

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Friday, October 4, 1929, at 12:10 p.m.

PRESENT: Vice Governor Platt
Mr. Hamlin
Mr. Miller
Mr. James
Mr. Cunningham
Mr. Noell, Asst. Secretary

The minutes of the meeting held on October 1st were read and approved as amended.

Report of Law Committee on application of the Citizens National Bank of Tell City, Indiana, for permission to act as guardian of estates, assignee, receiver, or in any other fiduciary capacity in which state banks, trust companies, or other corporations which come into competition with national banks, are permitted to act under the laws of the State of Indiana; the Committee submitting a divided report thereon, Mr. Hamlin recommending approval and Mr. Platt stating he is unwilling to approve because the capital of the bank is only \$50,000.

After discussion, upon motion, the application was approved, Messrs. Platt and Cunningham voting "no".

Telegram dated October 2nd from the Chairman of the Federal Reserve Bank of Philadelphia, telegram dated October 4th from the Secretary of the Federal Reserve Bank of Cleveland, telegram dated October 2nd from the Chairman of the Federal Reserve Bank of St. Louis, and telegram dated October 3rd 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.

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Report of Committee on Examinations on letter dated October 2nd from the Federal Reserve Agent at Cleveland, requesting permission for representatives of the Department of Examination of that bank to sit in with the State Examiners during the examination of the Farmers Savings and Trust Company, Mansfield, Ohio, without expense to the bank; the Board's Committee recommending approval for one examiner.

Approved.

Report of Committee on Examinations on letter dated October 2nd from the Federal Reserve Agent at Cleveland, advising that on September 16th their Mr. Boyd made the usual credit investigation of the City Trust and Savings Bank at Youngstown, Ohio, without cost to the member bank, simultaneously with the examination conducted by the State department, and requesting approval of that action by the Board in order to clear the records of the bank, as formal request for approval was not made prior to the examination; the Board's Committee recommending approval.

Approved.

Letter dated October 2nd from the Acting Comptroller of the Currency, advising that Mrs. Sarah Sithens, temporary money counter at \$1200 per annum in the Federal Reserve Issue and Redemption Division, has been given a permanent appointment as money counter at \$1380 per annum, effective October 1, 1929.

Noted, with approval.

Letter dated October 1st from the Chairman of the Federal Reserve Bank of Philadelphia, requesting approval of Mr. Leo A. McDonald of the credit department as a special assistant to the examiners of the Philadelphia bank.

Approved.

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Report of Committee on Salaries and Expenditures on letter dated October 1st from the Cashier of the Federal Reserve Bank of Boston, submitting a list of employees of that bank who were granted leaves of absence with pay, on account of illness, during the month of September, where the total of such absences since January 1, 1929, has exceeded thirty days; the Board's Committee recommending approval of the salary payments involved.

Approved.

Letter dated October 2nd from the Treasurer of the United States, advising that his office received no requests from national banks for the purchase of securities under Section 13 of the Federal Reserve Act during the quarter ending September 30, 1929.

Noted.

Letter dated October 1st from the Federal Reserve Agent at Boston, transmitting the proposed program for the conference of Federal Reserve Agents on November 13-16, 1929.

Noted.

Memorandum from Counsel dated September 23rd, submitting a proposed letter in reply to a communication received from the Auditor of the Dime Bank-Lincoln Trust Company of Scranton, Pa., dated September 4th, requesting advice as to whether bankruptcy funds under the jurisdiction of Federal Courts may be considered as public moneys of the United States and thus be exempt from reserve requirements; the proposed reply stating that such funds are not deposits of public moneys of the United States and are, therefore, not exempt from reserve requirements.

Approved.

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The Assistant Secretary then submitted a proposed letter, prepared by Counsel, addressed to the Deputy Comptroller of the Currency, in reply to his letter dated October 1st, enclosing a request from the Cashier of the Agricultural National Bank of Pittsfield, Massachusetts, for advice as to whether it would be lawful for a national bank to borrow securities from its trust department for the purpose of obtaining loans thereon at the Federal Reserve Bank; the proposed reply stating that such practice would be both illegal and unethical.

Approved.

Memorandum from Counsel dated July 17th, submitting a proposed letter in reply to a communication, from the Secretary of the First National Corporation of Boston, Massachusetts, a state foreign banking corporation, dated July 9th in which he states that as the stock of that corporation is now all being held by individual trustees for the benefit of the shareholders of the bank, it is assumed that it is no longer necessary for the corporation to make further reports under its agreement with the Board; the proposed reply suggesting that if no national bank owns any of the stock of the First National Corporation and it does not wish to comply with the requirements of the Board's regulations it should request the Board to release it from its agreement.

A discussion ensued, during which Mr. Wyatt joined the meeting, and, upon motion, it was voted that the memorandum and proposed letter be circulated and referred back to Counsel.

Further discussion followed, after which, it was voted that Mr. Herson be instructed to communicate with the Secretary of the First National Corporation by telephone and ascertain whether the corporation desires merely to dispense with the reports required under the regulations of the Board and otherwise comply with the agreement as to examinations, etc., or if the Board is to understand from his letter that the Corporation desires to be released entirely from its agreement.

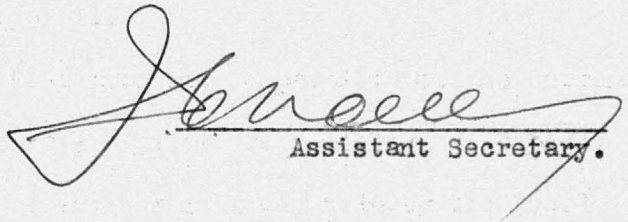
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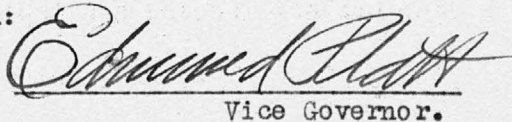
REPORTS OF STANDING COMMITTEES:

- Dated, October 2nd, Recommending changes in stock at Federal Reserve banks
4th, as set forth in the Auxiliary Minute Book of this date.
Recommendations approved.
- Dated, September 23rd, Recommending action on applications for fiduciary powers
24th, as set forth in the Auxiliary Minute Book of this date.
October 2nd, Recommendations approved.

The meeting adjourned at 1:00 o'clock.


Assistant Secretary.

Approved:


Vice Governor.