

Upon call of the Governor, a special meeting was held in the Office of Mr. Miller at 3:20 this afternoon, July 12, 1923.

PRESENT: Governor Crissinger
Mr. Hamlin
Mr. Miller
Mr. James
Mr. Cunningham
Mr. Hoxton, Secretary.

The Governor stated that the Acting Farm Loan Commissioner, Mr. R. A. Cooper, desired a reply to his letter of July 2nd, which by action of the Board on July 3rd was referred to the Committee on Discounts and Open Market Policies.

After discussion, the following reply to Mr. Cooper was made:

"The Federal Reserve Board has received your letter of July 2, inquiring whether it desires to prescribe any rules and regulations limiting or controlling the purchase of debentures of Federal intermediate credit banks by Federal reserve banks.

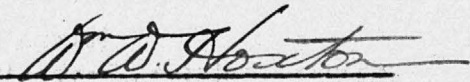
While the law is not entirely clear, the Federal Reserve Board is of the opinion that Federal Reserve banks may purchase such debentures subject to such rules and regulations as it may prescribe, provided the debentures have a maturity at the date of purchase not exceeding six months. It has not been the custom of the Board to issue any regulations on matters of this kind, however, until some Federal reserve bank actually desires to exercise the power in question; and, therefore, the Board does not contemplate issuing any regulations on this subject unless and until some Federal reserve bank expresses a desire to purchase such debentures."

At this point Mr. Dawes entered the room and presented to the Board the matter of certain difficulties being encountered by three banks in Columbia, South Carolina, which are contemplating consolidation, and which require the cooperation of the Federal Reserve Bank of Richmond, in order to make possible a solution of the difficulties.

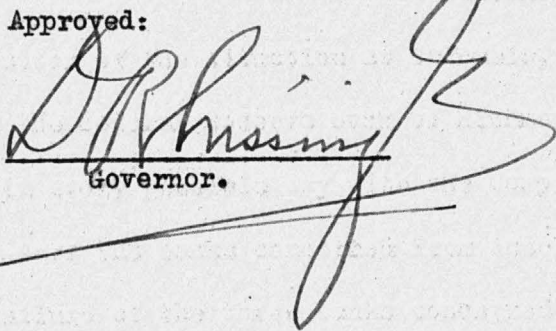
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After discussion, it was determined to request the Governor and Federal Reserve Agent of the Federal Reserve Bank of Richmond to come to Washington for the purpose of conferring with the Federal Reserve Board regarding this matter.

The meeting adjourned at 5 o'clock.


Secretary.

Approved:


Governor.