At a meeting of the Federal Reserve Board,

held in the office of the Board at 2:40 P. M. Wed-
nesday, September 15, 1916,

PRESENT,

Governor Harding, presiding, Mr. Warburg,

Mr. Miller, Mr. Hamlin,

Mr. Allen, Secretary,

The minutes of preceding meetings were

passed over.

Governor Harding reported the desire of

the Federal Reserve Bank of Dallas to pay on

September 15th, a dividend to December 31, 1915.

On motion of Mr. Miller, the bank having filed

the statements required by the Board, the pay-

ment was approved.

The following recommendation, covering

the management of the Gold Settlement Fund, ap-

proved by the Committee to whom the matter had

been referred, was approved by the Board.

In substitution for previous recommend-

ations as to the method of control for the
combinations to the safe containing the gold order certificates belonging to the Federal Reserve Agents' Fund and the Gold Settlement Fund, the following is respectfully submitted:

1. The upper combination to be held by the Settling Agent and the Deputy Settling Agent; the lower combination to be held by Mr. Imlay, representative of the Division of Audit and Examination. In the event of contemplated absence of the Settling Agent or Deputy Settling Agent, or of the representative of the Division of Audit and Examination, the Executive Committee to appoint a substitute or substitutes and direct the communication to such substitute or substitutes of the combination held by the person who is about to be absent.

2. The combination to the upper lock to be placed in a sealed envelope and delivered to the Governor; the combination to the lower lock to be placed in a sealed envelope and delivered to the Vice-Governor; and such combinations used only in emergencies such as illness of the regular holders of the combinations, etc.

3. Procedure. The Settling Agent or Deputy Settling Agent, accompanied by the representative of the Division of Audit and Examination to deposit and remove certificates. The representative of the Division of Audit and Examination to make actual count of all certificates deposited or withdrawn and to maintain an independent record of the amounts so deposited or withdrawn, making comparison daily with the balance book of the
respective funds to ascertain that the certificates held are equal in amount to the sum called for by the books. In cases of withdrawal of certificates for payment to the Treasurer of the United States for any purpose, the representative of the Division of Audit and Examination to count the certificates at the time of their removal from the safe and again just before their delivery to the Treasurer. He should also witness such delivery or examine the receipt for the delivery.

SHERMAN ALLEN.
RAY M. GIDNEY.
J. A. BRODERICK.

(signed) W. P. G. Harding.

Governor.

The desire of the Treasury Department to remove the clerical force of the Board from the first to the second floor was stated and this matter referred to the Executive Committee with power.

The Secretary was directed to reply to George V. Sheridan, Columbus, Ohio, stating that the fees paid to directors of the Federal Reserve Bank of Cleveland are $20.00 per meeting, with
allowance for traveling expenses, and referring him to the Cleveland bank for exact figures.

Governor Harding presented a report from Mr. Broderick recommending that the Federal Reserve Bank of San Francisco file the statement required by the Board before payment of a proposed dividend and the Governor was requested to write to the Federal Reserve Bank of San Francisco to this effect.

Governor Harding reported that he had telephoned to the Chairman of the Board, asking his views as to the application of the Kern amendment to the Clayton Act and read to the Board a letter received in reply to the inquiry.

An opinion of Counsel as to the application of the Clayton Act and Kern amendment in the District of Columbia was presented and referred to the Committee on Law.

Proof of the circulars, regulations, and special instructions for 1916 were presented.
and referred to the Executive Committee with

power. (7

At 3.00 p.m. the Board resumed the consideration of applications under the Clayton Act.

The Baltimore and Cleveland applications for permission of the Board under the Clayton Act and the Kern amendment thereto, which were held over from the meeting of the Board yesterday, were taken up and tabulated statements submitted by Messrs. Broderick and Dulany on the general situation in Cleveland and Baltimore were considered.

Motion was made by Mr. Hamlin that the applications from Cleveland, Ohio, contained in reports of the Clayton Act Committee dated September 7 and September 11, respectively, be acted upon as recommended. This motion was carried unanimously.

Motion was made that the applications from Baltimore, Maryland, contained in the reports of the Clayton Act Committee dated September 7 and September 11, respectively, be adopted as recommended,
with the understanding that some member voting in the affirmative would move to re-open these cases for discussion at the next meeting. This motion was carried unanimously.

Mr. Hamlin made a motion that the report of the Clayton Act Committee of September 13, 1916, be adopted. This motion was carried unanimously.

Mr. Hamlin moved that the following applications be granted:

- Frank Schobel, Wyncote, Pa., Nat'l Security Bk.
- Wm. P. Simnett, Bala, Pa., Central Trust & Savings Co.
- Alfred E. Burk, Phila., Pa., Continental-Equitable Title & Trust Co.

This motion was carried.

Mr. Hamlin moved that the following applications be refused:

- Chas. S. Caldwell, Holmesburg, Corn Exchange Nat'l Bk., Phila., Pa., Central Trust & Savings Bank
This motion was carried.

Mr. Miller moved that the following applications be granted by the Board, subject to be re-opened for discussion at the next meeting by any member voting in the affirmative:

George Cator Baltimore Nat'l Exchange Bk. Baltimore
Continental Trust Co. do

Jacob Epstein Baltimore Nat'l Exchange Bk. do
Continental Trust Co. do

This motion was carried.

Mr. Miller moved that the following applications be granted, subject to be reopened for discussion at the next meeting of the Board by any member voting in the affirmative:

Jas. J. Fagan San Francisco Crocker Nat'l Bk. San Francisco
Savings Union & Trust Co. do
Bank of Italy do

Wm. H. Crocker Burlingame, Cal. Crocker Nat'l Bk. do
Humboldt Savings Bk. do
Savings Union Bank & Trust Co. do

Frank B. Anderson San Rafael, Cal. Bank of California,
N. A. do
Mission Bank do
Savings Union Bank & Trust Co. do
F. D. Madison  San Francisco  Bank of California,  N. A.  San Francisco
Warren D. Clark  do  Savings Union Bank & Trust Co.
Henry C. Breeden  Hillsborough, Cal.  Mercantile Nat'l Bank Savings Union Bank & Trust Co.
John D. McKee  San Francisco  Mercantile Nat'l Bank Savings Union Bank & Trust Co.
W. D. Woolwine  Los Angeles  Bank of California, N. A.  Los Angeles
T. E. Newlin  Los Angeles  Farmers & Merchants National Bank Security Trust & Savings Bank
This motion was carried.

Mr. Warburg moved that the following applications be granted:

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<tr>
<th>Name</th>
<th>City</th>
<th>Bank</th>
<th>City</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>Union Exchange Nat. Bank</td>
<td>do</td>
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<td></td>
<td></td>
<td>Guaranty Trust Co.</td>
<td>do</td>
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<td>D. G. Reid</td>
<td>New York</td>
<td>Liberty Nat. Bank</td>
<td>do</td>
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<td></td>
<td></td>
<td>Guaranty Trust Co.</td>
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<td></td>
<td></td>
<td>Bankers Trust Co.</td>
<td>do</td>
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<td>R. W. Goelet</td>
<td>New York</td>
<td>Chemical Nat. Bank</td>
<td>do</td>
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<td></td>
<td></td>
<td>Guaranty Trust Co.</td>
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<td></td>
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<td>Astor Trust Co.</td>
<td>do</td>
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<td>John A. Spoor</td>
<td>Chicago</td>
<td>First Nat. Bank</td>
<td>Chicago</td>
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<td></td>
<td>Live Stock Exchange</td>
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<td></td>
<td>National Bank</td>
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<td>Guaranty Trust Co.</td>
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<td>Girard Trust Co.</td>
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<td>U.S. Mortgage &amp; Trust Co.</td>
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<td>Edward T. Jeffery</td>
<td>New York</td>
<td>First National Bk.</td>
<td>Chicago</td>
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<td>Equitable Trust Co.</td>
<td>New York</td>
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This motion was carried, Mr. Miller voting in the negative as to the applications of Messrs. Sabin, Reid and Goelet.
In the general discussion of the subject of what elements should be considered in determining whether two banks are in substantial competition, it was suggested that in cases where the resources of the banks are of such magnitude or of such character that the ability of the banks jointly to grant or to withhold credit, or otherwise to influence the conditions under which credit could be obtained and which would constitute them a dominant factor in the general loan market, substantial competition should be held to exist, although the mere fact that two banks are in the habit of purchasing paper in the open market or of making time and demand loans on collateral securities having a wide market, need not necessarily be considered as indicating substantial competition.

In order that the aggregate resources of the banks might be given due consideration in determining
their competitive status, Mr. Broderick, chief of the division of audits, and Mr. Jacobson were instructed to prepare a statement showing the gross deposits and total footings of the larger banks in New York, Philadelphia, Chicago, Cleveland, St. Louis, San Francisco and Baltimore.

There being no further business before the Board adjournment was had at 4:30 P. M.

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Secretary.

APPROVED

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Chairman.