

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Saturday, October 2, 1937, at 11:30 a. m.

PRESENT: Mr. Ransom, Vice Chairman
Mr. Szymczak
Mr. McKee

Mr. Morrill, Secretary
Mr. Bethea, 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:

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

"Reference is made to your letter of September 22 regarding changes in the list of employees who have been designated as assistant examiners for the purpose of lending temporary assistance to your regular examining staff.

"In accordance with your request, the Board approves the designations of the following employees as assistant examiners:

R. E. Moody
Chas. R. Walker
Carl Rainey
James E. Hiatt

Approval has been given with the understanding, of course, that such employees will be used only to lend temporary assistance to your regular examiners and will not be transferred permanently to examining work without the Board's approval.

"In accordance with your advice, the names of M. H. Manheim and J. G. Martin have been removed from the list of employees designated as assistant examiners. The name of R. M. Stephenson had already been removed by reason of his recent appointment as a regular assistant examiner."

Approved unanimously.

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Letter to Mr. U. M. Dickey, President, Soundview Pulp Company, Everett, Washington, reading as follows:

"Receipt is acknowledged of your letter of September 28, 1937, stating that, because of the difficulty you have had in attending regularly the meetings of the board of directors of the Seattle branch of the Federal Reserve Bank of San Francisco and the fact that you expect to be out of the city more frequently during the coming year, you wish to tender your resignation as branch director.

"The Board appreciates your service on the branch board since January of this year and accepts your resignation as director of the Seattle branch with regret. In taking this action the Board hopes that your interest in the welfare of the System will continue after the termination of your official connection with the Federal Reserve Bank of San Francisco and suggests that, if at any time you have any comments or suggestions to make with regard to the System you do not hesitate to communicate them to the board of directors of the Federal reserve bank or to the Board in Washington."

Approved unanimously.

Letter to "The First National Bank and Trust Company of New Haven", New Haven, Connecticut, reading as follows:

"The Board of Governors of the Federal Reserve System has given consideration to your supplementary application for fiduciary powers, and, in addition to the authority heretofore granted to act as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, and committee of estates of lunatics, grants you authority to act, when not in contravention of State or local law, 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 Connecticut, 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.

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Letter to Mr. J. Ford White, Cashier, The First National Bank of Salida, Salida, Colorado, reading as follows:

"This refers to your letter of September 8, 1937, addressed to the Comptroller of the Currency, which has been referred to the Board of Governors of the Federal Reserve System for reply. You ask whether or not there is any objection to your bank's placing in a savings deposit funds represented by a time certificate of deposit which has not reached its maturity.

"You are advised that, in the circumstances stated in your letter, there appears to be no objection to the transaction.

"A copy of Regulation Q is inclosed herewith for your convenience. If you should have any further questions regarding this matter or any similar matter please communicate directly with the Federal Reserve Bank of Kansas City."

Approved unanimously.

Letter to the Securities and Exchange Commission, reading as follows:

"The Board has been presented with certain questions relating to the status, with respect to Regulation T, of certain securities involved in the proposed plan of consolidation of Alleghany Corporation and The Chesapeake Corporation. It is understood that your Commission is familiar with the details of this plan and has available copies of the relevant documents.

"Two questions have been presented to the Board in this connection. The first is whether a broker subject to Regulation T may, at the request of a customer and without the deposit of additional margin or other offsetting transactions, release a bond of Alleghany Corporation, a registered security, from the customer's restricted account for deposit with the depository according to the plan, against receipt in the account of the certificate of deposit given in exchange for the bond. The second question is whether, in such circumstances, a creditor may present a certificate of stock of The Chesapeake Corporation from such an account to the agent for stamping if the stamped certificate is replaced in the account.

"The answers to these questions depend in part upon whether the certificate of deposit in the first case and

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"the stamped stock in the second case is a registered security. The Board would, therefore, appreciate an expression of opinion from the Commission as to whether or not each of these securities is a registered security."

Approved unanimously.

Letter to Mr. William C. Cleveland, Department of Economics, Indiana University, Bloomington, Indiana, reading as follows:

"This refers to your letter of September 28, 1937 in which you ask to be advised as to whether the Board of Governors contemplates the publication of analyses of State laws relating to banking of the type published in the Federal Reserve Bulletins for November, 1936, and March, 1937.

"The Board of Governors has from time to time published the results of studies which it has made relating to State banking laws and may do so from time to time in the future. However, no such studies are now projected and it is impossible to state when any study of this kind will be made or what subject it will cover."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morrie
Secretary.

Approved:

Frank Hamilton
Vice Chairman.