A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Wednesday, December 8, 1926 at 11:45 a.m.

PRESENT: Governor Crissinger
Mr. Platt
Mr. Hamlin
Mr. Miller
Mr. James
Mr. Cunningham
Mr. Noell, Assistant Secretary
Mr. McClelland, Assistant Secretary

The minutes of the meeting of the Federal Reserve Board held on the morning of December 7th were read and approved.

The minutes of the meeting of the Federal Reserve Board held on the afternoon of December 7th were read and approved as amended.

Letter dated December 3rd from the Secretary of War, referring to his letter of November 30th regarding the application of the National City Bank of New York, for permission to establish a branch in the Philippine Islands through the taking over of a branch of the International Banking Corporation; the letter stating that a cablegram received from the Governor General of the Philippine Islands states that the Attorney General has submitted an opinion that local legislation prevails in the case.

Referred to the Law Committee.

The Board then resumed consideration of the question of the collection of non-cash items payable at street addresses, action on which was deferred at the meeting yesterday afternoon.

Mr. Miller moved that it be the sense of the Federal Reserve Board to concur in the view expressed, by a vote of nine to three, by the Governors of the Federal Reserve banks at their recent Conference in Washington, to the effect that in the matter of non-cash collections substantial uniformity of practice is essential to the best interests of the
Federal Reserve System and that in lieu of the resolution of September 23rd

"That the Federal Reserve Board suggest to the Federal Reserve banks that each bank should exercise its own option as to the collection of items at street addresses, but continue the collection of items collectible at banks"

the following be substituted

"That the Federal Reserve Board suggest to the Federal Reserve banks that there be no departure from the present established practice that would threaten essential uniformity of procedure".

After discussion, Mr. Miller's motion being put by the Chair was lost, the members voting as follows:

Governor Crissinger, "aye"
Mr. Platt, "aye"
Mr. Miller, "aye"
Mr. Hamlin, "no"
Mr. James, "no"
Mr. Cunningham, "no"

Mr. Cunningham then moved that the Federal Reserve Board reaffirm the position on non-cash collections outlined in the resolution adopted on September 23rd, reading as follows:

"Resolved, that the Federal Reserve Board suggest to the Federal Reserve banks that each bank should exercise its own option as to the collection of items at street addresses, but continue the collection of items collectible at banks."

Mr. Cunningham's motion being put by the Chair was lost, the members voting as follows:

Governor Crissinger, "no"
Mr. Platt, "no"
Mr. Miller, "no"
Mr. Hamlin, "aye"
Mr. James, "aye"
Mr. Cunningham, "aye"
Mr. James then suggested that the Board might express its concurrence in the action taken by the Governors' Conference in recommending that uniformity of practice is desirable in connection with the non-cash collection function, but at the same time express willingness to see the Federal Reserve Bank of Minneapolis experiment in the matter of a charge on items collectible at street addresses and suggest that the Federal Reserve Banks of Kansas City and Atlanta which are also opposed to the handling of non-cash items defer any change in their present practice until the results of the Minneapolis experiment can be ascertained.

The Governor called attention to the fact that the only information the Board has as to the plan of the Federal Reserve Bank of Minneapolis was received through statements made informally by the Governor of the bank to members of the Board, and that before taking the action suggested by Mr. James the Board should have some definite information as to just what the Minneapolis bank desires to do.

Mr. Hamlin then moved that the recommendation of the Governors' Conference, regarding the non-cash collection function, be laid on the table, that the Governor ascertain from the Chairman of the Board of Directors of the Federal Reserve Bank of Minneapolis the exact nature of the plan of handling non-cash items which that bank desires to put in operation and that a similar inquiry be addressed to the Federal Reserve Banks of Atlanta and Kansas City.

Mr. Hamlin's motion being put by the Chair was unanimously carried.

The meeting adjourned at 1:00 p.m.

Approved:

Assistant Secretary.