

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Wednesday, September 9, 1936, at 2:30 p. m.

PRESENT: Mr. Ransom, Vice Chairman
Mr. Broderick
Mr. McKee
Mr. Davis

Mr. Bethea, 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:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on September 8, 1936, were approved unani-
mously.

Telegram to Mr. McKinney, President of the Federal Reserve Bank of Dallas, stating that the Board approves the establishment without change by the bank today of the rates of discount and purchase in its existing schedule.

Approved unanimously.

Memorandum dated September 9, 1936, from Mr. Noell, Assistant Secretary, recommending that the temporary appointment of Miss Dorothy Parkhill as a stenographer in the Office of the Secretary be extended for a period of one month to October 15, 1936, with no change in her present salary at the rate of \$110 per month.

Approved unanimously.

9/9/36

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Letter to Mr. McKinney, President of the Federal Reserve Bank of Dallas, reading as follows:

"Referring to your letter of August 29, it will be satisfactory to the Board if you will send it your first report of bank and public relations activities, to be submitted in accordance with the Board's letter, X-9680, of August 25, 1936, on or about October 1, 1936."

Approved unanimously.

Letter to Mr. Robert V. Fleming, President of The Riggs National Bank, Washington, D. C., reading as follows:

"This refers to your letter of September 8, 1936, in which you advised that you have under consideration a proposed revision of the by-laws of your bank, and in that connection you have requested advice as to whether a trust investment committee appointed by you as president of The Riggs National Bank with the advice, consent and approval of the board of directors of that bank, would be appointed in conformity with the requirement of section 6(c) of the Board's Regulation F, which reads as follows:

'Before any such national bank undertakes to act in any fiduciary capacity, the board of directors of the bank shall appoint a trust investment committee which shall be composed of at least three members, who shall be capable and experienced officers or directors of the bank. * * * '

"As you know, of course, the responsibility for the supervision of the conduct of the trust department of a national bank lies in the board of directors of the bank and the requirement of the Board's Regulation F above quoted contemplates the discharge of such responsibility by the board of directors in the particular respect to which such provision of the regulation refers. It seems clear that if the trust investment committee is appointed by you as president of your bank, with the advice, consent and approval of your board of directors, such appointment will comply with the fundamental purpose of the requirement of the regulation, if not the letter of the requirement, and the Board has no objection to the appointment of your trust investment committee in the manner above described."

Approved unanimously.

9/9/36

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Letter to Mr. B. R. Kennedy, Director, Division of the Federal Register, The National Archives Establishment, Washington, D. C., reading as follows:

"This refers to your letter of August 28, 1936, requesting the Board's comments, in connection with a proposed revision of your regulations, on the suggestion that the next to the last paragraph in the designation of rule making power of the Board of Governors of the Federal Reserve System appearing on pages 25-26 of the regulations prescribed by the Administrative Committee of the Federal Register and approved by the President on March 11, 1936, should be deleted and the following citation substituted in its place:

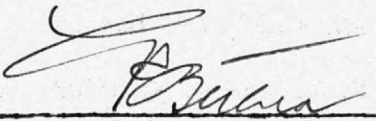
'Sections 3(b), 7, and 8 of the Securities Exchange Act of 1934 (48 Stat. 881, 884, et seq.)

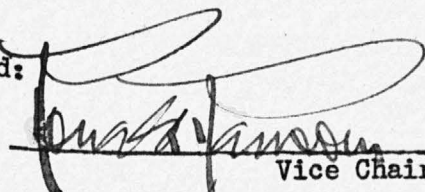
'Section 23(a) of the Securities Exchange Act of 1934 as amended by section 8 of the Act of May 27, 1936 (Public No. 621, 74th Cong.)'

"Since it appears that the only change in substance contained in the suggestion will be to bring up to date the citation to section 23(a) of the Securities Exchange Act of 1934, the Board has no objection to your suggestion. No other changes having been made in the law with respect to the rule making power of the Board since March 7, 1936, the date on which citations were submitted to your Division regarding the authority under which documents are issued by the Board of Governors of the Federal Reserve System, no further changes in the regulations in this respect would seem to be necessary."

Approved unanimously.

Thereupon the meeting adjourned.


Assistant Secretary.

Approved: 

Vice Chairman.