

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Friday, October 17, 1930, at 11:15 a. m.

PRESENT: Governor Meyer
Mr. Hamlin
Mr. Miller
Mr. James
Mr. Cunningham
Mr. McClelland, Asst. Secretary.

The minutes of the meeting of the Federal Reserve Board held on October 16th were read and approved as amended.

Letter dated October 16th 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.

Telegram dated October 16th from the Chairman of the Federal Reserve Bank of San Francisco, advising that due to lack of a quorum, the regular meeting of the board of directors of the bank was not held on that date and no change was made in the existing schedule of rates of discount and purchase.

Without objection, noted with approval.

Letter dated October 15th from the Governor of the Federal Reserve Bank of New York, transmitting the regular monthly compilation of the amount of short term funds held in New York for foreign account, aggregating \$2,639,643 as of September 30, 1930.

Ordered circulated.

Memorandum from Counsel dated October 16th with regard to the application of the First National Bank of Boston for permission to establish branches in the Argentine Republic at Avellaneda and Rosario de Santa Fe, the latter being

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an entirely new branch and the former an existing branch, which has been treated as a sub-branch of the branch at Buenos Aires, and was omitted from the bank's recent application for ratification of several branches established without first securing the Board's permission. Counsel, in his memorandum, reported that he knows of no legal reason why the application should not be approved and the Assistant Secretary stated that the matter has also been referred to the Comptroller of the Currency and the Federal Reserve Agent at Boston, both of whom recommend approval.

After discussion, upon motion, the following was adopted and ordered spread upon the minutes, Mr. Cunningham voting "no".

"THE FIRST NATIONAL BANK OF BOSTON, having on or about October 13, 1930, filed an application with this Board for the purpose of obtaining permission to establish branches in the Argentine Republic at Avellaneda and at Rosario de Santa Fe, and the said application having been considered and it appearing that the said application is properly made under the laws of the United States of America and should be granted; NOW, THEREFORE, IT IS

"ORDERED, that the said application be and it hereby is approved, and that the said Bank be and it hereby is authorized to establish a branch at Avellaneda and a branch at Rosario de Santa Fe, in the Argentine Republic."

Upon motion, it was also voted to approve a letter to Messrs. Burnham, Bingham, Gould & Murphy, attorneys for the First National Bank of Boston, submitted with Counsel's memorandum advising that the Board offers no objection to the designation of some of the bank's foreign branches as sub-branches or sub-offices for administrative purposes, provided that the so-called sub-branches or sub-offices comply with all of the provisions of law applicable to branches.

Letter dated October 16th from the Assistant Federal Reserve Agent at New York, advising of plans for the merger of the American Trust Company of New York, New York with the Bank of Manhattan Trust Company of New York City.

After discussion as to the practice of the Federal Reserve Agent at New York of submitting advice of contemplated consolidations, etc., to the Board merely as a matter of information, upon motion, the above letter was referred to the Committee on Examinations for report.

Memorandum from Counsel dated October 15th, approved by the Law Committee, with regard to the amendment of Regulation F, Series of 1928, incident to the amendment to Section 11 (k) of the Federal Reserve Act approved June 26, 1930, providing for the voluntary surrender of trust powers by national banks; Counsel submitting draft of a resolution reading as follows:

"BE IT RESOLVED by the Federal Reserve Board that Regulation F, Series of 1928, be amended by inserting therein a new Section XIV to read as follows:

"SECTION XIV. SURRENDER OF TRUST POWERS.

"(a) Procedure.- Any national bank which has been granted the right by the Federal Reserve Board pursuant to Section 11 (k) of the Federal Reserve Act, to act in any fiduciary capacity or capacities and which desires to surrender such right, shall signify such desire through a resolution adopted by its board of directors. A properly certified copy of such resolution of its board of directors should be filed with the Federal Reserve Agent of the district in which such national bank is located and should be accompanied by (1) a letter stating the reason why, or the purpose for which, such national bank wishes to surrender its right to exercise trust powers, unless such reason or purpose shall have been amply stated in the resolution itself; and (2) the permit or permits previously granted by the Federal Reserve Board to such national bank granting it the right to act in any fiduciary capacity, except that in case any such permit shall have been lost or destroyed an affidavit by any officer of such national bank as to such loss or destruction may be filed in lieu of such lost or destroyed permit. All such documents filed with the Federal Reserve Agent shall be promptly forwarded by him to the Federal Reserve Board with a recommendation as to the action to be taken by the Federal Reserve Board.

"(b) Examination.- Upon receipt of such documents, the Federal Reserve Board will request the Comptroller of the Currency, upon the occasion of the next regular examination of such national bank, to have the examiner make a special investigation of the trust department of the bank in order to determine whether the bank has actually accepted or undertaken the exercise of any trust, whether under court, private or other appointment, pursuant to authority granted under Section 11 (k) of the Federal Reserve Act; and if so, whether it appears from the records of the trust department in the case of each trust so accepted or undertaken:

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"(1) That the duties of the bank as fiduciary have been completely performed or that a substitute fiduciary has been appointed in accordance with the State law;

"(2) That a final account has been filed by the bank, and that such account has been approved by the court or other proper authority where this is required by State law;

"(3) That all assets and papers belonging to the trust estate have been delivered by the bank to the person or persons entitled to receive them; and

"(4) That the bank has been discharged or otherwise properly relieved of its duties as fiduciary.

In exceptional cases, the Federal Reserve Board may make a special examination or may request the Comptroller of the Currency to make a special examination of such national bank in order to obtain the information above set forth.

"(c) Certificate of Federal Reserve Board. - If upon receiving a copy of the report of such examination of such national bank the Federal Reserve Board shall be satisfied that such bank has been relieved in accordance with State law of all its duties as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics, or other fiduciary, under court, private or other appointments previously accepted by such bank under a permit granted by the Federal Reserve Board pursuant to the provisions of Section 11 (k) of the Federal Reserve Act, the Board may in its discretion issue to such national bank a certificate certifying that such bank is no longer authorized to exercise the powers conferred upon it by such permit of the Federal Reserve Board. Such bank thereupon (1) shall no longer be subject to the provisions of Section 11 (k) of the Federal Reserve Act or the Regulations of the Federal Reserve Board made pursuant thereto, (2) shall be entitled to have returned to it any securities which it may have deposited with the State authorities or with the Federal Reserve Agent for the protection of private or court trusts, and (3) shall not exercise thereafter any of the powers granted by Section 11 (k) of the Federal Reserve Act without first applying for and obtaining a new permit from the Federal Reserve Board to exercise such powers.

"BE IT FURTHER RESOLVED that the present Section XIV and the present Section XV of this regulation be renumbered Section XV and Section XVI respectively.

"BE IT FURTHER RESOLVED that Section I of this regulation, which sets forth the provisions of Section 11 (k) of the Federal Reserve Act, be amended so as to set forth the provisions of said Section 11 (k) of the Federal Reserve Act in the form as amended by the Act of June 26, 1930.

"BE IT FURTHER RESOLVED that the regulation as amended be designated as 'Regulation F, Series of 1930', and that it become effective in such amended form as of the date of adoption of this resolution."

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After discussion, upon motion, the resolution quoted above was adopted.

Upon motion, a letter to all Federal Reserve banks advising of the amendment of Regulation F, which was submitted with Counsel's memorandum, was also approved and ordered transmitted, and publication in the Federal Reserve bulletin of a statement in the same form was also authorized.

REPORTS OF STANDING COMMITTEES:

Dated, October 16th 17th Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date.
Recommendations approved.

Dated, October 16th Recommending approval of the application of Mr. George F. Schmidt, for permission to serve at the same time as officer and director of the Clifton Trust Company, Clifton, N. J., and as officer of the First National Bank of Clifton, N. J.
Recommendation approved.

Dated, October 16th Recommending approval of the application of Mr. W. E. Hughey, for permission to serve at the same time as officer and director of the Clifton Trust Company, Clifton, N. J., and as an officer and director of the First National Bank, Clifton, N. J.
Recommendation approved.

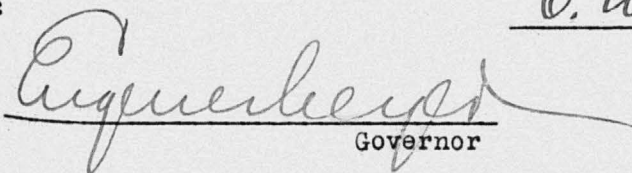
Dated, October 16th Recommending approval of the application of Mr. Louis Drukker, for permission to serve at the same time as a director of the Clifton Trust Co., Clifton, N. J., and as a director of the First National Bank, Clifton, N. J.
Recommendation approved.

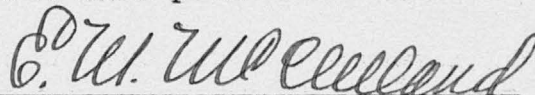
Dated, October 17th Recommending approval of the application of Mr. Richard T. Childs, for permission to serve at the same time as director of the Home National Bank, Ellenville, N. Y., and as director of the Nassau County Trust Co., Mineola, N. Y.
Recommendation approved.

Dated, October 17th Recommending approval of the application of Mr. Frank A. Farrell, for permission to serve at the same time as director of the Middlesex National Bank, Lowell, Mass., and as director of the Bancroft Trust Company, Worcester, Mass.
Recommendation approved.

The meeting adjourned at 12:50 p. m.

Approved:


Governor


Assistant Secretary