

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, January 23, 1936, at 11:30 a. m.

PRESENT: Mr. Eccles, Chairman
Mr. Thomas, Vice Chairman
Mr. Hamlin
Mr. Miller
Mr. Szymczak

Mr. Morrill, Secretary
Mr. Bethea, Assistant Secretary
Mr. Carpenter, Assistant Secretary

Consideration was given to each of the matters hereinafter referred to and the action stated with respect thereto was taken by the Board:

Letters to Mr. Curtiss, Chairman of the Federal Reserve Bank of Boston, and Mr. Powell, Secretary of the Federal Reserve Bank of Minneapolis, stating that the Board approves the establishment without change by the Boston bank on January 22, and by the Minneapolis bank on January 21, 1936, of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Memorandum dated January 17, 1936, from Mr. James submitting a letter dated January 10 from Mr. Curtiss, Chairman of the Federal Reserve Bank of Boston, which requested approval of changes in the personnel classification plan of the bank to provide for the new position of "manager" in the Securities Exchange Division, and for an increase in the salary range for the appraised position of "manager" in the Statistical (Industrial) Department, effective January 1, 1936. The memorandum stated that the proposed changes had been reviewed, and recom-

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mended that they be approved.

Approved unanimously.

Letter to "The Overland National Bank of Grand Island", Grand Island, Nebraska, reading as follows:

"The Board of Governors of the Federal Reserve System has given consideration to your application for permission to exercise fiduciary powers, and grants you authority to act, when not in contravention of State or local law, as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics, 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 Nebraska, the exercise of all such rights to be subject to the provisions of the Federal Reserve Act and the regulations of the Board of Governors of the Federal Reserve System.

"This letter will be your authority to exercise the fiduciary powers granted by the Board pending the preparation of a formal certificate covering such authorization, which will be forwarded to you in due course."

Approved unanimously.

Letter to Governor McKinney of the Federal Reserve Bank of Dallas, reading as follows:

"This refers to your letter of November 19, 1935, with inclosures, regarding the authority of your bank to grant the application of the Blue Ridge Federal Credit Union, Blue Ridge, Texas, to be placed on the par list.

"It is noted that counsel for your bank has expressed the opinion that a Federal credit union cannot properly be classified as a bank and that, inasmuch as the Board's Regulation J authorizes Federal Reserve banks to accept for collection only such checks as are drawn on banks, a Federal Reserve bank is not authorized to collect checks drawn on a Federal credit union. In connection with this matter, the Board requested the views of the Governor of the Farm Credit Administration with respect to the authority of Federal credit unions to receive deposits subject to check; and there is inclosed herewith a copy of a letter, dated

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"January 14, 1936, received by the Board from the Governor of the Farm Credit Administration in which the opinion is expressed that Federal credit unions cannot properly be classified as banks and are not authorized to receive deposits subject to check.

"In view of the opinion of counsel for your bank and the opinion of the Governor of the Farm Credit Administration with respect to this matter, the Board feels that a Federal credit union is not an institution of a kind which should be placed upon the par list and, accordingly, that the application of the Blue Ridge Federal Credit Union should not be granted."

Approved unanimously.

Thereupon the meeting adjourned.

Robert M. Mowbray
Secretary.

Approved:

W. E. ...
Chairman.