Filen

#7

FEDERAL RESERVE BOARD FILE

~~3330-2~~

333.2(7)

Mr. George J. Schaller,
Acting Governor,
Federal Reserve Bank of Chicago,
Chicago, Illinois.

FEB 16 1934

Dear Mr. Schaller:

Receipt is acknowledged of your letter of February 10, 1934, requesting to be advised with respect to the authority of your bank to purchase 1933 Educational Fund 6% Tax Anticipation Warrants of the Board of Education of the City of Chicago in such amount as can be applied against 1933 taxes.

As stated in its letter of March 8, 1933, the Federal Reserve Board knows of no reason why a Federal reserve bank should not pay taxes levied against its own property a reasonable length of time in advance of the date upon which such taxes are due, especially when such action will result in a substantial saving to the bank. The Board, therefore, offers no objection to the purchase by the Federal Reserve Bank of Chicago of the warrants referred to in your letter or of other such tax anticipation warrants which can be applied against the 1933 taxes of your bank.

FOR APPROVAL
Gov. Black ✓
Mr. Hamlin ✓
Mr. Miller
Mr. James
Mr. Thomas ✓
Mr. Szymczak ✓
~~Mr. O'Connor~~
Mr. Martin ✓
If you approve, please initial and return to Mr. Carpenter

Very truly yours,

Chester Morrill
Secretary

HHH/emc

FILE COPY

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

333.2(7)

February 10, 1934

Federal Reserve Board
Washington
D.C.

Gentlemen:

Attention of Mr. Morrill

This bank has been asked to purchase 1933 Educational Fund 6% Tax Anticipation Warrants of the Board of Education of the City of Chicago in such amount as can be applied against the 1933 taxes.

Our Executive Committee at its meeting on February 2 voted that the officers of the bank be authorized, subject to the approval of the Federal Reserve Board, to purchase in their discretion these and other Tax Anticipation Warrants that may be applied to the payment of taxes, provided that such purchases do not exceed 75% of the amount of the estimated taxes.

We have in mind that authority was granted to us by the Board to purchase 1932 Tax Anticipation Warrants, and we shall be pleased to have you advise us with respect to the purchase of the 1933 warrants. Upon receipt of such approval, we will proceed to buy such types of Tax Anticipation Warrants as we think desirable in such amounts as we feel can safely be used in the payment of 1933 taxes.

Very truly yours,

E. J. Schaller

Acting Governor

P

13

File

#7

333-2

MAR 8 1933

333.2(7)

Mr. Eugene M. Stevens,
Federal Reserve Agent,
Federal Reserve Bank of Chicago,
Chicago, Illinois.

Dear Mr. Stevens :

Receipt is acknowledged of your letter of February 15, 1933, inquiring whether your bank may properly make a subscription for 1932 six per cent Tax Anticipation Warrants of the City of Chicago and County of Cook in an amount which can be applied against the 1932 real estate taxes of your bank.

As stated in your letter, it appears that these warrants are not eligible for purchase on the open market under the provisions of Section 14 of the Federal Reserve Act, because they have no definite maturity. In substance, however, the transaction would be a part payment in advance of the real estate taxes payable by your bank to the city and county and it appears that the bank would receive interest at the rate of six per cent per annum upon such advance payment.

The Federal Reserve Board knows of no reason why a Federal reserve bank should not pay taxes levied against its own property a reasonable length of time in advance of the date upon which such taxes are due, especially when such action will result in a substantial saving to the bank. The Board, therefore, will interpose no objection to the purchase by the Federal Reserve Bank of Chicago of such warrants

FILE COPY

in an amount not exceeding that which can be applied against the 1932 real estate taxes of the bank.

Very truly yours,

(Signed) Chester Morrill

Chester Morrill
Secretary

GHC/WW/omc

Woodin

AT BOARD MEETING

1933

FILE COPY

Original

333.2(7)

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

February 15, 1933

OFFICE OF THE
CHAIRMAN OF THE BOARD AND
FEDERAL RESERVE AGENT

RECEIVED
OFFICE OF GENERAL COUNSEL
FEB 17 1933
A. M. 12.12 P. M.
NUMBER 4

Federal Reserve Board
Washington
D. C.

Gentlemen:

This bank has been asked by a Citizens Committee to make a subscription for the 1932 six per cent Tax Anticipation Warrants of the City of Chicago and County of Cook in an amount which can be applied against our 1932 real estate taxes.

Our attorney has advised that in his opinion these warrants are legal obligations and that we would be warranted in purchasing an amount to the extent that could be applied on the 1932 real estate taxes.

It is estimated that our 1932 taxes will be approximately $145,710.79. Forty-five per cent of the 1932 taxes are payable in warrants, and it was recommended to our executive committee that we purchase approximately $50,000 of the warrants. This amount is well within the 45% limitation and it is proposed that such purchases be distributed among the following corporate units:

City Corporate	$22,000
Board of Education - Educational Fund..	23,000
County Corporate	5,000

These warrants have no definite maturity, but it is expected that the 1932 tax bills will be received either the latter part of this year or the early part of 1934. While it is recognized that under the Act and the Board's Regulations warrants with an indefinite maturity are not eligible for purchase in the open market, it was the sense of our committee at its meeting of February 10 that it would be desirable to co-operate with the Citizens Committee, inasmuch as the warrants would be applicable against the 1932 taxes as soon as the tax bill is issued.

It was voted to recommend to the Federal Reserve Board that this bank be authorized to make purchases of warrants in the amounts

.‿AGO

February 15, 1933

referred to in the foregoing, and we shall be pleased to hear from you when you have had an opportunity to give the matter consideration.

Very truly yours,

Eugene M. Stevens

Chairman

G

Form No. 131

Office Correspondence

FEDERAL RESERVE BOARD

Date December 26, 1930

To All members of the Board

Subject:

From Mr. McClelland

#7

333.2

There is attached hereto for your information letter received from Deputy Governor McKay of the Federal Reserve Bank of Chicago regarding an inquiry made by the Lincoln National Bank of Lincoln, Illinois as to the purchase of municipal warrants issued in anticipation of taxes.

Governor Meyer
Mr. Hamlin
Mr. Miller
Mr. James
Mr. Pole

Please circulate promptly and return to the Secretary's office.

Noted

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LASALLE STREET

333.2 (7)

December 22, 1930

Mr. E. M. McClelland, Asst.Secretary
Federal Reserve Board
Washington, D. C.

Dear Mr. McClelland:

With further reference to your letter of the 17th instant, with which was enclosed copy of correspondence with Mr. Kuhl, President of the Lincoln National Bank, Lincoln, Illinois, regarding the question whether this bank would purchase tax anticipation warrants and particularly those of Logan County, Illinois, we have investigated the market for such securities and find that the Chicago member banks are not interested in the purchase of tax warrants of the smaller municipalities in this district, chiefly owing to the fact that the purchasing bank would be obliged to have its own attorneys give their opinion as to the legality of the issue, which would mean an investigation of the local situation where the warrants were issued, as to its taxing power and as to whether or not the limit of borrowing had been reached under the law. This investigation would entail considerable expense and it would not be profitable to the purchasing bank to make such an investigation, except in cases where the entire issue of warrants was turned over to the purchasing bank for sale. In the case of the more important municipalities, banks and bond houses are willing to bid for the entire issue of such warrants.

We have not purchased tax anticipation warrants for many years and at the time such purchases were made it was for the purpose of revenue as there was practically no discounting of paper with us by the member banks at that time.

With regard to the question whether or not we should purchase tax anticipation warrants at the present time, there is practically no outside market for them, partly for the reasons stated above and also due to the fact that the banks are carrying a very large amount of Chicago City tax anticipation warrants and these can be purchased to yield about 6%. This being the case, investors are not interested in tax anticipation warrants of the smaller municipalities of the State of Illinois.

In the past the principal market for tax anticipation warrants of the smaller municipalities has been confined to the local market in the places where they have been issued and the reason for some of them being offered now to Chicago banks is first, that the investors in the local communities do not desire to purchase them as they did formerly and, second, the local banks which have been obliged to purchase them in order to finance the requirements of their communities desire to sell them in order to improve their liquid position.

It was our practice in the past when such purchases were made to buy them at the open market rates from dealers and as that market has now practically disappeared, we do not know at what rates it would be proper to purchase them. Furthermore, any investments by this bank in tax warrants at the present time would diminish our power of Federal reserve note issue as they could not be used as security for Federal reserve notes. It would also be almost impracticable for us to purchase warrants of small communities as it would require, under the regulations of the Federal Reserve Board, an opinion of our attorneys as to the legality of every issue.

There has been a very large increase this year in the amount of property sold for taxes and in some localities there is some question as to the amount of taxes received being sufficient to pay the tax warrants issued.

For the above reasons, we therefore do not feel that it would be advisable for this bank to purchase tax anticipation warrants.

Very truly yours,

C R McKay

C. R. McKay,
Deputy Governor

J-

#7

FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

3332

December 19, 1930

Mr. E. M. McClelland, Assistant Secretary,
Federal Reserve Board,
Washington, D. C.

Dear Mr. McClelland:-

This will acknowledge receipt of your letter of the 18th instant with enclosures concerning the purchase by this bank of municipal warrants from the Lincoln National Bank of Lincoln, Illinois.

We will give the matter our careful attention.

Very truly yours,

J H Blair
Deputy Governor.

K

333.1

December 17, 1930.

Dear Mr. Kuhl:

Receipt is acknowledged of your letter of December 12th, with regard to the desirability of Federal reserve banks purchasing warrants issued by municipalities in anticipation of tax revenues. Inasmuch as any such warrants issued by the various agencies in your community would have to be handled by the Federal Reserve Bank of Chicago, the matter is being taken up with that institution.

Very truly yours,

(Signed) E. M. McClelland

E. M. McClelland,
Assistant Secretary.

Mr. P. E. Kuhl, President,
The Lincoln National Bank,
Lincoln, Illinois.

#7

333-2

333.17

December 17, 1930.

Dear Governor McDougal:

There is attached hereto, for your consideration as a matter of regional policy, copy of a letter dated December 12th from the President of The Lincoln National Bank, Lincoln, Illinois, with regard to the desirability ~~of the purchase by~~ Federal reserve banks of warrants issued by municipalities in anticipation of the receipt of tax revenues, and a copy of the Board's reply thereto.

The Board would like to receive any comments you may care to make regarding the matter.

Very truly yours,

(Signed) E. M. McClelland

E. M. McClelland,
Assistant Secretary.

Mr. J. B. McDougal, Governor,
Federal Reserve Bank,
Chicago, Illinois.

NO.3369

THE LINCOLN NATIONAL BANK

CAPITAL $150,000.00 SURPLUS $200,000.00

P. E. KUHL, PRESIDENT
J. S. HALLER, VICE PRESIDENT W. P. KUHL, CASHIER AND TRUST OFFICER
T. A. COX, ASST. CASHIER FRANK BOLLIN, ASST. CASHIER

LINCOLN, ILL.,

December 12, 1930.

To The Federal Reserve Board
Washington, D.C.

Dear Sirs;

On the 10th inst., this bank submitted to the Federal Reserve Bank of Chicago the matter of handling Anticipation Warrants issued by Municipalities having a maturity date not over 6.months. We have a reply under date of the 11th inst., stating that under certain conditions they were permitted to purchase these obligations " in the open market" but that they had not done so for a number of years. We are wondering whether this is not a matter for serious consideration of your honorable body. The average country bank is having a hard time to maintain legal reserves. We all feel that these taxing bodies such as the County Board of Supervisors, Directors of School Districts and Township Highway Commissioners should have our support and find ourselves at time pressed to market this paper. Having knowledge only of our local community we speak of municipalities that have always met their obligations. We know of no default in this (Logan) county in all its history. If in the opinion of your Board it is desirable that Federal Reserve Banks shall handle this kind of paper would it not be desirable that the words "open market" be broadened so as to take in paper handled by local communities such as ours. Your earnest consideration of this subject is asked for.

With assurances of our highest regard.

Very truly yours.

See minutes

President.

RECEIVED
FEDERAL RESERVE BOARD
WASHINGTON
DEC 15 1930 AM

#7

333.(

k

January 11, 1917.

The Federal Reserve Bank,

Chicago, Ill.

Dear Sirs:

Receipt is acknowledged of your letter of January 9th, stating that you have purchased $50,000 warrants of the city of Taunton, Mass., due April 4, 1917, the purchase being made on a 3.4 basis, and that your Counsel has approved their eligibility. You will be promptly advised of the Board's action in the matter.

Very truly yours,

Secretary.

*7

January 11, 1917.

Mr. James B. McDougal,
Governor Federal Reserve Bank,
Chicago, Ill.

Dear Sir:-

The Board has received your Cashier's letter of January 9th asking its approval that $50,000 of warrants of the city of Taunton, Mass., due April 4, 1917, be purchased by you on a 3.4% basis.

The Board has voted to permit your bank to retain the full amount of such notes purchased, although the aggregate is in excess of 25% of the total issue.

Very truly yours,

Governor.

FEDERAL RESERVE BANK OF CHICAGO

79 WEST MONROE STREET

333.2(7)

Ack JAN 11 1917

January 9, 1917.

Mr. H. Parker Willis, Secretary,
Federal Reserve Board,
Washington, D. C.

Dear Sir:-

We have purchased from a local broker $50,000. par value City of Taunton, Massachusetts, warrants due April 4, 1917 on a 3.4% basis. The warrants are registered with the Old Colony Trust Company of Boston and Messrs. Storey, Thorndike, Palmer and Dodge of that city have passed upon the legality of the same. Our counsel has approved the eligibility of the bills.

The total amount of such notes now outstanding is $110,000. and as our purchase represents an amount which is in excess of 25% of the total issue, the permission of the Board to retain the same is respectfully requested.

Very truly yours,

B G McCloud

B-

Cashier.

1/11

332.1

#7

FEDERAL RESERVE BANK OF CHICAGO

79 WEST MONROE STREET

333-2
333 a (7)

Chicago, January 6, 1917.

Mr. W.P.G.Harding, Governor,
FEDERAL RESERVE BOARD,
Washington, D.C.

Dear Sir:

I am in receipt of your letter of January fourth concerning the further purchase of Municipal Warrants.

This bank has under consideration at the present time the purchase of some Cook County Warrants of this nature.

I will state, however, that our investments in this line at the present time are unusually low, being at the close of business last night only $920,000.00, of which about $700,000. matures within the next thirty days. Our reserve at the same time was 73.4%.

I will, however, take up with Governor McDougal the matter referred to.

Yours truly,

[signature]

Chairman.

H/S.

#1

Copy sent to the Governor.

January 4, 1917.

Mr. Wm. A. Heath,
Chairman Federal Reserve Bank,
Chicago, Ill.

Dear Sir:-

Referring to the letter of Cashier McCloud dated December 28th, in reference to the purchase by your bank of $50,000 par value, Town of Watertown, Mass., notes due April 23, 1917, on a 3-4/10% basis, you are advised that this purchase has been approved by the Federal Reserve Board.

In this connection it may be proper to state that the Board is of the opinion that in view of uncertain conditions at present, which include the possibility of an issue of bonds by the Government of the United States, it might be prudent for Federal Reserve Banks to limit their purchases of warrants for a time to moderate amounts. The Board will probably send in the course of a few days a letter to all Federal Reserve Agents setting forth its views on this subject.

Very truly yours,

Governor.

3332 (7)

PCM.

December 30, 1916.

Mr. B. G. McCloud, Cashier,
Federal Reserve Bank,
Chicago, Illinois.

Dear Sir:-

Your letter of December 28th, stating the purchase by the Federal Reserve Bank of Chicago of $50,000 par value, Town of Watertown, Massachusetts, notes due April 23, 1917, on a 3 4/10% basis, is received and will be laid before the Federal Reserve Board.

Very truly yours,

Secretary.

FEDERAL RESERVE BANK OF CHICAGO

79 WEST MONROE STREET

332.2(7)

December 28, 1916.

Mr. H. Parker Willis, Secretary,

Federal Reserve Board,

Washington, D. C.

Dear Sir:-

We have purchased from a local broker $50,000. par value, Town of Watertown, Massachusetts, notes due April 23, 1917, on a 3 4/10% basis. The warrants are registered with the Commonwealth of Massachusetts, Bureau of Statistics and our attorney has approved the eligibility of the same.

The total amount of notes outstanding, issued in anticipation of current revenues of this municipality is $100,000. and inasmuch as our purchase exceeds 25% of the total issue, the permission of the Board to retain the same is respectfully requested.

Yours very truly,

B G McCloud

Cashier.

B-

FEDERAL RESERVE BANK OF CHICAGO

79 WEST MONROE STREET

OFFICERS

JAMES B. McDOUGAL GOVERNOR
C. R. McKAY DEPUTY GOVERNOR
W. F. McLALLEN SECRETARY
B. G. McCLOUD CASHIER

DIRECTORS

C. H. BOSWORTH CHAIRMAN AND FEDERAL RESERVE AGENT
J. B. FORGAN, CHICAGO, ILLINOIS
M. B. HUTCHISON, OTTUMWA, IOWA
E. L. JOHNSON, WATERLOO, IOWA
H. B. JOY, DETROIT, MICHIGAN
W. F. McLALLEN DEPUTY FEDERAL RESERVE AGENT
E. T. MEREDITH, DES MOINES, IOWA
G. M. REYNOLDS, CHICAGO, ILLINOIS
A. H. VOGEL, MILWAUKEE, WISCONSIN

December 28, 1916.

Mr. H. Parker Willis, Secretary,

Federal Reserve Board,

Washington, D. C.

Dear Sir:-

We have purchased from a local broker $50,000. par value, Town of Watertown, Massachusetts, notes due April 23, 1917, on a 3 4/10% basis. The warrants are registered with the Commonwealth of Massachusetts, Bureau of Statistics and our attorney has approved the eligibility of the same.

The total amount of notes outstanding, issued in anticipation of current revenues of this municipality is $100,000. and inasmuch as our purchase exceeds 25% of the total issue, the permission of the Board to retain the same is respectfully requested.

Yours very truly,

B G McCloud

Cashier.

B-

12/30/16

FEDERAL RESERVE BOARD

MEMORANDUM

For Mr. Warburg:-

Under the regulations of the Board the following matter is referred to you as

Chairman, Committee on Investments.

Member, " "

Letter from F. R. Bank of Chicago, Dec. 28th, stating the purchase of $50,000 notes of the Town of Watertown, Mass.

Received 1/2/17

H. Parker Willis
Secretary

RECEIVED
JAN 2 1917
Federal Reserve Board

Please return this memorandum to the Secretary with copy of documents resulting from action taken, if any, that it may be placed on the docket.

REMARKS.

No objection to these $50,000 / provided that we should buy any Warrants now?

Date.

Should we not discuss this at the Board meeting? PW

FEDERAL RESERVE BANK OF CHICAGO
DISTRICT No. 7

333.2(7)

Chicago, Dec. 10th, 1914.

RECEIVED
DEC 11 1914

F.A. Delano, Esq.,

Vice-Governor Federal Reserve Board,

Washington, D.C.

Dear Mr. Delano:-

I had a talk today with some gentlemen who are interested in the railway supply business and we discussed the question of the railroads being educated into the settlement of their supply bills with acceptances.

The opinion seems to be that if this could be brought about it would produce great relief in several lines of industry - would largely increase the purchasing capacities of railroads and would furnish a large volume of high class acceptances.

Your connection with the business will enable you to judge if there is anything in this suggestion that would be of value to the general situation and help furnish the right kind of paper for our banks.

Yours truly,

C.H. Bosworth
Chairman.

CHB/L

My dear Mr Warburg —
I infer this would mean that RR's would pay interest on all purchases when payts are tardy — It looks to me of doubtful value —
F.A.D.
12/14/14

I agree with you! Corporations borrowing on current bonds & notes should not accept. Ew.

Acceptances #7

332 -2

January 8, 1915.

My dear Mr. Bosworth:

I duly received your letter of December 10th, with reference to railroads settling their supply bills with acceptances.

This letter was considered more or less by the Board, but we have never been able to see just how we could carry out the suggestion.

Yours very truly,

(SIGNED) F. A. DELANO

F.A.D/DB

Mr. C. H. Bosworth,
Chairman, Federal Reserve Bank,
Chicago.

Reply drafted by Mr. Warburg.

November 22, 1916.

Dear Sir:

In reply to your letter of November 20, asking the Board to approve your purchase of $300,000 State of South Dakota revenue warrants, due April 1, 1917, on a 3¼% basis, you are hereby informed that the Board, at its meeting today, approved said purchase by your bank.

Very truly yours,

Governor.

James B. McDougal, Esq.,
Governor, Federal Reserve Bank,
Chicago, Illinois.

333.2(7)

FEDERAL RESERVE BANK OF CHICAGO

79 WEST MONROE STREET

November 20, 1916.

Mr. H. Parker Willis, Secretary,
Federal Reserve Board,
Washington, D. C.

Dear Sir:-

We have today purchased from one of our local Trust Companies, $300,000. State of South Dakota revenue warrants, due April 1, 1917, on a 3 1/4% basis. The legality of the warrants has been passed upon by the Attorney General of the State of South Dakota and a copy of his opinion, together with the opinion rendered by the Justices of the Supreme Court of South Dakota, purporting to sustain the validity of the Act of the Legislature of South Dakota under which these warrants are issued, were submitted to our counsel. The latter has approved the legality of the issue, also, the eligibility of the same.

Inasmuch as the $300,000. warrants referred to represent the total issue outstanding, permission of the Board to retain the entire amount is respectfully requested.

Very truly yours,

J. B. McDougal
Governor.

B-

No. 9 .   412-17

November 22, 1916.

FEDERAL RESERVE BOARD

MEMORANDUM

For Mr. Warburg:

Under the regulations of the Board the following matter is referred to you as

Chairman, Committee on Investments.

Member, " "

Request from J. B. McDougal, Governor, Federal Reserve Bank of Chicago, November 20, 1916, for permission to retain $300,000 State of South Dakota revenue warrants, due April 1, 1917, which represent the total issue outstanding.

R. [signature]
Assistant Secretary.

RECEIVED
NOV 28 1916
Federal Reserve Board

Please return this memorandum to the Secretary with copy of documents resulting from action taken, if any, that it may be placed on the docket.

R E M A R K S .

Date. Same as Philadelphia / Atlantic City
Approve & write to Gov. Warburg

Form 40

TELEGRAM

FEDERAL RESERVE BOARD

WASHINGTON

S4pe September 1, 1916.

Federal Reserve Bank,
Chicago, Illinois.

Board today approved purchase fifty thousand dollars Attleboro, Mass. warrants as stated your letter August twenty-nine.

Assistant Secretary.

OFFICIAL BUSINESS
GOVERNMENT RATES
CHARGE FEDERAL RESERVE BOARD

#7

PCM.

September 1, 1916.

The Federal Reserve Bank o
Chicago, Ill.

Dear Sirs:-

There is enclosed confirmation of telegram sent to you today giving the approval of the Federal Reserve Board to your proposed purchase of $50,000 warrants of Attleboro, Mass., due December 19, 1916, the purchase being made on a 3% basis. This is in accordance with your letter of August 29th.

Very truly yours,

Assistant Secretary.

FEDERAL RESERVE BANK OF CHICAGO

79 WEST MONROE STREET

333.2 (7)

August 29, 1916.

Mr. Sherman Allen, Asst. Secretary,
Federal Reserve Board,
Washington, D. C.

Dear Sir:-

On April 17th, 1916, the Board approved our purchase of $50,000. Attleboro, Massachusetts, warrants, due September 17, 1916, with the understanding that this purchase represented an amount which was in excess of twenty-five per centum of the total amount of warrants outstanding. Since that time we have purchased $50,000. additional warrants of Attleboro, maturing December 19, 1916 on a 3% basis. The legality of the same has been passed upon by Messrs. Ropes, Gray, Boyden and Perkins, and the eligibility approved by our attorney. The total amount of notes outstanding, issued in anticipation of current revenues, is $225,000.

Permission of the Board to retain all of the above securities is respectfully requested.

Yours very truly,

B. G. McCloud

B-

Cashier.

No. 929

412

August 31, 1916.

FEDERAL RESERVE BOARD

MEMORANDUM

For Mr. Warburg:-

Under the regulations of the Board the following matter is referred to you as

Chairman, Committee on Discounts & Investments.

Member, " "

Letter from F. R. Bank of Chicago, dated Aug. 29th, asking permission to purchase entire issue of $225,000 notes of Attleboro, Mass.

Allen

Assistant Secretary.

RECEIVED
AUG 31 1916
OFFICE OF
VICE-GOVERNOR

Please return this memorandum to the Secretary with copy of documents resulting from action taken, if any, that it may be placed on the docket.

REMARKS.

Date.

CM

333-2

333-2(7)

Federal Reserve Bank,

Chicago, Illinois.

Dear Sirs:

Your letter of July 21st, stating the purchase by you of $50,000 notes of Dedham, Massachusetts, due November 10, 1916, and asking permission to retain the same, was laid before the Federal Reserve Board to-day. Upon favorable recommendation of the committee, the request was approved.

In this connection, the Board will be glad to have you state, in making these requests, the yield of the investments.

Very truly yours,

Governor.

July 24, 1916.

Federal Reserve Bank,

Chicago, Illinois.

Dear Sirs:

This will acknowledge receipt of your letter of July 21st, stating the purchase by you of $50,000 Dedham, Massachusetts, notes, due November 10, 1916, and asking the permission of the Board to retain the same.

This matter will be laid before the Board at its meeting to-morrow.

Very truly yours,

Assistant Secretary.

FEDERAL RESERVE BANK OF CHICAGO

79 WEST MONROE STREET

July 21, 1916.

Mr. Sherman Allen, Asst. Secretary,

Federal Reserve Board,

Washington, D. C.

Dear Sir:-

We have purchased $50,000. Dedham, Massachusetts, notes due November 10, 1916, out of a total issue of $160,000. The notes are registered with the Bureau of Statistics, State of Massachusetts, and the eligibility of the same has been approved by our attorney. Inasmuch as the notes purchased exceed 25% of the total issue, permission of the Board is respectfully requested to retain the same.

Yours very truly,

B G McCloud

Cashier.

B-

#7

No. 872. 412

July 24, 1916.

FEDERAL RESERVE BOARD

MEMORANDUM

13

For Mr. Delano:

Under the regulations of the Board the following matter is referred to you as

Chairman, Committee on Operations, Chicago F.R.Bk.

Member, " "

Request of F.R.Bk. of Chicago for permission to purchase $50,000 of $160,000 issue of notes, due Nov. 10, 1916, of Dedham, Mass.

RECEIVED
JUL 24 1916
Federal Reserve Board

Allen

Please return this memorandum to the Secretary with copy of documents resulting from action taken, if any, that it may be placed on the docket.

REMARKS.

Date. Approved FD

NS

June 23, 1916.

Dear Mr. McKay:

Atbthe meeting of the Federal Reserve Board this morning the Secretary presented your request for permission to purchase an additional $35,000., Town of Peabody, Massachusetts, Warrants on a 3% basis, the said warrants being due on November 6, 1916, and upon the recommendation of the Committee on Investments the request was approved.

Very truly yours,

Governor.

Mr. C. R. McKay,
Deputy Governor, Federal Reserve Bank,
Chicago, Ill.

#7

333.2(7)

June 24, 1916.

Mr. C. R. McKay,
Deputy Governor, Federal Reserve Bank,
Chicago, Illinois.

Dear Sir:-

Favorable action was today taken by the Federal Reserve Board upon your letter of June 20th asking the approval of the Board for purchases of warrants as follows:-

1. $25,000 - Town of Peabody, Mass., this amount being in excess of the 25% limit prescribed by regulation.

2. $20,000 - Town of Concord, Mass., this being also in excess of the 25% limit and the population of the town 6,000 people.

Very truly yours,

Governor.

S.

PCM.

June 22, 1916.

Mr. C. R. McKay,
Deputy Governor, Federal Reserve Bank,
Chicago, Illinois.

Dear Mr. McKay:-

Your letter of June 20th, stating the desire of your Bank to purchase $25,000 warrants of the town of Peabody, Massachusetts, on a 3% basis, this being more than 25% of the total; and that you have also purchased $20,000 warrants of the town of Concord, Massachusetts, on a 2.85% basis, the total issue being $55,000 and the population of the town being 6,000 people, is received.

This will be brought to the attention of the Federal Reserve Board at its next meeting which will be held tomorrow.

Very truly yours,

Assistant Secretary.

No. 412

802 June 22,1916.

FEDERAL RESERVE BOARD

MEMORANDUM

For Mr. Warburg:-

Under the regulations of the Board the following matter is referred to you as

Chairman, Committee on Investments.

Member, " "

Letter from F. R. Bank of Chicago, dated June 20th, relative to the purchase of $25,000 warrants of Peabody, Mass., and $20,000 warrants of Concord, Mass.

Sherman Allen
Assistant Secretary.

Please return this memorandum to the Secretary with copy of documents resulting from action taken, if any, that it may be placed on the docket.

REMARKS.

O.K.
Date. W.

10

FEDERAL RESERVE BANK OF CHICAGO

79 WEST MONROE STREET

June 21, 1916.

Mr. Sherman Allen, Secretary,

Federal Reserve Board,

Washington, D. C.

Dear Sir:-

We wrote you yesterday requesting that permission of the Federal Reserve Board be granted for our purchase of $25,000. Town of Peabody, Massachusetts, Anticipation Revenue Warrants. We are today in receipt from the Federal Reserve Bank of Boston, Massachusetts, of $35,000. more of these same warrants, which they have purchased for our account at a 3% discount. We shall appreciate permission of the Federal Reserve Board to our holding the entire amount of this issue which we have purchased.

Nov. 6

Yours very truly,

C. R. McKay

Deputy Governor.

O. K. Qui

DAJ-B

Fed. Res Bk Chicago

		Due	
Peabody	25,000	Nov. 6, 1916	14th
Emerald	20,000	Nov. 6, 1916	14th

FEDERAL RESERVE BANK OF CHICAGO

79 WEST MONROE STREET

333.2 (7)

June 20, 1916.

Mr. Sherman Allen, Secretary,

Federal Reserve Board,

Washington, D. C.

Dear Sir:-

On June 19th we purchased $25,000. warrants of the Town of Peabody, Massachusetts on a 3% basis. As the total issue of these warrants is but $75,000., we would like your permission to purchase more than the 25% limit as prescribed by your regulation.

We also purchased on June 12th $20,000. warrants of the Town of Concord, Massachusetts on a 2.85% basis and would like your special permission on this purchase as the total amount of this issue is but $55,000. and the population of the town only 6,000.

Yours very truly,

C R McKay

Deputy Governor.

DAJ-B

W

FEDERAL RES...

JUN 22 1916

#7

FEDERAL RESERVE BANK OF CHICAGO

79 WEST MONROE STREET

333.2(7)

June 17, 1916.

Mr. F. A. Delano, Vice-Governor,

Federal Reserve Board,

Washington, D. C.

My dear Mr. Delano:

Please accept our thanks for your letter of the 15th instant authorizing us to purchase $100,000 warrants of the City of Brockton, Mass., maturing November 29 and $50,000 warrants of the City of Pittsfield, Mass., maturing November 15, 1916.

The rate at which these warrants were purchased is 2.85 %, and they were purchased on the 7th instant. The rates are firmer now, our last purchases being made at 3 %. Please pardon our inadvertence in not naming the rate in our previous letter.

Yours very truly,

C R McKay

Deputy Governor.

C

#7

June 15, 1916.

The Federal Reserve Bank,
Chicago, Illinois.

Dear Sirs:-

Your letter of June 13th, stating the desire of the Federal Reserve Bank of Chicago to purchase $100,000 warrants of the City of Brockton, Massachusetts, maturing November 29th and $50,000 warrants of the City of Pittsfield, Massachusetts, maturing November 15, 1916, was laid before the Board at its meeting today and favorable action taken upon your request.

It will be of assistance to the Board if, in connection with your applications in these matters, you will be so good as to indicate the basis on which warrants of this character are purchased.

Very truly yours,

Vice Governor.

333-(?)

FEDERAL RESERVE BANK OF CHICAGO

79 WEST MONROE STREET

June 13, 1916.

Mr. Sherman Allen, Assistant Secretary,

Federal Reserve Board,

Washington, D. C.

Dear Sir:

We have purchased $100,000 City of Brockton, Massachusetts warrants, maturing November 29 and $50,000 City of Pittsfield, Massachusetts warrants, maturing November 15.

Inasmuch as we are advised that the total issue of the Brockton warrants is $200,000 and the total issue of the Pittsfield warrants is$100,000, we would like to have permission from the Board to exceed the limit of 25 % in the purchase of the warrants mentioned.

Yours very truly,

C R McKay

Deputy Governor.

C

#7

May 22, 1916.

Mr. James B. McDougal,
Governor, Federal Reserve Bank,
Chicago, Illinois.

Dear Sir:-

At the meeting of the Federal Reserve Board this morning your letter of May 19th, requesting permission to purchase $75,000. warrants of Massachusetts municipalities, was approved, subject to the statements contained in your letter.

The warrants are distributed as follows:-

Marlborough,	Mass.	$30,000.	maturing	10/25/16
Norwood,	"	20,000.	"	11/10/16
Palmer,	"	25,000.	"	11/1/16

Very truly yours,

Governor.

FEDERAL RESERVE BANK OF CHICAGO

79 WEST MONROE STREET

333.2 (7)

May 19, 1916.

Mr. Sherman Allen, Asst. Secretary,
Federal Reserve Board,
Washington, D. C.

Dear Sir:-

We have purchased the following Anticipation Tax Warrants of various New England municipalities:-

Amount.	Municipality.		Rate.	Maturity.	Total Issue.	Population
$30,000.	Marlborough,	Mass.	2 5/8%	-10/25/16-	50,000.	15,200.
20,000.	Norwood,	"	2 1/2%	-11/10/16-	50,000.	11,000.
25,000.	Palmer,	"	2 5/8%	-11/1/16 -	25,000.	9,468.

The Palmer and Norwood notes are registered with the Commonwealth of Massachusetts Bureau of Statistics. The legality of the City of Marlborough warrants has been passed upon by Messrs. Storey, Thorndike, Palmer and Dodge of Boston, and they are registered with the Old Colony Trust Company. The eligibility of all the above securities has been approved by our attorney and permission of the Board to retain the same is respectfully requested.

Very truly yours,

J B McDougal
Governor.

B-

#7

FCM.

FEDERAL RESERVE BOARD FILE
333-7
~~262.~~

333.2 (7)

May 17, 1916.

Mr. James B. McDougal,
Governor, Federal Reserve Bank,
Chicago, Illinois.

Dear Sir:-

At the meeting of the Federal Reserve Board this morning your letter of May 15th, requesting permission to purchase $95,000. of town notes of Massachusetts municipalities, was approved under the statements made in your letter.

The warrants are distributed as follows:-

Marblehead,	Mass.	$40,000.	maturing	11/14/16
Williamstown,	"	15,000.	"	11/1/16
Ware,	"	20,000.	"	11/8/16
Lenox,	"	20,000.	"	11/4/16

Very truly yours,

Governor.

J.M.

FEDERAL RESERVE BANK OF CHICAGO

79 WEST MONROE STREET

May 15, 1916.

Mr. Sherman Allen, Asst. Secretary,
Federal Reserve Board,
Washington, D. C.

Dear Sir:-

We have purchased the following Town Notes of various New England municipalities, the population of which is less than 10,000:-

Amount-	Municipality.	Rate.	Maturity.	Total Issue.	Population.
$40,000.	Marblehead, Mass.	2 5/8%-	11/14/16-	100,000.	7338.
15,000.	Williamstown, "	2 5/8%-	11/1/16 -	35,000.	4000.
20,000.	Ware, "	2 5/8%-	11/8/16 -	80,000.	9327.
20,000.	Lenox, "	2 1/2%-	11/4/16 -	40,000.	4534.

All of the above notes are registered with the Commonwealth of Massachusetts Bureau of Statistics and the eligibility of the same has been approved by our attorney. Permission of the Board to retain the above securities is respectfully requested.

Very truly yours,

JBMcD
Governor.

B-

[illegible]

#7

May 8, 1916.

Mr. J. B. McDougal,
Governor, Federal Reserve Bank,
Chicago, Illinois.

Dear Governor McDougal:-

At the meeting of the Federal Reserve Board this morning your letter of May 5th, asking the approval of the Federal Reserve Board to purchase warrants as follows, was read and permission voted:-

$40,000.	Biddeford, Maine-	Due 10/4/16.	Total	issue	$80,000.
100,000.	Brookline, Mass.-	" 11/4/16.	"	"	200,000.
300,000.	Cambridge, Mass.-	" 10/10/16	"	"	
		and 10/20/16	"	"	750,000.

It was suggested that it would aid the Board in reaching a conclusion in this matter, if in the future when forwarding such requests your Bank would state the yield which such investments will return.

Very truly yours,

Governor.

Form 40

#7

TELEGRAM

FEDERAL RESERVE BOARD

WASHINGTON

May 8, 1916.

Federal Reserve Bank,

Chicago, Illinois.

Board today approved purchase warrants amounting to four hundred and forty thousand as stated your letter May fifth.

Governor.

OFFICIAL BUSINESS
GOVERNMENT RATES
CHARGE FEDERAL RESERVE BOARD

FEDERAL RESERVE BANK OF CHICAGO

79 WEST MONROE STREET

May 5, 1916.

Mr. Sherman Allen, Asst. Secretary,

Federal Reserve Board,

Washington, D. C.

Dear Sir:-

We have purchased the following Anticipation Tax Warrants, which are in excess of 25% of the total amount of warrants outstanding:-

$ 40,000.	Biddeford, Maine-	Due 10/4/16.	Total issue	$80,000.
100,000.	Brookline, Mass.-	" 11/4/16.	" "	200,000.
300,000.	Cambridge, Mass.-	" 10/10/16 and 10/20/16.	" "	750,000.
$440,000				

The eligibility of the above securities has been approved by our attorney and permission of the Board to retain the same is respectfully requested.

Very truly yours,

B. McDougal
Governor.

B-

They should give us the return when they make such requests.

MAY 8

#7

PCM.

333.2(7)

April 25, 1916.

Mr. Charles H. Bosworth,
Federal Reserve Agent,
Chicago, Ill.

Dear Mr. Bosworth:-

At the meeting of the Federal Reserve Board today, the letter of the Federal Reserve Bank of Chicago, requesting the approval of the Federal Reserve Board to a purchase of $250,000. warrants of the City of Malden, Massachusetts, due October 17, 1916, this purchase representing an amount in excess of 25% of the total warrants outstanding, was given favorable action. There has been delay in this matter due to the fact that the Board requested information from the Federal Reserve Bank of Boston as to the financial standing of the City of Malden.

Confirmation of telegram sent to you today is enclosed.

Very respectfully,

(Signed) C. S. Hamlin.

~~Assistant Secretary.~~

SQ.

Form 40

TELEGRAM

FEDERAL RESERVE BOARD

WASHINGTON

April 25, 1916.

Federal Reserve Agent,

Chicago, Ill.

Board today approved purchase two hundred fifty thousand dollars warrants Malden, Massachusetts due October, 1916.

Assistant Secretary.

OFFICIAL BUSINESS
GOVERNMENT RATES
CHARGE FEDERAL RESERVE BOARD

FEDERAL RESERVE BANK OF CHICAGO

79 WEST MONROE STREET

333.2(?)

OFFICERS	DIRECTORS	
JAMES B. McDOUGAL GOVERNOR	C. H. BOSWORTH CHAIRMAN AND FEDERAL RESERVE AGENT	W. F. McLALLEN DEPUTY FEDERAL RESERVE AGENT
C. R. McKAY DEPUTY GOVERNOR	J. B. FORGAN, CHICAGO, ILLINOIS	E. T. MEREDITH, DES MOINES, IOWA
W. F. McLALLEN SECRETARY	M. B. HUTCHISON, OTTUMWA, IOWA	G. M. REYNOLDS, CHICAGO, ILLINOIS
B. G. McCLOUD CASHIER	E. L. JOHNSON, WATERLOO, IOWA	A. H. VOGEL, MILWAUKEE, WISCONSIN
	H. B. JOY, DETROIT, MICHIGAN	

April 20, 1916.

Mr. Sherman Allen, Assistant Secretary,

Federal Reserve Board,

Washington, D. C.

Sir:

We have purchased, subject to the approval of the Federal Reserve Board, $250,000. Malden, Massachusetts warrants, due October 17, 1916. The legality of the issue has been passed upon by Messrs. Ropes, Gray, Boyden and Perkins, and the eligibility by our attorney.

This purchase represents an amount which is in excess of 25 per centum of the total amount of warrants outstanding.

Will you please submit the above to the Federal Reserve Board for the purpose of securing its approval, under which we will be permitted to retain the entire amount involved for our own account.

Very truly yours,

B G McCloud

Cashier.

K.

FEDERAL
APR 22 1916

Form 40

#7

TELEGRAM

FEDERAL RESERVE BOARD

WASHINGTON

April 17, 1916. 333.2 (7)

Federal Reserve Bank, Chicago, Illinois.

Board approves purchase warrants fifty thousand dollars, Newport, R. I., fifty thousand dollars, Attleboro, Massachusetts.

Assistant Secretary.

FILED
APR 17 1916

OFFICIAL BUSINESS
GOVERNMENT RATES
CHARGE FEDERAL RESERVE BOARD

#7

April 17, 1916.

Mr. James B. McDougal,
Governor, Federal Reserve Bank,
Chicago, Illinois.

Dear Sir:

Your letter of April 14th, asking the approval of the Federal Reserve Board for the purchase of the following warrants,-

$50,000.	Newport, R. I.	Warrants	- due 9/1/16
50,000.	Attleboro, Mass.	"	- due 9/17/16 -

was laid before the Board and the purchase approved.

Copy of the telegram sent you to-day stating this approval is enclosed herewith.

Very respectfully,

Governor.

Enclosure.

gd.

332(7)

FEDERAL RESERVE BANK OF CHICAGO

79 WEST MONROE STREET

April 14, 1916.

Mr. Sherman Allen, Asst. Secretary,

Federal Reserve Board,

Washington, D. C.

Sir:-

We have purchased subject to the approval of the Federal Reserve Board, the following securities:-

$50,000.	Newport, R. I.	Warrants-	due 9/1/16
50,000.	Attleboro, Mass.	"	due 9/17/16

sult.

The eligibility of the issues has been passed upon by our attorney but it so happens that the purchases represent amounts which are in excess of twenty-five per centum of the total amount of warrants outstanding.

Will you please submit the above to the Federal Reserve Board for the purpose of securing its approval under which we will be permitted to retain the entire amounts involved for our own account?

Very truly yours,

J B McDougal
Governor.

B-

AHL

#7

2/17/16

WARRANTS PURCHASED BY CHICAGO FROM JANUARY ~~15th~~ 1
TO DATE, AS PER SCHEDULES ON FILE.

Warrants	Par Value	Rate	Maturity	Price or Basis	
City of New York	250,000	2-31/32	June 5, 1917.	$2\frac{3}{4}$	Jany 20
City of Newark, N.J.	150,000	$3\frac{1}{2}$	July 27, "	3	Jany 29
City of New York	300,000	2-31/32	June 5, "	2-5/8	Feby 5
City of Syracuse, N.Y.	25,000	$3\frac{1}{4}$	May 2, "	Par	
City of New York	400,000	$3\frac{3}{4}$	June 5, "	3	Feby 8
Total	1,125,000				
City of Minn.	1,000	4	Apr. 1, "	3-3	Jan. 2
Lincoln Park Comm.	4,000	4	May 1 "	3 3/4	
City of N.Y.	250,000	3 3/4	June 11 "	3 3/8	" 8
Cook Co. Tax Warrants	500,000	3 7/8	"	3 3/4	" 10
	1,880,000				

DIVISION OF REPORTS AND STATISTICS,
FEDERAL RESERVE BOARD,
February 17, 1916.

#7

PCM.

333.2 (7)

January 28, 1916.

Mr. James B. McDougal,
Governor, Federal Reserve Bank,
Chicago, Ill.

Dear Sir:-

Your letter of January 25th, stating the purchase from a member bank without recourse, of $40,000 City of Decatur, Ill., School District warrants, the legality of which has been passed upon by your Attorney, is received. It is noted that the entire issue is $50,000 and that your purchase is in excess of the 25% limit.

This matter was laid before the Board at its meeting this morning and you are advised that the purchase by your bank is approved.

Very respectfully,

Secretary.

FEDERAL RESERVE BANK OF CHICAGO

79 WEST MONROE STREET

Chicago, January 26, 1916.

Hon. H. Parker Willis, Secretary
Federal Reserve Board
Washington, D. C.

Sir:

We have today purchased from a member bank without recourse, $40,000. City of Decatur, Illinois, School District warrants, the legality of which has been passed upon by our Attorney. The entire issue is $50,000., therefore, our purchase is in excess of the 25 % limit. We desire to obtain consent from the Board to retain the bonds and I will appreciate the attention if you will submit the matter to the Board and advise us with respect to the conclusion reached.

Yours very truly,

J B McDougal
Governor

FRB

RECEIVED
FEDERAL RESERVE BOARD
JAN 28 1916

Please write approved

#7

HS

October 18, 1915.

Sir:

Your letter of October 15 relating to the purchase of warrants of the towns of Eau Claire, Wisconsin, and Bloomington, Illinois, has been presented to the Federal Reserve Board, and the retention of the said investment voted.

Respectfully,

Secretary.

Governor J. B. McDougal,
Federal Reserve Bank of Chicago.

FEDERAL RESERVE BANK OF CHICAGO

79 WEST MONROE STREET

Chicago, October 15, 1915.

Mr. H. Parker Willis, Secretary
Federal Reserve Board
Washington, D. C.

Sir:

We have purchased subject to the approval of the Federal Reserve Board the following securities:

$30,000. Eau Claire, Wisconsin, Warrants,
60,000. Bloomington, Illinois, " .

The legality of the issues has been passed upon by our attorney. It so happens that the purchases, although the amounts are small, represent entire issues.

Will you please submit the purchases to the Federal Reserve Board for the purpose of securing its approval under which we will be permitted to retain the entire amounts involved for our own account?

Yours very truly,

J B McDougal
Governor

FRB

#7.

333.2(7

HS

September 10, 1915.

Sir:

Your letter of August 28 applying for permission to increase your investments in municipal warrants from ten per cent as at present, up to fifteen per cent of the amount of your deposits, was duly received and taken under consideration. At the meeting of September 9 the Board voted to grant the request conveyed in your letter of August 28.

Your letter of September 8 reached me this morning, but I believe the point is fully covered by the statement I have just made.

Respectfully,

Secretary.

James B. McDougal, Esq.,
Governor, Federal Reserve Bank of Chicago.

FEDERAL RESERVE BANK OF CHICAGO

79 WEST MONROE STREET

September 8th, 1915.

Mr. H. Parker Willis, Secretary,
Federal Reserve Board,
Washington, D. C.

Dear Sir:-

On August 28th I addressed you making formal application to increase our limit as applied to the purchase of municipal warrants. I have received no acknowledgment to this communication. Will you please look into the matter and report promptly what steps have been taken? Your early reply will be appreciated.

Very truly yours,

JB McDougal
Governor.

B-

FEDERAL RESERVE BOARD

WASHINGTON

September 2, 1915.

Memorandum:

With reference to the attached application, I beg to report that there would be no inconsistency in granting Mr. McDougal's application for an increase from 10% to 15% of the amount of the deposit of the Chicago Bank as the maximum limit for the aggregate holding by said Federal Reserve Bank of municipal bonds. The limit prescribed by the regulation is 10% and we have in other cases already granted excess investments beyond this limit in view of present conditions. This restriction is embodied in clause III.

The earlier correspondence referred to clause II saying "Except with the approval of the Federal Reserve Board, no Federal Reserve Bank shall purchase and hold an amount in excess of 25 per centum of the total amount of warrants outstanding at any time and issued in conformity with provisions of section 14 (b) above quoted, and actually sold by a municipality."

It is for exceptions from this rule II that we have stipulated that each case shall be presented on its own merits and the present application of August 28th has nothing to do with that stipulation.

P. M. W.

333.3 (7)

FEDERAL RESERVE BANK OF CHICAGO

79 WEST MONROE STREET

OFFICERS

JAMES B. McDOUGAL GOVERNOR
C. R. McKAY DEPUTY GOVERNOR
W. F. McLALLEN SECRETARY
B. G. McCLOUD CASHIER

DIRECTORS

C. H. BOSWORTH CHAIRMAN AND FEDERAL RESERVE AGENT
J. B. FORGAN, CHICAGO, ILLINOIS
M. B. HUTCHISON, OTTUMWA, IOWA
E. L. JOHNSON, WATERLOO, IOWA
H. B. JOY, DETROIT, MICHIGAN
W. F. McLALLEN DEPUTY FEDERAL RESERVE AGENT
E. T. MEREDITH, DES MOINES, IOWA
G. M. REYNOLDS, CHICAGO, ILLINOIS
A. H. VOGEL, MILWAUKEE, WISCONSIN

August 28, 1915.

Mr. H. Parker Willis, Secretary,

Federal Reserve Board,

Washington, D. C.

Dear Sir:-

On May 18th, 1915, the Executive Committee of the Federal Reserve Bank of Chicago in session considered the matter of applying for permission to increase our investments in municipal warrants beyond the ten percent limitation, provided we might wish to do so. The following excerpt from the minutes indicates the action taken:-

> "The Governor reported that, in his opinion, it would be desirable to obtain permission from the Federal Reserve Board to increase the limit on our municipal warrant investments, and was authorized to communicate with the Federal Reserve Board with a view to having the limit increased from 10%, as at present, to 15% of the amount of our deposits."

We now hereby make formal application to increase the limit from ten percent to fifteen percent and trust the Board may see fit to grant the same.

Very truly yours,

JB McDougal

Governor.

C

Purchase of municipal warrants

#7

FEDERAL RESERVE BOARD FILE 333 267

333.2 (7)

FEDERAL RESERVE BANK OF CHICAGO

79 WEST MONROE STREET

Chicago, July 31st, 1915.

Mr. H. Parker Willis, Secretary,

Federal Reserve Board,

Washington, D. C.

Dear Sir:-

We are in receipt of your favor of the twenty-ninth instant, in response to our letter of July 19th, wherein permission was asked whereby we could purchase all or any part of an issue of municipal bonds, up to $100,000.

We note carefully the expressed wish of the Board that we handle each case separately, and beg to advise you that this course will be pursued.

Very truly yours,

JB McDougal

Governor.

JBM-MAE.

Copies to Sept Bulletin
Municipal bonds

#7

333.2 (7)

July 29, 1915.

Sir:

Your letter addressed to Honorable F. A. Delano, Vice Governor of the Federal Reserve Board, under date of July 19, in which you ask for authority to take all or any part of an issue of municipal bonds up to $100,000, was presented to the Federal Reserve Board at its meeting yesterday. I was directed to say to you that, in the judgment of the Board, each such case should be separately presented, and passed upon on its own merits.

Respectfully,

Secretary.

Mr. James B. McDougal,
Governor, Federal Reserve Bank of Chicago.

FEDERAL RESERVE BANK OF CHICAGO

79 WEST MONROE STREET

333 (7)

Chicago, July 19th, 1915.

Mr. F. A. Delano, Vice-Governor,

Federal Reserve Board,

Washington, D. C.

Dear Sir:-

At a recent meeting of the Board of Directors of this bank, consideration was given to the matter of investments in municipal warrants, and the Governor was requested to ask permission of the Federal Reserve Board for authority to take any part or all of any issue of municipal bonds up to $100,000, in other respects the present regulation whereby we are limited to an amount not exceeding 25%, to remain in force.

We hope the matter may receive early consideration at the hands of the Board and moreover that favorable action may be taken.

Very truly yours,

J B McDougal
Governor.

JBM-MAE

To Board meeting Tuesday 7/27

Purchase of Michigan City warrants

#7

FEDERAL RESERVE BANK OF CHICAGO

79 WEST MONROE STREET

FEDERAL RESERVE BOARD FILE
333-7

6/3/15

OFFICERS

JAMES B. McDOUGAL GOVERNOR
C. R. McKAY DEPUTY GOVERNOR
W. F. McLALLEN SECRETARY
B. G. McCLOUD CASHIER

DIRECTORS

C. H. BOSWORTH CHAIRMAN AND FEDERAL RESERVE AGENT
J. B. FORGAN, CHICAGO, ILLINOIS
M. B. HUTCHISON, OTTUMWA, IOWA
E. L. JOHNSON, WATERLOO, IOWA
H. B. JOY, DETROIT, MICHIGAN
W. F. [illegible] DEPUTY FEDERAL RESERVE AGENT
E. T. MEREDITH, DES MOINES, IOWA
G. M. REYNOLDS, CHICAGO, ILLINOIS
A. H. VOGEL, MILWAUKEE, WISCONSIN

333.2(7)

Chicago, June 1st, 1915.

RECEIVED
JUN 3 1915
OFFICE OF
VICE-GOVERNOR

Mr. F. A. Delano, Vice-Governor,

Federal Reserve Board,

Washington, D. C.

My dear Mr. Delano:-

6/3/15

Your telegram of this date, reading as follows, is received:

> "Yours May twenty-sixth to me. Board has considered matter and willing to make exception Michigan City case but does not want this taken as precedent for future action."

We are pleased that you have permitted us to carry this issue. If in future we should be offered similar issues in small amounts and take the same, it will be with the distinct understanding that the purchase will be reported to the Board immediately and that the same will be divided among the other banks should you desire us to do so.

Very truly yours,

J B McDougal

Governor.

MAE

#7

June 1st, 1915.

My dear Mr. Mc.Dougal:-

Referring to your letter of the 26th ultimo with regard to the purchase of $25,000. of Michigan City warrants, and confirming telegram to you of even date, I beg to say that the Board considered this matter and it was decided that in this case you should be authorized to take this issue of warrants, but that under no circumstances must this be considered a precedent as to future action.

Yours very truly,

Vice Governor.

Mr. J. B. McDougal,
Governor, Federal Reserve Bank
Chicago.

TELEGRAM

FEDERAL RESERVE BOARD

WASHINGTON

333.2 (7)

June 1, 1915.

Governor J. B. McDougal,
Federal Reserve Bank of Chicago.

Yours May twenty-sixth to me : Board has considered matter and willing to make exception Michigan City case but does not want this taken as a precedent for future action.

DELANO.

OK

OFFICIAL BUSINESS
GOVERNMENT RATES
CHARGE FEDERAL RESERVE BOARD

333.2 (7)

FEDERAL RESERVE BANK OF CHICAGO

79 WEST MONROE STREET

OFFICERS	DIRECTORS	
JAMES B. McDOUGAL GOVERNOR	C. H. BOSWORTH CHAIRMAN AND FEDERAL RESERVE AGENT	W. F. McLALLEN DEPUTY FEDERAL RESERVE AGENT
C. R. McKAY DEPUTY GOVERNOR	J. B. FORGAN, CHICAGO, ILLINOIS	E. T. MEREDITH, DES MOINES, IOWA
W. F. McLALLEN SECRETARY	M. B. HUTCHISON, OTTUMWA, IOWA	G. M. REYNOLDS, CHICAGO, ILLINOIS
B. G. McCLOUD CASHIER	E. L. JOHNSON, WATERLOO, IOWA	A. H. VOGEL, MILWAUKEE, WISCONSIN
	H. B. JOY, DETROIT, MICHIGAN	

Chicago, May 26th, 1915.

RECEIVED MAY 28 1915 OFFICE OF VICE-GOVERNOR

Mr. F. A. Delano, Vice-Governor,

Federal Reserve Board,

Washington, D. C.

Dear Sir:-

In regard to the purchase of municipal warrants.

In Regulation "F" Series of 1915, paragraph 2, the Federal Reserve Banks are restricted in the purchase of warrants to an amount of 25 per centum of the total amount of warrants outstanding at any time and issued in conformity with the provisions of Section 14 - (B) and actually sold by the municipality.

As indicated in my conversation with you a few days ago, we at times have had opportunity to buy small issues made by strong municipalities, whereas if we took but 25 per centum, the investment would hardly warrant the expense of the legal investigation. We are now offered, and have agreed to purchase, subject to approval of our attorney, an issue of $25,000 in warrants, an obligation of Michigan City, Indiana, this amount being the total issue.

I am writing this line to inquire whether the Federal Reserve Board will make an exception in this case, and in similar cases which may develop, whereby we may be premitted to handle the entire issue, when the amount is very small.

I trust you will, under the circumstances, consent to the purchase referred to, but if the Board should rule adversely, we will, of course, dispose of $18,500 of the issue, retaining only that portion which we are permitted to buy under the regulation.

Your prompt reply in the premises will be highly appreciated.

Very truly yours,

JBMcDougal

Governor.

MAE

As an exception all right
as to similar cases, cannot give blanket consent. But if their Board feels that they are dealing
with safe communities, solvent and not likely to be relying on us for renewals, we are apt to consent any
as present money conditions continue.

Form 40

RRB

TELEGRAM

FEDERAL RESERVE BOARD

WASHINGTON

333.2 (7)

January 2, 1915.

C. H. Bosworth, Federal Reserve Agent,
Chicago, Ill.

Your telegram December thirty first. Our letter December twenty second said "Board issues this regulation in temporary form, authorising you to act upon same until further notice". You are accordingly authorised so to act.

H. P. Willis

Secretary.

OFFICIAL BUSINESS
GOVERNMENT RATES
CHARGE FEDERAL RESERVE BOARD

POSTAL TELEGRAPH — COMMERCIAL CABLES

CLARENCE H. MACKAY, PRESIDENT

RECEIVED AT
POSTAL TELEGRAPH BUILDING
1345 PENNSYLVANIA AVENUE
WASHINGTON, D. C.
TELEPHONE: MAIN 6600

TELEGRAM

DELIVERY No. 193

The Postal Telegraph Cable Company Incorporated transmits and delivers this message subject to the terms and conditions printed on the back of this blank.

16W—16239

DESIGN PATENT No. 40830

DEC 31 1914
GOVERNOR'S OFFICE

61chki- 42 1235p 3 Ex.

Fx, Chicago Dec 31-14

Hon Chas S Hamlin,

Governor Federal Reserve Board, washn, DC.

Will you please advise definitely whether we are now authorized to purchase muncipal warrants upon the terms and conditions expressed to Tentative circular number ninety seven and tentative regulation number ninety nine issued under date of the twenty second

C H Bosworth,
Federal Reserve Agent

Mr Morgan

#7

FEDERAL RESERVE BANK OF CHICAGO
DISTRICT No. 7

FEDERAL RESERVE BOARD FILE
~~262~~ 333

FILE 333 (7)
NOV 27 1914

Chicago, November 24th, 1914.

Mr. H. Parker Willis, Secretary,

FEDERAL RESERVE BOARD,

Washington, D.C.

Dear Sir: -

Receipt is acknowledged of your telegram of the 23rd instant reading as follows:

"Board believes purchase of certificates of municipal indebtedness premature at this time; has not yet prepared regulations on that subject."

We will, of course, defer any activities in this direction awaiting your regulations on the subject.

Yours very truly,

J B McDougal
Governor.

RECEIVED
RESERVE BANK ORGANIZATION COMMITTEE
NOV 27 1914

FILE
NOV 27 1914
Federal Reserve Board

TREASU Y DEPARTMENT TELE RAM.

WHERE WRITTEN:

Federal Reserve Board

#1

Washington,
November 23, 1914.

FEDERAL RESERVE BOARD FILE
260

Mr. J. B. McDougal,

Governor, Federal Reserve Bank,

Chicago, Illinois.

Board believes purchase of certificates of municipal indebtedness premature at this time. Has not yet prepared regulations on that subject.

H. Parker Willis

Secretary.

OFFICIAL BUSINESS.
GOVERNMENT RATES.
CHARGE TREASURY DEPARTMENT, APPROPRIATION FOR Official

2—6827

The appropriation from which payable must be stated on above line.

DEPARTMENTAL STOCK FORM 2128.

FEDERAL RESERVE BANK OF CHICAGO
DISTRICT No. 7

333.2 (7)

Chicago, November 21st, 1914.

Mr. H. Parker Willis, Secretary,

Federal Reserve Board,

Washington, D. C.

Dear Sir:-

11/21/7

Please let me confirm herewith my telegram directed to you this day:-

"Please telegraph whether or not we are within our rights at the present time in submitting a bid for certificates of indebtedness of a strong municipality, same to run not exceeding six months and issued in anticipation of taxes."

A somewhat similar (although more general) inquiry was addressed to you on the 19th inst., but an occasion arose today whereby it is desirable we have your views regarding the specific matter of municipal tax certificates, and your prompt attention will, therefore, be highly appreciated.

262

Yours very truly,

J. B. McDougal

Governor.

Treasury Department 333.2(7)

TELEGRAM

26WU A 39

MIN CHICAGO ILLS Nov 21 1914

H Parker Willis

Wash'n D C

Please telegraph whether or not we are within our rights at the present time in submitting a bid for certificates of indebtedness of a strong muncipality same to run not exceeding six ~~xxxxx~~ months and issued in anticipation of taxes

J B McDougal

1250p