

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, April 12, 1937, at 2:30 p.m.

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

Mr. Bethea, Assistant Secretary  
Mr. Carpenter, Assistant Secretary  
Mr. Clayton, Assistant to the Chairman

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 April 10, 1937, were approved unanimously.

Telegrams to Mr. Powell, Secretary of the Federal Reserve Bank of Minneapolis and Mr. McKinney, President of the Federal Reserve Bank of Dallas, stating that the Board approves the establishment without change by the respective banks today of the rates of discount and purchase in their existing schedules.

Approved unanimously.

Letter to Mr. Young, President of the Federal Reserve Bank of Boston, reading as follows:

"In accordance with the request contained in your letter of April 7, the Board approves the designation of the twenty-nine employees listed as assistant examiners for the Federal Reserve Bank of Boston in order that they

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"may lend clerical assistance to your regular examiners when needed in the examinations of State member banks. Please keep the Board's Division of Examinations currently advised of any deductions from the list."

Approved unanimously.

Letter to Mr. Hamilton, President of the Federal Reserve Bank of Kansas City, reading as follows:

"Reference is made to your letter of April 6, 1937, and, in accordance with the request contained therein, the Board approves the designations of Wm. R. Young and George E. Keck, Employees of the Denver Branch, as assistant examiners for the Federal Reserve Bank of Kansas City in order that they may lend clerical assistant to your regular examiners when needed in the examinations of State member banks.

"In its telegram of May 21, 1936, the Board approved the use of 14 employees of the Denver Branch to lend clerical assistance in examinations, and you inquire as to whether such approval may also be taken as approving the designations of these employees as assistant examiners. Since the Board's telegram was not specific in this respect and in order that there may be no question as to the right under the law of such employees to participate in examinations, the Board approves their designations as assistant examiners for the Federal Reserve Bank of Kansas City. It has been noted in this connection that because of a resignation and a transfer, two of the employees listed would no longer be authorized to participate in examinations.

"You are correct in your assumption that the Board's Division of Examinations should be kept currently advised of any deductions from the list of employees of the Denver Branch, as well as the main office, who have been designated as assistant examiners in order to lend clerical assistance to your regular examiners."

Approved unanimously.

Letter to Mr. McRae, Chief Examiner, Federal Reserve Bank of Boston, reading as follows:

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"Reference is made to your letter of April 3, 1937, submitting the application of 'The Carroll County Trust Company', Conway, New Hampshire, for permission to exercise the fiduciary powers authorized under its charter and the applicable provisions of State law.

"It is understood that the trust company, which was last examined as of July 6, 1936, will be subject to another examination prior to July 1, 1937. It is understood also that the institution's need for trust powers is not urgent, and in view of that fact and of the uncurrent dating of the latest available report of examination, the Board will defer consideration of the application until a new report of examination is available. In the meantime, no objection will be made to the trust company's administering the one trusteeship which it now holds."

Approved unanimously.

Letter to Mr. Clark, Vice President of the Federal Reserve Bank of Atlanta, reading as follows:

"Reference is made to your letter of April 5, 1937, in regard to the exercise of trust powers by the 'Greene County Bank', Greeneville, Tennessee, without having first obtained the permission of the Board, in accordance with its so-called general condition of membership, which requires that except with the permission of the Board there shall be no change in the general character of its business or in the scope of the corporate powers exercised by it at the time of admission to membership.

"It is understood that the bank is administering two small guardianship accounts which were accepted without realizing the applicability of the condition of membership in question; that the existence of the accounts will probably be of short duration, and that the bank does not desire to extend the scope of its fiduciary activities.

"In the circumstances, the Board will raise no objection to the bank's administering the two guardianship accounts it now holds, with the understanding that it will not acquire any other fiduciary business without first obtaining the permission of the Board. Please advise the bank accordingly."

Approved unanimously.

Letter to "The National Deposit Bank of Arnold", Arnold, Pennsylvania, reading as follows:

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"This refers to the resolution adopted on September 24, 1936, by the board of directors of your bank signifying the bank's desire to surrender its right to exercise the trust powers which have heretofore been granted to it by the Federal Reserve Board, now known as the Board of Governors of the Federal Reserve System.

"The Board understands that your bank has been discharged or otherwise properly relieved in accordance with the law of all of its duties as fiduciary. The Board, therefore, has issued a formal certificate to your bank certifying that it is no longer authorized to exercise any of the fiduciary powers covered by the provisions of section 11(k) of the Federal Reserve Act, as amended. This certificate is inclosed herewith.

"In this connection, your attention is called to the fact that, under the provisions of section 11(k) of the Federal Reserve Act, as amended, when such a certificate has been issued by the Board of Governors of the Federal Reserve System to a national bank, such bank (1) shall no longer be subject to the provisions of section 11(k) of the Federal Reserve Act or the regulations of the Board of Governors of the Federal Reserve System made pursuant thereto, (2) shall be entitled to have returned to it any securities which it may have deposited with the State or similar authorities for the protection of private or court trusts, and (3) shall not exercise any of the powers covered by section 11(k) of the Federal Reserve Act except with the permission of the Board of Governors of the Federal Reserve System."

Approved unanimously.

Letter to Mr. Sproul, First Vice President of the Federal Reserve Bank of New York, reading as follows:

"Your letter of April 1, enclosing copies of recent correspondence between Mr. Harrison and Mr. Montes de Oca, Director General of the Banco de Mexico, has been brought to the Board's attention. The Board wishes me to state that it regards cooperation with the Banco de Mexico in developing its research department as most desirable. Presumably in arranging for one or more of your men to assist the Banco de Mexico in this respect, you will make it clear that these men are acting only in their capacities as individuals and not as representatives of the Federal Reserve Bank of New York. The

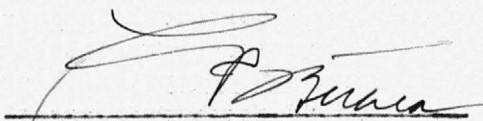
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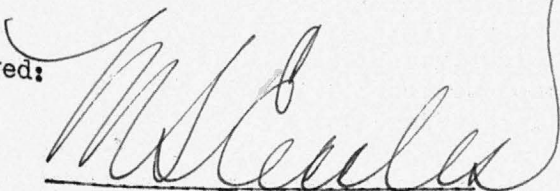
"Board requests that it be kept informed of the progress of the arrangement and that it receive copies of any major reports which may be made in connection with it."

Approved unanimously.

Thereupon the meeting adjourned.

  
Assistant Secretary.

Approved:

  
Chairman.