A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Thursday, July 10, 1930 at 11:00 a.m.

PRESENT: Vice Governor Platt
Mr. Hamlin
Mr. James
Mr. Cunningham
Mr. Pole
Mr. Noell, Asst. Secretary

Matter approved on initials on July 9th, namely, recommendation of the Comptroller of the Currency of approval by the Board of increases in the salaries of forty-two National Bank Examiners listed in his letter of July 7th.

Formally approved.

Letter dated July 10th from the Comptroller of the Currency, recommending approval by the Board of an increase in the salary of Mrs. Dolly S. Griffiths, stenographer to the Comptroller of the Currency, from $2,180 to $2,300 per annum.

Approved.

Telegram dated July 9th from the Secretary of the Federal Reserve Bank of Cleveland, advising that at the regular meeting of the board of directors on that date no change was made in the bank's existing schedule of rates of discount and purchase.

Without objection, noted with approval.

Reports of Committee on Salaries and Expenditures on lists submitted by the Federal Reserve Banks of New York, Philadelphia, St. Louis and Minneapolis of employees who were granted leaves of absence with pay, on account of illness, during the month of June, where the total of such absences since January 1, 1930, has exceeded thirty days; the Board's Committee recommending approval of the salary payments involved.
Approved.

Report of Committee on Examinations on letter dated July 7th from the Federal Reserve Agent at Cleveland, requesting permission to make the usual investigation of the Union Trust Company, Greensburg, Pa., without cost to the member bank, at the time it is under examination by State authorities.

Upon recommendation of the Committee, it was voted to interpose no objection to the making of the investigation.

Letter dated July 8th from the Treasurer of the United States, advising that his office has received no applications from National banks for the sale of bonds, under Section 18 of the Federal Reserve Act, during the quarter ending June 30, 1930.

Noted.

Memorandum dated July 8th from the Board's Assistant Counsel, submitting draft of a letter to Messrs. Shearman and Sterling, attorneys for the National City Bank of New York, replying to an inquiry as to whether further application should be made to the Board for an order authorizing the establishment of an up-town office, which is not regarded as an official branch, but which is being maintained by the National City Bank of New York in connection with its branch in Mayaguez, Porto Rico; the proposed reply advising that it seems desirable, in order that there may be no question as to the right of the National bank to establish the branch office, that an application be made for authority to do so.

Upon recommendation of the Law Committee, the proposed reply was approved.

Mr. Hamlin, Chairman of the Committee on District No.1, in pursuance
to the instructions of the Board on May 29th, stated that his Committee had taken up with the Federal Reserve Agent of the Federal Reserve Bank of Boston the alleged failure of officers of the Federal Reserve Bank of Boston to cooperate with representatives of the Department of Justice investigating the theft of a payroll from that bank. The Committee on District No. 1 submitted a letter dated June 28, 1930, from the Federal Reserve Agent of the Federal Reserve Bank of Boston making a complete report regarding the matter, which the Committee feels is a satisfactory explanation of the investigation of the payroll theft, Mr. Platt stating that he is of the opinion that no further action by the Board is required at this time.

Upon recommendation of the Committee on District No. 1, it was voted not to dispatch the letters to the Federal Reserve Agent at Boston, the Attorney General and to all Federal Reserve banks, which were submitted with Counsel's memorandum of June 26th, and the letter from the Federal Reserve Agent of the Federal Reserve Bank of Boston was referred to Counsel for his information and ordered filed.

The Vice Governor then announced that replies have now been received from all Federal Reserve Banks to the Board's letter of June 3, 1930, (X-6611) requesting their comments or suggestions with regard to the proposed amendments to Regulation "A"; and that these replies have been considered by Counsel who recommends that the Regulation as adopted by the Board on June 2, 1930, be made effective immediately. He also stated that in accordance with the authority granted at the meeting on June 2nd, he is advising the Federal Reserve Banks that the Regulation as amended will be made effective on August 1, 1930.

Letter dated July 1st, from Governor Harrison with regard to possible
bases for the recommendations of the directors of Federal Reserve banks on applications of National banks for fiduciary powers, the letter requesting an expression of the views of the Board in order that the directors of the Federal Reserve Bank of New York may be certain of the basis upon which the Board expects their recommendations to be made in the future.

Upon motion, the letter was ordered held for consideration at a full meeting of the Board.

Letter dated July 3rd from the Comptroller of the Currency and letter dated June 30th from the Federal Reserve Agent of the Federal Reserve Bank of Richmond replying to the requests made by the Board in accordance with action taken at the meeting on June 25th, for a report with regard to the condition of certain banks listed in the regular report of the Chief of the Division of Bank Operations relative to deficiency in reserves of member banks, as being in an unsafe or extended condition or called to the Board's special attention because of a continued deficiency in reserves for six months.

Ordered circulated.

Memorandum from Counsel dated July 9th, with regard to the application of the National City Bank of New York for permission to establish a branch in Plaza Once, Buenos Aires, Argentine Republic, the memorandum stating that there is no legal reason why the application should not be granted. The Assistant Secretary reported that the Assistant Federal Reserve Agent at New York and the Comptroller of the Currency have recommended approval of the application.

Upon motion, the following was ordered spread upon the minutes, Mr. Cunningham voting "no":
"THE NATIONAL CITY BANK OF NEW YORK, having on or about July 2, 1930, filed an Application with this Board for the purpose of obtaining authority to establish a Branch in PLAZA ONCE, in the CITY OF BUENOS AIRES, ARGENTINE REPUBLIC, and the said Application having been considered; and it appearing that the said Application is properly made under the laws of the United States of America and should be granted, NOW, THEREFORE, IT IS

"ORDERED, that the said Application be and it hereby is approved and that the said Bank be and it hereby is authorized to establish a Branch in PLAZA ONCE, in the CITY OF BUENOS AIRES, ARGENTINE REPUBLIC.

Mr. Hamlin then called attention to the fact that an application has been received from the Second National Bank of Boston for authority to purchase $100,000 of stock in the State corporation proposed to be organized by the National Bank for the purpose of carrying on an international and foreign banking business, which application is recommended for approval by the Federal Reserve Agent at Boston. He referred to the report made by him regarding this matter at the meeting of the Board on July 8th and stated that it is apparent from the application of the Second National Bank that it has been determined to organize the proposed corporation with a capital of $100,000.

He then moved that the Board advise the attorneys of the Second National Bank of Boston that it is willing to enter into an agreement with the proposed corporation under which its stock would be eligible for purchase by a national bank provided the corporation is organized with a capital of $100,000, it being the understanding that the Second National Bank is to purchase the corporation's entire capital stock.

After considerable discussion, Mr. Hamlin's motion was put by the Chair and lost, the members voting as follows:
Vice Governor Platt, "aye"
Mr. Hamlin, "aye"
Mr. James, "no"
Mr. Cunningham, "no"
Mr. Pole, "no"

Some further discussion followed at the conclusion of which the Vice Governor stated that Mr. Hamlin will be given an opportunity to bring this matter up again at a full meeting of the Board should he desire to do so, and Mr. Hamlin expressed an intention to have the matter reconsidered at the first full meeting of the Board.

The minutes of the meeting of the Federal Reserve Board held on July 8th were read and approved as amended.

RECOMMENDATIONS OF STANDING COMMITTEES:

Dated, July 9th, 1930.
Recommendation to the Board of Governors of the Federal Reserve System for approval of changes in stock at Federal Reserve banks as set forth in the Auxiliary Minute Book of this date.
Recommendations approved.

Dated, July 7th, 1930.
Recommendation to the Board of Governors of the Federal Reserve System for approval of action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date.
Recommendations approved.

Dated, June 30th, 1930.
Recommendation to the Board of Governors of the Federal Reserve System for approval of the application of Mr. Harry S. Covington for permission to serve at the same time as director and officer of The National Bank of Commerce of Detroit, Michigan, and as director of the Union Industrial Bank, Flint, Michigan.
Approved.

The meeting adjourned at 12:10 p.m.

Approved:

[Signature]
Assistant Secretary.

[Signature]
Vice Governor.