

At a regular meeting of the Federal Reserve Board held in the office of the Board at 11:10 a. m., on Friday, May 12,

PRESENT:

- Mr. Hamlin, presiding Mr. Harding
- Mr. Warburg Mr. Miller
- Mr. Allen, Secretary.

The minutes of the meeting of May 11 were read and approved.

The request of the Federal Reserve Bank of Cleveland for permission to purchase \$1,199.40 street improvement bonds of the City of Van Wert, Ohio, maturing November 10, the population of the city being less than 10,000, was, upon the recommendation of Mr. Warburg, approved.

The requests of the National City Bank of New York and the National Bank of Commerce of New York for permission to accept drafts or bills of exchange to an amount not

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exceeding the capital and surplus of the said banks, recommended by the directors of the Federal Reserve Bank of New York, were approved by the Board.

The Secretary was authorized to furnish to the compiler of Smull's Legislative Handbook and Manual of the State of Pennsylvania, information as to the officers of the Board and their present salaries.

Governor Hamlin presented a telegram dated May 12, from the Seattle Times, asking if the clearing and collection system was mandatory upon member banks, and the following reply, prepared by Mr. Harding, was authorized:

No compulsion on member banks to collect any checks through Federal reserve bank. Can use present correspondents if preferred. Only requirement is that member banks must remit without deduction in funds satisfactory to Federal reserve bank for checks on them sent them for collection by Federal reserve bank. Whenever banks unable to offset

by remitting checks, lawful money or Federal reserve notes may be remitted at expense of Federal reserve bank.

Governor Hamlin read a letter from the Federal Reserve Bank of Philadelphia stating that they would defer action as to the perforating machine for notes until after the meeting of Federal reserve agents.

The Board gave a hearing to a committee appointed by the Executive Committee of the American Bankers' Association to urge delay in putting into effect the clearing and collection plan.

The Committee were:

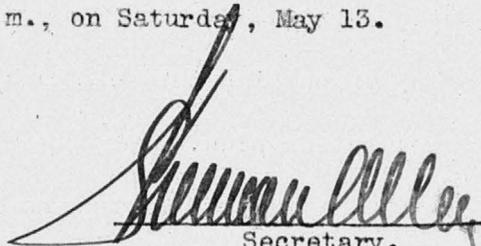
- Mr. W. H. Bucholz, Omaha, Nebraska.
- Mr. John McHugh, New York.
- Mr. W. H. Webb, San Angelo, Tex.
- Mr. Walker Broach, Meridian, Miss.
- Mr. J. Elwood Cox, High Point, N. C.

There were also present at the meeting;

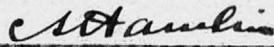
- Mr. Eugene W. Stetson, Macon, Georgia.
- Mr. J. P. Matthews, Columbia, S. C.
- Mr. George O. Bordwell, Cashier, F. R. Bank of San Francisco.

Each member of the Committee stated his views to the Board. Mr. Harding ably presented the position of the Board in the matter, and there was also some general discussion. At the conclusion of the meeting it was agreed that the members then present would recommend to the full Board that the plan be not put into effect before July 15, 1916.

At 1:30 p. m., the Board adjourned to meet at 11:00 a. m., on Saturday, May 13.


Secretary.

APPROVED:


Chairman.