

At a meeting of the Federal Reserve Board,
held in the office of the Board at 2:40 P. M. Wed-
nesday, September 13, 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 recommen-
dations 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 The representative of the Division of Audit and Examination to make actual count of all certificates deposited or withdrawn and to maintain an independent record of the amounts so deposited or withdrawn, making comparison daily with the balance book of the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.

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:

Wm. P. Reed	Philadelphia	Bank of N. A.	Philadelphia
		Colonial Trust Co.	do
Frank Schobel	Wyncote, Pa.	Nat'l Security Bk.	do
		Central Trust & Savings Co.	do
Wm. P. Simmett	Bala, Pa.	Market St. Nat'l Bk.	
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.
	Phila., Pa.	Central Trust & Savings Bank	do

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F. D. Madison	San Francisco	Bank of California, N. A.	San Francisco
		Savings Union Bank & Trust Co.	do
Warren D. Clark	do	Bank of California, N. A.	do
		Savings Union Bank & Trust Co.	do
		Security Savings Bank	do
Henry C. Breeden	Hillsborough, Cal.	Mercantile Nat'l Bank Savings Union Bank & Trust Co.	do
			do
John D. McKee	San Francisco	Mercantile Nat'l Bank Savings Union Bank & Trust Co.	do
			do
W. D. Woolwine	Los Angeles	Bank of California, N. A.	Los Angeles
		Security Trust & Savings Bank	do
		Hibernian Savings Bk.	do
R. H. Lacy	San Marino, Cal.	U. S. National Bank Security Trust & Savings Bank	do
			do
T. E. Newlin	Los Angeles	Farmers & Merchants National Bank Security Trust & Savings Bank	do
			do

This motion was carried.

Mr. Warburg moved that the following applications

be granted:

C. H. Sabin	New York	Liberty Nat. Bank Union Exchange Nat. Bank	New York do
		Guaranty Trust Co.	do
D. G. Reid	New York	Liberty Nat. Bank Guaranty Trust Co. Bankers Trust Co.	do do do
R. W. Goelet	New York	Chemical Nat. Bank Guaranty Trust Co. Astor Trust Co.	do do do
John A. Spoor	Chicago	First Nat. Bank Live Stock Exchange National Bank Guaranty Trust Co.	Chicago do do New York
Henry Tatnall	Philadelphia	Franklin Natl. Bank Girard Trust Co. U.S. Mortgage & Trust Co.	Phila., Pa. do New York
Edward T. Jeffery	New York	First National Bk. Equitable Trust Co.	Chicago New York

This motion was carried, Mr. Miller voting in the negative as to the applications of Messrs. Sabin, Reid and Goelet.

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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.

Secretary.

APPROVED

Chairman.