

A hearing before the Federal Reserve Board was held in the Office of the Governor of the Board at 11:15 A. M., on Friday, August 24.

Present:

- Mr. Harding, presiding, Mr. Hamlin,
- Mr. Warburg, Mr. Willis, Secretary.
- Mr. Delano,

Present, also:

- Mr. Benjamin Bosse, Mr. C. B. Enlow,
- Mr. F. R. Wilson.

Mr. Wilson, on behalf of the Committee, stated that he and his association represented the Evansville Clearing House Association. He then stated that the purpose of their appearance was to ask of the Board that it should not designate Evansville as a reserve city, it having come to the attention of the Clearing House Association that some such action was under consideration. Mr. Wilson then discussed the case of the Evansville Clearing House, stating that the increased reserve required by making Evansville a reserve city would be about \$500,000, and showing that in existing conditions of competition between State and national banks this would make a difficult situation, since the national banks would then be obliged to reduce the interest on their deposits, which would place them at a disadvantage by giving

business to State banks or shifting them to reserve
 cities. He further discussed the question of collec-
 tions on behalf of country banks, and in answer to an
 inquiry from Governor Harding as to whether Evansville
 was a natural banking center, stated that country banks
 did deposit and rediscount with Evansville banks a good
 deal. The effect of the Federal Reserve Act had not been
 that of increasing deposits, but, if anything, had prob-
 ably reduced them. Thereupon he filed with the Board a
 brief setting forth the argument of the Evansville bankers.

At 11:50 A. M. Governor Harding closed the hear-
 ing.

APPROVED:

Chairman.

[Handwritten Signature]
Secretary.