

At an adjourned meeting of the Federal Reserve Board held in the office of the Governor at 4:30 p. m. on Monday, November 15,

PRESENT:

Mr. Hamlin, presiding Mr. Warburg

Mr. Delano Mr. Harding

Mr. Williams Mr. Miller

Mr. Willis, Secretary.

Mr. Williams moved that a complete stenographic report of all meetings at which the subject of redistricting is discussed, should be provided for by the Board, and henceforward kept.

Mr. Delano asked for a fuller explanation of the intent of the motion, and Mr. Williams said he thought Congress might, if any redistricting plan should be adopted, be disposed to make inquiry into the facts and circumstances attendant upon it.

Mr. Delano moved as a substitute that the suggestion just made by Mr. Williams be laid on the table until called up at some future meeting.

A recorded vote being asked for resulted

as follows:

Affirmative, Messrs. Delano, Harding,
Warburg and Miller.

Negative, Messrs. Hamlin and Williams.

So the substitute prevailed, and Mr.
Williams' motion was indefinitely laid on the
table.

Mr. Hamlin reported that in accordance
with the instructions of the Board given at the
morning meeting, he had seen the Secretary of the
Treasury, and had told him of the Board's desire
to take up the question of redistricting at as
early a meeting at which he (Mr. McAdoo) could be
present as possible. Mr. Hamlin said that he had
also furnished the Secretary of the Treasury with
a copy of the motion which he (Mr. Hamlin) had of-
fered at the morning meeting, which had then been
defeated. The Secretary of the Treasury had
written a letter with reference to the whole sub-
ject, which Mr. Hamlin presented as follows:

TREASURY DEPARTMENT

WASHINGTON

November 15, 1915.

My dear Governor Hamlin:

Will you please say to the Federal Reserve Board that the funeral of my son-in-law is expected to take place this afternoon and naturally I do not feel like attending any meeting while that is in progress. Moreover, on account of the illness and death of my son-in-law, which delayed very seriously the preparation of my annual report to Congress, and because of indisposition of my own, which has kept me more or less confined to the house for the last ten days, I am at the moment under very great pressure to complete my annual report and put it in the hands of the printer before 12 o'clock tonight, as required by law. I am allowed by law until the 20th instant to revise the proofs, and this will of necessity consume a good deal of my time until then. Moreover, there are very pressing questions in the Department which must have my immediate attention as soon as I return to the office, which I hope to do not later than Wednesday. It seems to me that in a matter of such great importance as the one presented to the Board by the Committee, of which Mr. Delano is Chairman, ample time should be given for its very thorough consideration. I received from Mr. Delano at 4:20 p. m., on Saturday, the 13th instant, a copy of this report. Governor Hamlin has shown me a copy of the resolution he offered to the Board this morning, calling for additional facts and information, which it seems to me are so material

to the issue that they should be supplied by the Committee for the consideration of all members of the Board before intelligent discussion of the report can be had. It is obvious that every member of the Board should be supplied with the fullest possible information about this matter before it is voted upon, and I presume that every member of the Board desires to be fully informed before taking action. However, I am unwilling to be put in the position of asking the Board to show me any personal consideration. Since a majority of the Board has already tabled the resolution offered by Governor Hamlin, I wish only to say that if the Board determines to act upon the report of the Committee before all the members of the Board can be fully informed of the facts upon which the conclusions of the Committee's report are based, I beg that you will record me as voting against taking any action upon the Committee's report before said information is supplied. I suggest that this matter be taken up on Monday, the 22nd instant, at which time I shall be glad to attend a meeting of the Board.

I hope that the Board will reconsider Governor Hamlin's resolution and adopt it, and that the information therein called for will be furnished before the 22nd instant. If, however, the Board should decline to reconsider and adopt the resolution presented by Governor Hamlin, or considers a week's delay unreasonable, the responsibility, of course, rests upon it for such action as it may see fit to take.

I can see nothing in the situation which demands hasty action; on the contrary, I see every reason for thorough, deliberate

and dispassionate consideration. We have ample time to treat this important matter in this spirit and with this purpose.

Sincerely yours,

W. G. McADOO.

Hon. C. S. Hamlin,
Governor, Federal Reserve Board.

Mr. Miller moved to make the report on redistricting and the whole subject a special order for Monday, November 22, at 11:00 a. m. Discussion ensued, and the motion being put, was unanimously carried.

Mr. Williams moved to reconsider the motion offered by Mr. Hamlin at the morning meeting, in which the redistricting committee was called upon for the detailed facts upon which their report was based.

This motion was held to be out of order by the Governor, in view of the fact that Mr. Williams

had voted in favor of the motion at the morning meeting. Mr. Miller, who had voted against it, thereupon moved that reconsideration of the motion be undertaken. On being put, this motion for reconsideration was unanimously carried, and the question placed before the meeting on its original basis - namely, as a request for the information specified therein.

Discussion of the resolution ensued, and on being put to a recorded vote, the motion resulted as follows:

Affirmative: Messrs. Hamlin and Williams.

Negative: Messrs. Delano, Warburg, Miller and Harding.

So the resolution was lost.

Mr. Delano requested to have entered again in the minutes a statement that the committee on redistricting would be ready at any time to submit all available data on the points mentioned in Mr. Hamlin's motion, as well as on

other matters affecting the question, whenever the subject might be actually taken up for consideration, such having been the practice of the Board in discussing committee reports in the past. He saw no reason why there should be a different treatment in this case. Mr. Delano further wished to express the opinion that the report might be dealt with in any one of three ways.

(1) From the standpoint of expediency - there being much weight to be given to the claim that the wisdom of dealing with the subject at this time was open to doubt.

(2) From the standpoint of legality - there being grounds for two opinions as to the power of the Board to reduce the number of reserve banks. On this point he called attention to the fact that, whereas Senator Owen believed that the Board had power to reduce the number of banks, Mr. Glass took the opposite view, while Mr. Elliott, Counsel of the Board, had not reached final conclusions, feeling as he understood him, that if

the Board considered it necessary to take such a step, it probably had the right to do so; but if unnecessary, it had not the right to do so. He said the matter had been considered by Mr. Cotton and that Mr. Cotton took a view favorable to the position assumed by the Committee.

(3) The matter could be dealt with by use of filibustering methods, including requests for delay, requirements to show cause, and the like.

Either of the first two plans was defensible, but the last, he thought, was indefensible, and he hoped there would not be a resort to it in the Board.

Mr. Delano suggested that in view of the fact that at least one person (Mr. Glass) outside the Board had been supplied with a copy of the Committee's report, and in view of the fact that such serious importance was attached to the whole matter by the Organization Committee, he thought it would be well to send a copy to

Secretary Houston, the third member of the Organization Committee, and another to Senator Owen, chairman of the Senate Committee on Banking. Discussion ensued, but no action was taken.

Mr. Delano moved that the Secretary of the Board make a brief statement to the press giving a list of appeals pending, and stating the two questions which had been informally brought before the Board for discussion, and answered in the Committee's report.

The motion was tabled by a viva voce vote.

Mr. Miller moved that opinions in the hands of the Committee should be copied and distributed to members, and that in any cases where an oral opinion had been obtained from Counsel, bearing on the legal status, a written opinion should be obtained in lieu thereof.

No formal vote was taken, but it was informally understood that such distribution would be made.

On motion the Board adjourned to meet on

Wednesday, November 17, at 11:00 a. m., or sub-
ject to the call of the Chair, at an earlier date.

A. P. Kerwin
Secretary.

APPROVED:

C. H. Austin
Chairman.