

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Monday, November 4, 1929 at 11:00 a.m.

PRESENT: Governor Young  
Mr. Platt  
Mr. Miller  
Mr. James  
Mr. Cunningham  
Mr. McClelland, Asst. Secretary  
PRESENT ALSO: Dr. Goldenweiser, Director of the  
Division of Research and Statistics.

As special order of business, the Board considered draft of a review of credit and business developments during October, prepared by the Director of the Division of Research and Statistics, for inclusion in the November issue of the Federal Reserve Bulletin.

Various suggestions for changes were made by the members of the Board, and it was understood that Dr. Goldenweiser would revise the Review in accordance therewith and resubmit it to the Board.

The Governor referred to the hearing on the subject of the establishment of a branch Federal reserve bank at Wichita, scheduled for November 21st, and stated he was advised by Governor Bailey of the Federal Reserve Bank of Kansas City that this date will conflict with a meeting on November 21st of the directors of that bank and all of its branches, which has already been arranged.

Upon motion, the matter of fixing a new date for the proposed hearing was referred to the Governor.

Mr. Miller then referred to the file on the subject of redemption of Canadian currency, ordered circulated at the meeting of the Board on October 17th. He stated that he has reached the conclusion that it would not be practicable for the present, at least, for the Federal Reserve banks to undertake to par Canadian currency but that he has prepared a revision

11/4/29

- 2 -

of the statement which the committee investigating the matter proposes to give to the press.

At the suggestion of the Governor, Mr. Miller stated he would circulate the revised statement among the members of the Board.

The minutes of the meetings of the Federal Reserve Board held on October 31st and November 2nd were then read and approved.

Letter dated November 1st from the Secretary of the Federal Reserve Bank of Kansas City, advising of the establishment on that date of the following schedule of rates for purchases of bankers acceptances:

1 to 120 days	-	4 3/4%
121 to 180 days	-	5%

Noted, with approval.

Matter approved on initials on November 1st, namely, letter dated November 1st from the Comptroller of the Currency, recommending approval of a salary of \$3,600 per annum for National Bank Examiner R. Gordon Finney, assigned to the Third Federal Reserve District.

Formally approved.

Letter dated November 4th from the Comptroller of the Currency, requesting approval of a salary of \$10,000 per annum for National Bank Examiner W. P. Folger, assigned to his office.

Approved.

Reports of Committee on Salaries and Expenditures on lists submitted by the Federal Reserve Banks of Boston and St. Louis of employees for whom the directors of those banks approved leaves of absence with pay, on account of illness, during the month of October, 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 30th from the Assistant Federal Reserve Agent at New York, advising of arrangements for the purchase by the Brooklyn Trust Company, Brooklyn, N. Y., of the State Bank of Richmond County, Port Richmond, Staten Island, which, if acquired, will be converted into a branch, and negotiations for the purchase and absorption by the Brooklyn Trust Company of the Guardian National Bank of New York, Brooklyn.

Noted.

Letter dated November 1st from the Assistant Federal Reserve Agent at New York, advising of the proposed merger on or about November 30th of the City Bank Trust Company of Syracuse, N. Y., with the First Trust and Deposit Company of Syracuse, under the name and charter of the latter institution.

Noted.

Report of Committee on Examinations on telegram dated November 4th from the Assistant Federal Reserve Agent at Cleveland, requesting permission to make investigations of the Dime Savings Bank Company, Canton, Ohio, and the Apple Creek Banking Company, Apple Creek, Ohio, at the time they are under examination by the State bank authorities, without expense to the member banks; the Board's Committee recommending approval.

Upon motion, it was voted to interpose no objection to the credit investigations proposed without expense to the member banks.

The Assistant Secretary then reported that under the authority granted at the meeting on October 31st, the Executive Committee approved the recommendation of the Standing Committee on Collections, which was concurred in



11/4/29

-4-

by the April 1929 Conference of Governors, that the Federal Reserve banks decline to accept mail transfers from nonmember banks, with a stated exception, and that all Federal Reserve banks are being advised accordingly.

Upon motion, the action of the Executive Committee was ratified.

The Assistant Secretary then submitted application of the Bank of Italy National Trust and Savings Association, San Francisco, Cal., filed through its local representative, for permission to establish a branch at No. 13 Moorgate, London, E. C. 2, England. He reported that the application has been referred to Counsel, who reports that it is in proper legal form, and to the Comptroller of the Currency, who advises that he knows of no reason why it should not be approved.

After discussion, upon motion, it was voted to request the Federal Reserve Agent at San Francisco to furnish the Board with his recommendation on the application.

Report of Law Committee on letter dated October 24th from the Federal Reserve Agent at Minneapolis, requesting reconsideration by the Board of its action of August 16th in refusing an application of the First National Bank and Trust Company, Yankton, S. D., for permission to act as guardian of estates, assignee, receiver, committee of estates of lunatics and 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 South Dakota, in addition to the right previously granted by the Board to act as trustee, executor, administrator, and registrar of stocks and bonds; the Federal

11/4/29

- 5 -

Reserve Agent stating that the only criticizable asset at the time of the last examination of the bank was a deficiency note in the amount of \$139,000, which has been reduced from \$164,000 and which the president of the applicant bank is willing to further secure by the pledge of an equity of \$40,000 in real estate personally held by him. In the report of the Law Committee, Governor Young and Mr. Hamlin stated that while the case is not entirely satisfactory, they are willing to concur in the recommendation of the Federal Reserve Agent at Minneapolis, while Mr. Platt raised the question whether approval should not be postponed pending another examination.

After discussion, upon motion, action was deferred and the matter was ordered referred to the Comptroller of the Currency for recommendation.

The Governor then reported that Mr. Herson, the Board's Chief Examiner, has been considering an offer made him of a position in New York and has decided to accept, effective December 1st. He stated that Mr. Herson will submit his formal resignation later.

REPORTS OF STANDING COMMITTEES:

Dated, November 1st, Recommending changes in stock at Federal reserve  
2nd, banks as set forth in the Auxiliary Minute Book  
of this date.

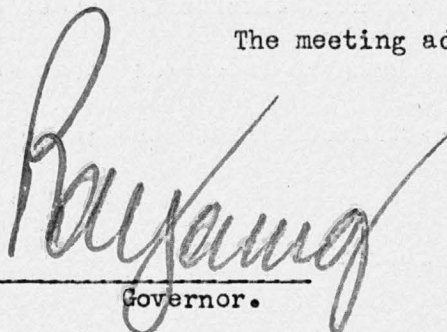
Recommendations approved.

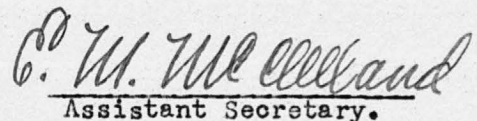
Dated, October 30th, Recommending action on an application for fiduciary  
powers as set forth in the Auxiliary Minute Book  
of this date.

Recommendation approved.

The meeting adjourned at 1:00 o'clock.

Approved:

  
Governor.

  
Assistant Secretary.