

A conference was held by the Federal Reserve Board at 10:35 a. m., on Tuesday, June 27, with a Committee appointed at a meeting of representatives of Clearing Houses held in Chicago.

PRESENT:

Mr. Hamlin, presiding Mr. Warburg

Mr. Delano Mr. Harding

Mr. Elliott, Counsel

Mr. Allen, Secretary.

PRESENT ALSO; the following members of the Committee:

Mr. George M. Reynolds, Chairman of
Chicago

Mr. Frank O. Watts of St. Louis

Mr. J. W. Perry of Kansas City

Mr. J. K. Ottley of Atlanta

Mr. Walter Frew of New York.

Mr. Reynolds stated that nine cities were represented in the Clearing House Confer-

ence, Boston and Richmond being unable to send representatives. It was the desire of those present to cooperate with the Federal Reserve Board in connection with the clearing and collection plan but that each bank and locality was naturally jealous of its prerogatives. It was realized that the system must, under the law, clear checks. He then stated two points on which the Committee desired to obtain an expression from the Board. They were:

1. What is the Board's view as to the charge which shall be made for handling items?
2. The use of the words "collectible at par" in circulars and on checks had led to a general understanding that it meant that the funds to be thus collected were immediately available.

It was suggested that instead of using "collectible at par at the Federal Reserve Bank" on checks, member banks use the legend "collectible at Federal Reserve Bank".

Mr. Reynolds stated that the bankers

whom the Committee represented were willing to cooperate to give the collection service at the lowest possible cost but that they believe that the use of the word "par" would give trouble and be difficult of explanation to their customers.

Mr. Harding said that he thought Mr. Reynolds' point as to the use of the word "par" was a good one. On the other question raised he suggested that the representatives of Clearing Houses hold a Conference and submit to the Board a schedule of proposed rates for its consideration.

There was general discussion of the matters under consideration in which members of the Board and the Committee took part.

At 12:00 o'clock, noon, the Board adjourned to meet at 3:00 p. m., on Tuesday.

APPROVED:

Estlin

Chairman.

Stumacher
Secretary.