

At a regular meeting of the Federal Reserve Board held in the office of the Board at 11:20 a. m., on Monday, April 17,

PRESENT:

Mr. Hamlin, presiding Mr. Harding

Mr. Delano Mr. Miller

Mr. Allen, Secretary.

The minutes of the meeting of April 14 were read and approved.

Under unanimous consent, Mr. Delano submitted a "Memorandum of the general principles to be followed in the preparation of a check clearing and collection plan." After discussion, Mr. Harding offered the following resolution, which was adopted:

RESOLVED, That the Committee on Clearings be requested to sit with a committee of the Governors and formulate a plan for the collection and clearing of checks by Federal reserve banks, - such plan to be submitted to the Board for approval.

It was agreed that Governor Hamlin should supply Representative Glass with a copy of Mr.

Harding's memorandum on Clearing, and Mr. Harding stated his willingness to discuss the matter with Representative Glass.

The opinion of the Attorney General on the power of the Federal Reserve Board to change the location of a Federal reserve city, and other related matters, was submitted, and the Secretary authorized to give the text of the opinion to newspapers.

The resolution of the board of directors of the Federal Reserve Bank of Richmond, passed at the meeting on April 13, 1916, submitting to the Board a proposed increase in the commodity rate from 3% to  $3\frac{1}{2}\%$ , and an extension of the rate of  $3\frac{1}{2}\%$  for trade acceptances from sixty to ninety days, was presented, and consideration of the matter postponed until the afternoon meeting.

Mr. Harding, for the Committee on Operation of the Federal Reserve Bank of Dallas, re-

ported that consideration had been given to four names for election as Class "C" director to fill the vacancy due to the death of Mr. Felix Martinez, and recommended the election of Mr. H. C. Wooten of Abilene, Texas. Consideration of this matter was then postponed until the afternoon meeting.

Mr. J. P. Cotton's opinion as to the application of the Clayton Act to private bankers with a capital of \$5,000,000, was noted, and preparation of a letter ordered to be submitted to the Board.

The request of the Federal Reserve Bank of Chicago for permission to purchase warrants maturing September 1, 1916, was approved as follows:

\$50,000 of Newport, Rhode Island.

\$50,000 of Attleboro, Massachusetts.

Upon favorable recommendation of the Committee on Issue and Redemption, the Board ap-

proved the shipment by the Secretary of the Treasury of \$15,000,000 additional notes to the Subtreasury at Chicago, to be released by the Board on requisition of the Federal Reserve Agent at Chicago.

A memorandum of Counsel on "Advisory Committees" in banks, stating that such "Advisory Committees" come within the application of the Clayton Act, was presented, and it was directed that Counsel prepare and submit a letter stating this view to Phillips and Avery who had made the inquiry.

A proposed letter prepared by Counsel to Representative Glass as to amendments to the Kern Bill, passed by the Senate on April 12, was discussed, and after a statement by Governor Hamlin, the Board voted not to send the letter. Upon the further suggestion of Governor Hamlin that a letter be prepared and submitted to the Board covering its approval of an amendment which

would require that the consent of the Board be obtained before private bankers, capital of whose firms exceeds \$5,000,000, may serve as directors of national banks, it was ordered that the Governor and Counsel prepare a letter covering this matter, to be submitted to the Board.

It was, upon motion of Mr. Delano, voted that Counsel be instructed to prepare letters to the Federal reserve banks, and other interested in the opinion of the Attorney General on changes in location of Federal reserve cities, these letters to carry copies of the decision, and be submitted to the Board before being forwarded.

At 1:00 p. m., the Board adjourned to meet at 3:00 p. m., that afternoon, April 17, in the office of the Governor of the Board.

APPROVED: *Shuman Miller*  
Secretary.

*C. H. Austin*  
Chairman.