

I N F O R M A L C O N F E R E N C E S .

September 9 - December 7.

At an informal conference held in the office of the Board at 3:20 p. m. on Thursday, September 9,

PRESENT:

Mr. McAdoo, presiding Mr. Warburg
Mr. Hamlin Mr. Harding
Mr. Williams Mr. Willis, Secretary.

PRESENT ALSO:

Honorable R. Carter Glass, Chairman of the House Banking and Currency Committee.

The question of the present intra-district clearing system was taken up, and Mr. Glass asked to state his views in regard to it. Mr. Glass said that he had formally expressed his ideas in a letter to the Chairman of the Board, and that in brief he merely wanted to see that the intent of the law was carried out.

The Chairman asked Mr. Hamlin to state what had actually been done thus far, and Mr. Hamlin made a statement of the action taken on the clearing question.

Mr. McAdoo said that he thought that Mr. Glass' position in brief was merely that the Board should put the clearing provisions of the law into more complete operation at once.

Discussion of the intent of the framers of the law and of the various articles and technical problems connected therewith ensued. Counsel of the Board was called into conference. Members of the Board expressed the view that it had proceeded as rapidly as possible in the development of the system of clearing and that various difficulties which had had to be met had caused unavoidable delay.

The Counsel of the Board was asked to consult with Mr. J. P. Cotton with reference to the question of collecting non-member checks and to inform the Board whether it has the authority to require the clearing of checks drawn on non-member banks and deposited with members and also whether the Board has power under the law to put into effect any system of clearance requiring re-

serve banks to clear member banks' checks whether they choose to or not and finally whether reserve banks have the power to call upon member banks to require the latter to keep on deposit balances adequate for the foregoing purpose. The Board also took steps to ascertain whether Counsel had in any way modified his former opinion on the whole subject. At the invitation of the Board, Mr. Glass agreed to join in another informal conference on Thursday, September 16.

On motion, at 4:45 p. m. the conference was closed.

H. Parker Willis
Secretary.

APPROVED: .

Chairman.

