

At a regular meeting of the Federal Reserve Board held in the office of the Governor on Wednesday, June 27, at 11 a.m.,

**PRESENT:**

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

The minutes of the meeting of the Board held on June 26 were read and on motion approved.

The Secretary of the Board reported the substance of a message received from Federal Reserve Agent Wills with reference to the admission of the Guardian Trust Company, of Cleveland, and on motion the matter was placed in the hands of the Governor for adjustment.

Governor Harding placed before the Board a letter from Mr. J. M. Witherow, enclosing a copy of a letter sent to Governor Wold regarding the management of Federal reserve banks. The correspondence was referred to the Executive Committee.

Governor Harding laid before the Board a letter from Governor Fancher of Cleveland and a letter from a

Committee of the Pittsburgh Clearing House Association, both with reference to the establishment of a branch at Pittsburgh. He outlined to the Board the substance of a reply which he intended sending to Governor Fancher. Governor Harding also presented to the Board a letter from Governor Rolla wells, of St. Louis, on the branch question.

Discussion of changes in the committee organization of the Board ensued, and on motion it was voted to alter the status of the Committee on Member and State Banks, designating that Committee henceforward as "The Committee on Trustee Powers."

On motion, it was voted that the Governor or Vice Governor as Chairman, acting in conjunction with two members of the Committee on Audit and Examination, should constitute a new committee, to be known as the "Committee on Membership."

On motion it was voted that henceforward questions relating to the establishment of branches of Federal reserve banks should be referred to the Executive Committee, and that it should be the duty of that Committee to submit at its early convenience a standard draft of by-laws and conditions designed to govern the organization of new

branches.

Upon favorable report of the Committee on Audit and Examination, the payment of dividends by Federal Reserve Banks was approved as follows:

Federal Reserve Bank of Chicago, January 1 to June 30, 1916, at 6% per annum.

Federal Reserve Bank of Atlanta, July 1, 1916, to December 31, 1916, at 6% per annum.

Federal Reserve Bank of Richmond, November 1, 1916, to June 30, 1917, at 6% per annum.

Mr. Delano made a statement with reference to the general problem of the payment of dividends by Federal reserve banks which were the holders of Government bonds now quoted below par, and Chief Examiner Broderick was called into conference with reference to the bond situation at various Federal reserve banks. After general discussion Mr. Delano moved that the action already taken by the Board in suspending the payment of a dividend at the Federal Reserve Bank of Kansas City be reconsidered. The motion prevailed.

Mr. Delano moved that the Federal Reserve Bank of Kansas City be authorized to pay at the end of July, 1917, a six months dividend at the rate of 6% per annum, the

same being for the period January 1 to June 30, 1916.

Mr. Miller offered as an amendment that the question of a dividend at Kansas City be recommitted. On being put to a vote the amendment was declared lost, Mr. Miller voting in the affirmative. Mr. Delano's motion recurring and being put to a vote, was declared adopted, and the Secretary was directed to notify the Federal Reserve Bank of Kansas City that the former action had been reconsidered and the six months dividend authorized.

On motion it was voted to authorize the payment of a six months dividend by the Federal Reserve Bank of Dallas at the rate of 6% per annum, such dividend to be payable on or about June 30, 1917, and to cover the period May 1st to October 31, 1916.

Mr. Williams submitted a report with reference to the salaries of National bank examiners, which was received and referred to the Committee on Audit and Examination.

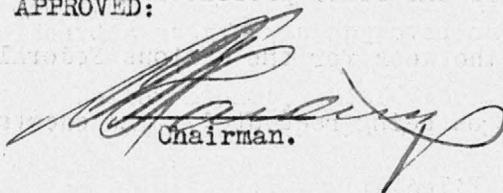
The Secretary of the Board presented a letter from President E. D. Hulbert of the Merchants Loan and Trust Company, of Chicago, accepting membership in the Federal Reserve System, which was noted and ordered

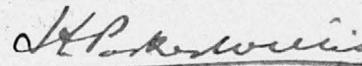
passed to file.

The Secretary of the Board presented a letter from Mr. Jerome Thralls, of the American Bankers Association, inquiring whether the Board had in hand any information with respect to excessive charges for the collection of trade acceptances. The communication was noted and ordered filed.

On motion, at 12.25 p.m. the Board adjourned, to meet on Thursday, June 28, at 11 a.m.

APPROVED:

  
Chairman.

  
Secretary.