of a bond of the Hofstra Finance Corporation, Tulsa, Oklahoma, received by the Board from the Secretary of the Better Business Bureau of Tulsa, involving a possible violation of the Act of Congress of May 24, 1926, in the use of the words "United States" at the top of the bond; Counsel also submitting draft of a letter to the Secretary of the Better Business Bureau of Tulsa, advising of the report being made to the Attorney General.

Upon motion, the letters were approved.

Letter dated February 9th from the Assistant Federal Reserve Agent at St. Louis, transmitting analysis of recent examination of the Union and Planters Bank and Trust Company, Memphis, Tenn., and referring to negotiations under



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way for an affiliation between that bank and the Manhattan Savings Bank and Trust Company of Memphis, involving an enlarged capitalization and joint management; the Assistant Federal Reserve Agent stating that although the Union and Planters Bank and Trust Company was admitted to the Federal Reserve System subject to the so-called general condition of membership, it is assumed, under Regulation H, Series of 1928, that it will not be necessary to secure from the institution an application for the Board's approval of the proposed consolidation.

After discussion, upon motion, it was voted to address a letter to the Assistant Federal Reserve Agent at St. Louis along the lines of the letter to the Federal Reserve Agent at Boston, approved at the meeting of the Board on January 11th.

Mr. Hamlin then submitted a letter addressed to him under date of February 11th, by the Governor of the Federal Reserve Bank of Philadelphia, with respect to the statement issued by the Board for publication in the morning papers February 7th.

Ordered circulated.

The Governor then presented the signed copy of S. Res. 323, adopted by the Senate of the United States on February 11th, reading as follows:

"Whereas in press dispatches recently, the Federal Reserve Board has complained that money is being drawn from the channels of business and used for speculative purposes, and that some of said speculation is illegitimate and harmful: Therefore be it

Resolved, That the Federal Reserve Board is hereby requested to give to the Senate any information and suggestions that it feels would be helpful in securing legislation necessary to correct the evil complained of and prevent illegitimate and harmful speculation."

The Governor stated that copies of the above resolution will be furnished to each member of the Board.

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He then presented a letter dated February 9th from the Chairman of the Federal Reserve Bank of Cleveland, replying to the Board's letter of February 2nd to the boards of directors of all Federal Reserve banks, on the subject of the improper use of the credit facilities of the Federal Reserve System by member banks.

Ordered circulated.

REPORTS OF STANDING COMMITTEES:

- Dated, February 12th, Recommending changes in stock at a Federal Reserve Bank, as set forth in the Auxiliary Minute Book of this date.  
Recommendation approved.
- Dated, February 12th, Recommending action on an application for fiduciary powers as set forth in the Auxiliary Minute Book of this date.  
Recommendation approved.
- Dated, January 21st, Recommending approval of the application of Mr. Ira L. Bretzfelder for permission to serve at the same time as director of the South Side National Bank, St. Louis, Mo., and as director of the Lafayette-South Side Bank and Trust Company, St. Louis, Mo.  
Approved.
- Dated, January 23rd, Recommending approval of the application of Mr. Hy. Menzenwerth for permission to serve at the same time as director of the South Side National Bank, St. Louis, Mo., and as director of the Lafayette-South Side Bank and Trust Company, St. Louis, Mo.  
Approved.
- Dated, January 25th, Recommending approval of the application of Mr. Theo F. Lange for permission to serve at the same time as director of the South Side National Bank, St. Louis, Mo., and as director of the Lafayette-South Side Bank and Trust Company, St. Louis, Mo.  
Approved.
- Dated, January 25th, Recommending approval of the application of Mr. R. A. Huber for permission to serve at the same time as director of the South Side National Bank, St. Louis, Mo., and as director of the Lafayette-South Side Bank and Trust Company, St. Louis, Mo.  
Approved.
- Dated, February 11th, Recommending approval of the application of Mr. B. G. Brinkman for permission to serve at the same time as director of the South Side National Bank, St. Louis, Mo., and as director of the Lafayette-South Side Bank and Trust Co., St. Louis Mo.  
Approved.

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REPORTS OF STANDING COMMITTEES: (Cont'd)

Dated, February 11th, Recommending approval of the application of Mr. Lawrence L. Gellerstedt for permission to serve at the same time as officer of the Citizens & Southern National Bank, Savannah, Ga., and as director of the Farmers & Merchants National Bank, Troy, Ala.

Approved.

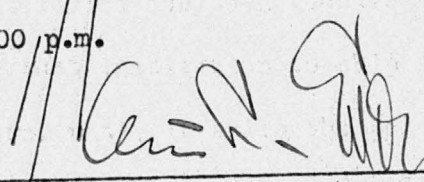
Dated, February 11th, Recommending approval of the application of Mr. A. C. F. Meyer for permission to serve at the same time as director and officer of the South Side National Bank, St. Louis, Mo. as director and officer of the Lafayette-South Side Bank and Trust Company, St. Louis, Mo., and as director and officer of the Twelfth Street National Bank, St. Louis, Mo.

Approved.

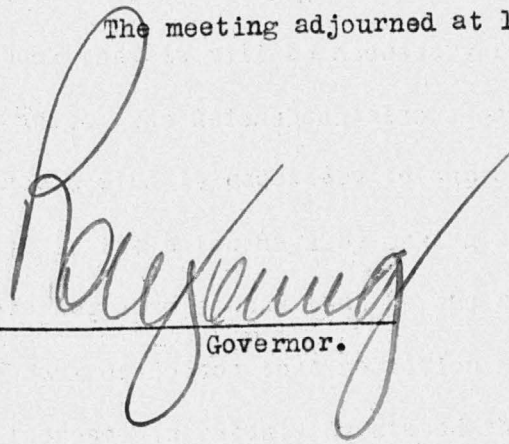
Dated, February 11th, Recommending approval of the application of Mr. August A. Busch, Jr., for permission to serve at the same time as director of the South Side National Bank, St. Louis, Mo., and as director of the Mississippi Valley Trust Company, St. Louis, Mo.

Approved.

The meeting adjourned at 1:00 p.m.

  
Secretary.

Approved:

  
Governor.