

At a special meeting of the Federal Reserve Board held in the office of the Board at 10:00 A. M. on Thursday, October 12, 1916,

## PRESENT:

Governor Harding, presiding, Mr. Miller,  
Mr. Warburg, Mr. Delano,  
Mr. Hamlin, Mr. Williams.  
Mr. Willis, Secretary.

Governor Harding announced that the business of the morning was the hearing of Mr. J. S. Alexander, President of the National Bank of Commerce of New York, with reference to the status of Mr. James N. Jarvie, regarding his retention of directorates in the National Bank of Commerce and the Central Trust Company of New York. Mr. Alexander said that there were four directors in common between the two concerns, but two had been eliminated as private bankers and the other had withdrawn of his own accord. In answer to the request of the Governor of the Board Mr. Alexander thereupon presented a formal statement analyzing the chief features of the business of the two companies and emphasizing the view that no substantial competition exists between them.

Governor Harding informed Mr. Alexander that he would be notified of the Board's decision on Friday.

Thereupon testimony was presented by Mr. George Cator, Waldo Newcomer, G. Harry Barnes, and G. W. Cockran, Jr., as to the relationship existing between the National Bank of Commerce, the National Exchange Bank, and the Continental Trust Company, all of Baltimore, for the purpose of showing that no substantial competition existed between these institutions.

The testimony of the Baltimore witnesses having been completed and they having been advised by the Governor of the Board that they would be informed of the Board's decision on Friday, Mr. Harry A. Wheeler of Chicago,

was heard with reference to the Continental and Commercial National Bank and the Union Trust Company, both of Chicago, Mr. Wheeler appearing in behalf of Mr. Hale Holden, at present a director in both institutions. Mr. Wheeler contended that there was no substantial competition between the two institutions and analyzed the situation of the banks at length. At the conclusion of his testimony Mr. Wheeler said that in the event that Mr. Holden should not be permitted to retain his directorship in the two institutions, he would like to know of the Board's attitude as to

Mr. Holden's becoming a director in the Mercantile Trust Company.

Mr. Wheeler having withdrawn, the Board proceeded to take up the pending cases with the following results:-

On motion it was voted that the decision in the case of Mr. Hale Holden regarding the Continental and Commercial National Bank and the Union Trust Company be reaffirmed. It was, however, informally understood that so far as the Board could foresee there would be no objection to permitting Mr. Holden to become a director in the Mercantile Trust Company, at the same time retaining his directorship in the Continental and Commercial National Bank.

The case of Mr. George Cator and the other witnesses who had appeared in behalf of the directors in common of the National Exchange Bank, the National Bank of Commerce, and the Continental Trust Company, of Baltimore, having been presented, it was on motion voted to authorize the retention

of these common directors, the vote standing as follows:-

AFFIRMATIVE: Mr. Harding, Mr. Warburg, Mr. Delano.

NEGATIVE: Mr. Miller, Mr. Hamlin.

NOT VOTING: Mr. Williams.

On motion it was voted that the common directors in the National Bank of Commerce and the Continental Trust Company,

both of Baltimore, should be permitted to serve these institutions, the vote being as follows:-

- AFFIRMATIVE: Mr. Harding, Mr. Warburg, Mr. Delano.
- NEGATIVE: Mr. Miller, Mr. Hamlin.
- NOT VOTING: Mr. Williams.

It was understood that the votes in these two last cases should be held applicable to all directors similarly situated in the institutions thereby affected.

On motion at 1:00 P. M. the Board adjourned to meet at 3:00 P. M.

*A. P. Robertson*  
Secretary.

APPROVED:

*A. Harding*  
Chairman.