

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Saturday, April 29, 1939, at 11:30 a. m.

PRESENT: Mr. McKee  
Mr. Davis  
Mr. Draper

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

The action stated with respect to each of the matters herein-after referred to was taken by the Board:

Letter to Mr. Nardin, Chairman of the Federal Reserve Bank of St. Louis, prepared in accordance with the action taken at the meeting of the Board on April 21, 1939, and reading as follows:

"Your letter of April 7, 1939, with respect to the suggested appointment of Vance L. Sailor as an officer of the Federal Reserve Bank of St. Louis to have direct charge of the examination department of the bank, has been brought to the attention of the Board of Governors and has been discussed at a meeting of the Board in the light of the existing situation with relation to the examination department of the St. Louis bank.

"Your letter recognizes the question whether, in view of legislation now pending before Congress, you should proceed with the appointment of Mr. Sailor. As you know, the Board has no basis upon which it could express an opinion as to the final outcome of this or other banking legislation that might be proposed, but because of the uncertainty with respect to the future responsibility of the Federal Reserve banks for bank examination which has been created by such legislation as well as by the reorganization act which recently became law, the Board feels, entirely independently of the question of the qualifications of the person who might be selected for the position, that it would be inadvisable for your bank at this

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"time to fill the vacancy created by the retirement of Mr. Wood.

"Furthermore, it is understood that there are no unusual problems among State member banks in the St. Louis district at the present time and that the work of the examination department is such that it can be carried on for some time under the arrangement contemplated in the Board's letter of September 14, 1936, without, however, a vice president being designated at this time to be in direct charge of the department, so that the appointment of an officer for this purpose might well be deferred for consideration at a later date."

Approved unanimously.

Letter to "The First National Bank of Pittsfield", Pittsfield, Illinois, reading as follows:

"This refers to the resolution adopted on November 29, 1938, by the board of directors of your bank, signifying the bank's desire to surrender its right to exercise fiduciary powers heretofore granted to it.

"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 enclosed 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 conferred by section 11(k) of the Federal Reserve

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"Act except with the permission of the Board of Governors of the Federal Reserve System."

Approved unanimously.

Letter to the Federal Reserve Agents at all Federal Reserve banks, reading as follows:

"At the close of the year 1938 certain questions arose in connection with the termination of custody of Federal Reserve notes, collateral and other property held by Federal Reserve Agents who were going out of office. There have also been occasions in the past when a retiring Federal Reserve Agent has asked the Board for suggestions as to a procedure which he might follow in terminating his custody of property held by him in his capacity as Federal Reserve Agent. For the information and records of your office, it may be said that the following suggestion, based upon the Board's past consideration of this matter, is one method which may be used in the future, if desired, in connection with the transfer of Federal Reserve notes, collateral and other property from a retiring Federal Reserve Agent to his successor:

"The auditing department of the Federal Reserve bank should prepare an instrument certifying the amounts of Federal Reserve notes, collateral, and other property in the various accounts in the Federal Reserve Agent's department for which he is responsible as of the close of business on the last day of official duty of the agent. This certificate should be signed by the auditor and should be attested by the outgoing Federal Reserve Agent and, with respect to property held in joint custody, by the joint custodians. Counsel for the Federal Reserve bank should then prepare a receipt in duplicate based upon the certificate prepared by the auditing department.

"In the event the outgoing Federal Reserve Agent is to be immediately succeeded by a new Federal Reserve Agent, such receipt should be signed by the incoming Federal Reserve Agent on the day he executes the oath of office and enters upon his duties. One of the duplicate originals of such receipt should be delivered to the outgoing Federal Reserve Agent. In cases where an outgoing Federal



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"Reserve Agent is not immediately succeeded by a new agent, the ranking assistant Federal Reserve Agent should execute the receipt in duplicate and one of the duplicate originals should be delivered to the outgoing Federal Reserve Agent. In such a case, upon the appointment of a new Federal Reserve Agent, the procedure outlined in the preceding paragraph should be followed, with a certificate and receipt prepared as of the day the new Federal Reserve Agent executes his oath of office and enters upon his duties. A duplicate original of this receipt, properly executed by the new agent, should be delivered to the ranking assistant Federal Reserve Agent.

"Copies of such receipts and documents need not be forwarded to the Board, but it will be appreciated in each case if the Board is advised in general terms of what has been done.

"In all cases counsel for the Federal Reserve bank should be consulted in connection with the preparation of such documents as may be utilized in this connection.

"As indicated above, the procedure outlined is not prescribed but merely suggested as one method which may be used; and any procedure may be followed which is satisfactory to the parties concerned and is approved by counsel for the Federal Reserve bank."

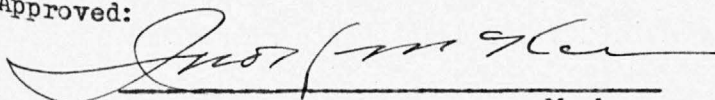
Approved unanimously.

Thereupon the meeting adjourned.



Assistant Secretary.

Approved:



Member.