

At a regular meeting of the Federal Reserve Board held in the office of the Board at 10:30 A. M. on Wednesday, November 22, 1916,

PRESENT:

Governor Harding, presiding, Mr. Hamlin,
Mr. Warburg, Mr. Miller,
Mr. Delano, Mr. Allen, Assistant Secretary.
Mr. Dulany, Assistant Counsel.

Mr. Percy S. Straus, a director in R. H. Macy & Company, and the Second National Bank of New York, appeared by appointment for a hearing in connection with the ruling of the Board under which he can not remain a director in both.

Mr. Wise, an attorney, made a statement in behalf of Mr. Straus in the course of which he stated that Macy & Company do a cash business and have established a system by which customers may make a deposit and have the cost of purchases charged against their accounts. Statements are rendered monthly, and interest is paid on balances at the rate of 4%. The amount of such deposits now held was given as approximately \$1,300,000 and the number of depositors about 14,000. It was stated that the firm makes no direct

profit through deposits, and that it closed accounts which were left dormant and not used for the purchase of merchandise. The funds so deposited are kept entirely separate from those of the business of merchandising.

About $7\frac{1}{2}\%$ or 8% of the merchandise business of the firm is transacted through this department.

Mr. Straus made a short statement, adding some details, and was asked by the Board to submit, in writing, details of the amounts deposited, charged against individual accounts and refunded.

At 11:30 A. M. the Board heard Mr. David R. Forgan, of Chicago, as to the following joint directorships:-

John A. Spoor, in the First National Bank and Livestock National Bank of Chicago, and the Guaranty Trust Company of New York; and J. D. Oliver, of South Bend, Indiana, in the First National Bank of Chicago and the National Park Bank of New York.

In relation to Mr. Spoor's directorships, Mr. Forgan read a letter from the Guaranty Trust Company, and a brief prepared in behalf of the First National Bank of Chicago. He stated that Mr. Spoor has resigned his directorships in seven State banks, and that the Livestock National Bank is

located in the stockyards district, five miles from the center of the city of Chicago.

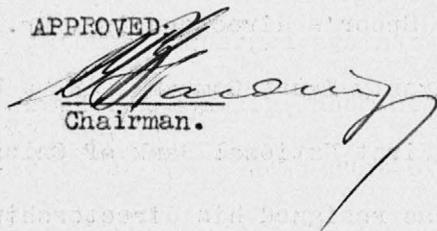
Mr. Forgan read a letter from the National Park Bank in connection with the case of Mr. Oliver, and stated details of his connection with the First National Bank of Chicago.

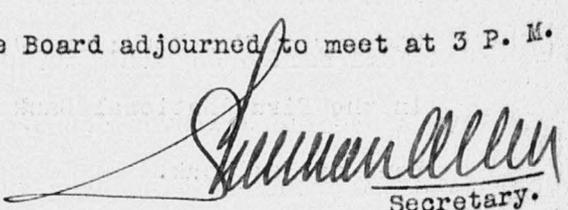
Decision in both directorships was left open until after the meeting of Federal Reserve agents in the week of December 4th.

Mr. O. H. P. Johnson of Washington, the Vice President of the National Metropolitan Bank and a director in the National Savings & Trust Company, was accorded a hearing, and made a statement to the Board in which he held that the two institutions were not in substantial competition.

At 1:25 P. M. the Board adjourned to meet at 3 P. M. this day.

APPROVED:


Chairman.


Secretary.