

#9

333
333.2 (7)

JUN 17 1933

Honorable Henrik Shipstead,
United States Senate,
Washington, D. C.

Dear Senator Shipstead:

Reference is again made to your letter of May 16, 1933, addressed to the Secretary of the Treasury, inclosing a letter received by you from Mr. S. E. Twigg of Hibbing, Minnesota, relative to warrants of the Village of Hibbing, Independent School District No. 27, and the Town of Stunts.

The Federal Reserve Board is now in receipt of information from the Federal Reserve Bank of Minneapolis from which it is understood that iron mining companies which pay more than 90% of all taxes in the three municipalities named have served notice that, while they expect to pay the first half of the yearly taxes, due May 31, 1933, they will not pay the second half due November 1, and expect to bring action to have the taxes reduced at that time. In these circumstances the Federal Reserve Bank of Minneapolis, which holds a considerable amount of these warrants, does not feel justified in undertaking at this time to purchase additional amounts of such warrants. On June 5, 1933, the Federal Reserve Bank of Minneapolis wrote Mr. Twigg advising him to this effect.

Very truly yours,



CW

(Signed) Charles H. ...

SRC:CM-w

FILE COPY
Secretary

FEDERAL RESERVE BANK
OF MINNEAPOLIS

333.2(9)

June 5, 1933.

- Federal Reserve Board,
Washington, D. C.

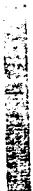
Gentlemen:

Replying to your letter of June 3 with reference to letter from S. E. Twigg, Secretary of the Hibbing-Virginia Typographical Union No.727, the Village of Hibbing, the Town of Stunts and Independent School District No.27 are practically the same territory. The Village of Hibbing is located in the Township of Stunts, and School District No.27 is in practically the same territory.

Yours very truly,



W. B. Geery
Governor



JUN - 8 1933

FEDERAL RESERVE BANK
OF MINNEAPOLIS

COPY

333 2/1

June 5, 1933.

Mr. S. E. Twigg,
Hibbing, Minnesota.

Dear Sir:

The Secretary of the Federal Reserve Board sent me a few days ago, a copy of your letter of May 8 addressed to Senator Shipstead, with request that I write you regarding it. I overlooked this request, and instead wrote the Federal Reserve Board.

I would say that up to date we have taken a sizeable block of tax anticipation warrants of the Village of Hibbing from one of the Range banks. However, in view of the statement made by the mining companies that they do not intend to pay the second half of their taxes, I do not feel that we are justified in taking further warrants.

Yours very truly,

W. B. Geery
Governor

#9

1933

333.2
333.2 (9)

Mr. W. B. Geery, Governor,
Federal Reserve Bank of Minneapolis,
Minneapolis, Minnesota.

Dear Governor Geery:

In your letter of May 29 in reply to my letter of May 27, with which was transmitted to you a copy of a letter dated May 8 from Mr. S. E. Twigg, Secretary of the Hibbing-Virginia Typographical Union No. 727, you discussed the situation with respect to the finances of the Village of Hibbing, but made no reference to the situation with respect to the Town of Stuntz or Independent School District No. 27. I assume that there is a similarity in the situation as to all three of these communities but before we reply to Senator Shipstead it will be appreciated if you will let me have definite information with respect to Independent School District No. 27 and the Town of Stuntz, in addition to that given in your letter with respect to the Village of Hibbing.

Very truly yours,

(Signature)

Secretary.

Om

CM-w

FILE COPY

M. Morrill

333.2(9)

FEDERAL RESERVE BANK
OF MINNEAPOLIS

May 29, 1933.

MAY 31 1933



Federal Reserve Board,
Washington, D. C.

Gentlemen:

Replying to letter from Mr. Morrill as Secretary, under date of May 27th, enclosing copy of correspondence from Mr. S. D. Twigg, Secretary of the Hibbing-Virginia Typographical Union No.727, and copy of a letter from Senator Shipstead to the Secretary of the Treasury, and copy of a letter of Assistant Secretary of the Treasury to Governor Black, the facts are that taking the figures furnished by the Village Treasurer as of March 31,1933, the tax levy payable this year is \$1,105,055.44, one half of which is due May 31st, and the balance November 1. Against the May 31st installment, the Village has issued \$417,001.04 of tax anticipation certificates or warrants, payable June 15th. Of these we hold \$92,457.41 purchased from the First National Bank of Hibbing, Minnesota, with their endorsement, during the month of April, and which should be paid at maturity, June 15th, out of the May 31st payment of taxes.

The iron mining companies pay more than 90% of all taxes in Hibbing and have felt for years past that they were being grossly over-taxed to support an extravagantly run village. The companies have served notice that while they expect to pay the first half of the taxes due May 31st, they will not pay the second half due November 1st, but expect to bring action against the city to have the taxes reduced at that time.

Naturally we do not feel justified in giving the Hibbing banks the assurance that we will continue to buy these warrants after May 31st.

Yours very truly,

W. B. Geery
Governor

11 /

333 - 2

Mr. W. B. Geery, Governor,
Federal Reserve Bank of Minneapolis,
Minneapolis, Minnesota.

Dear Governor Geery:

For your information and consideration you will find inclosed copy of a letter, dated May 8, 1933, from Mr. S. E. Twigg, Secretary, Hibbing-Virginia Typographical Union No. 727, Hibbing, Minnesota, together with a copy of a letter dated May 16 from Senator Shipstead to the Secretary of the Treasury, and a copy of a letter, dated May 25, 1933, from an Assistant Secretary of the Treasury to Governor Black.

The receipt of Mr. Twigg's letter has been acknowledged and he has been advised that the question whether and to what extent under the law the Federal reserve bank should purchase such warrants is a matter for the consideration of the Federal Reserve Bank of Minneapolis and that this matter has been brought to its attention.

It will be appreciated if you will respond directly to Mr. Twigg's communication and send the Board for its information a copy of your reply.

Very truly yours,

CW

ydw

FILE COPY
Secretary.

Enclosures

MAY 8

Mr. S. E. Twigg, Secretary,
Hibbing-Virginia Typographical Union No. 727,
Hibbing, Minnesota.

Dear Mr. Twigg:

Your letter of May 8, addressed to Senator Shipstead, with regard to warrants of the Village of Hibbing, Independent School District No. 27, and the Town of Stuntz, was referred to the Secretary of the Treasury, and by him to this office.

Since the question whether and to what extent under the law the Federal Reserve Bank of Minneapolis should purchase such warrants is a matter primarily for the consideration of its directors and officers, I am transmitting a copy of your letter to the Governor of the Federal Reserve Bank of Minneapolis for attention.

Very truly yours,

Secretary.

cm

ydw

CC - Senator Shipstead

FILE COPY

333.2(9)

MAY 27 1933

Honorable Henrik Shipstead,
United States Senate,
Washington, D. C.

Dear Senator Shipstead:

Your letter of May 16, 1933, addressed to the Secretary of the Treasury, transmitting a letter from Mr. S. E. Twigg, of Hibbing, Minnesota, relative to the non-negotiability of certain warrants, has been referred to the Federal Reserve Board, and there is inclosed herewith copy of a self-explanatory letter addressed to Mr. Twigg. When the matter has been considered by the Federal Reserve Bank of Minneapolis we shall be glad to communicate with you further.

Mr. Twigg's letter is returned herewith, copy having been retained in our files.

Very truly yours,

~~Wm. C. Clegg~~

Secretary.

Inclosures.

ydw

CW

FILE COPY



TREASURY DEPARTMENT

333.2 (9)

WASHINGTON

ASSISTANT SECRETARY

Wm. H. C. [unclear]

MAY 25 1933

My dear Governor:

There is enclosed for such action as you may deem advisable a letter dated May 15, 1933, from Senator Henrik Shipstead of Minnesota; also the letter to which he refers from S. E. Twigg, of Hibbing, Minnesota, relative to the non-negotiability of city warrants because of adverse advice of the Federal reserve banks.

Senator Shipstead has been advised of this reference.

Very truly yours,

James M. Douglas

Assistant Secretary of the Treasury.

Hon. Eugene R. Black,

Governor of the Federal Reserve Board.

Enclosure.

SHIPSTEAD, MINN., CHAIRMAN
SES, N. H. DUNCAN U. FLETCHER, FLA.
ANDENBERG, MICH. DAVID I. WALSH, MASS.
INSON, IOWA CARL HAYDEN, ARIZ.
S. M. LEE, CLERK

United States Senate

COMMITTEE ON PRINTING

May 16, 1933.

The Secretary of the Treasury,
Treasury Department,
Washington, D.C.

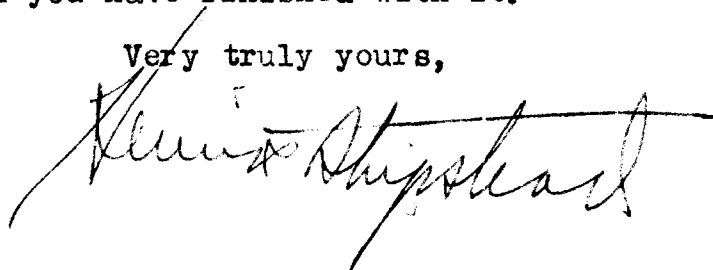
Dear Secretary:-

I enclose herewith letter I have received from Mr. S. E. Twigg, Secretary, Typographical Union No. 727, Hibbing, Minnesota, in regard to the negotiability of time warrants issued by the Village of Hibbing, Independent School District No. 27 and the Town of Stuntz, Minnesota.

I will appreciate your Department giving this matter consideration and sending me a report as to whether any action can be taken by your Department.

Please return the enclosed letter for my files when you have finished with it.

Very truly yours,

A handwritten signature in cursive script, reading "Minnie Shipstead". The signature is written in dark ink and is positioned below the typed name.

(Letterhead of)

HIBBING-VIRGINIA TYPOGRAPHICAL UNION NO. 727

Hibbing, Minnesota

May 8, 1933

Hon. Henrick Shipstead,
United States Senate,
Washington, D. C.

Dear Senator Shipstead:

At the last meeting of Hibbing-Virginia Typographical Union No. 727, I was instructed to write you in regard to the situation as it exists here at the present and ever since the Bank Holiday last March, in regard to Hibbing finances.

Since that time warrants of the Village of Hibbing, Independent School District No. 27 and the Town of Stuntz, are not negotiable at any of the banks, because of the adverse advice of the Federal Reserve Banks. As a consequence, employees have to accept merchants script, which is no good outside of the limits of the three municipal bodies. Insurance and taxes cannot be paid with it, and the merchants are just about to their limit, because the jobbing houses will not accept script in payment; neither will the freight and express companies.

Hibbing has an assessed valuation of \$7,300,000, and is in good shape financially. The Town of Stuntz a valuation \$2,700,000, while the school district is somewhere in the neighborhood of that of the Village of Hibbing.

- 2 -

The supposition is that this action is being taken because the mining corporation have threatened to default their taxes on May 31st.

It would seem absurd that our warrants are not negotiable in the face of the value represented, and we are wondering if something can be done to relieve the situation; either by getting action through the Federal Reserve Banks or a sufficient loan from the Reconstruction Finance Corporation.

Awaiting an early reply, and extending kindest personal regards, I am

Yours very truly,

(S) S. E. TWIGG

Secretary.

Form 148b

TELEGRAM

**FEDERAL RESERVE BOARD
WASHINGTON**

333 2(9)

NOV 7 1932

Handwritten scribble

**Geary,
Minneapolis.**

Your telegram November 3. Federal reserve banks may legally purchase direct from issuing municipality warrants which comply with relevant provisions of section 14 of the Federal Reserve Act and the Board's Regulation E, but question whether they should do so is one of policy and if your bank contemplates purchase of warrants from issuing municipalities it is requested that before making such purchase Board be furnished with all facts in the matter together with views of your bank as to necessity or desirability of proposed action.

MORRILL

(Signed) Chester Morrill

GBV/sad

Handwritten initials: GBV, CW, MM, and others

AT EXECUTIVE SECRETARIES

NOV 12 1932

For APPROVAL

| | |
|---------------|-------|
| Gov. Meyer | ✓ |
| Mr. Hamlin | |
| Mr. [unclear] | |
| Mr. Magee | ✓ |
| Mr. Miller | ✓ |
| Mr. [unclear] | |
| Mr. [unclear] | |

Please initial file copy if you approve and return to Secretary's Office.

FILE COPY

Amuel

TELEGRAM

FEDERAL RESERVE SYSTEM

(LEASED WIRE SERVICE)

333,2 (9)

RECEIVED AT WASHINGTON, D. C.

140gmr

Minneapolis Nov 3 1137am

Board

Washington

Section 14 of the Federal Reserve act authorizes Federal Reserve Banks to buy and sell notes and warrants issued in anticipation of collection of taxes. Our counsel raises the question whether taking such a note direct from the city would be buying it or merely making a direct loan to the city in question we will appreciate a ruling

Geery

1254p

RECEIVED
OFFICE OF GENERAL COUNSEL

NOV 3 - 1932

_____ A. M. 4:10 P. M.
_____ 5 _____

Read Memoranda

#9

FEDERAL RESERVE BOARD FILE
333.2

333.26

January 21, 1918.

OK

Mr. John H. Rich,
Federal Reserve Agent,
Minneapolis, Minn.

Dear Mr. Rich:-

I have your letter of the 17th instant in which you advise that a conference has been held regarding the seed situation in certain parts of your district and that the Sheridan County State Bank, of Plentywood, Montana will be advised that it can depend upon the hearty cooperation of your bank and of the leading commercial banks.

The Board appreciates the careful attention which you have given to these matters.

Very truly yours,

Governor.

333.2(9)

FEDERAL RESERVE BANK OF MINNEAPOLIS

NINTH DISTRICT

OFFICE OF THE CHAIRMAN
AND FEDERAL RESERVE AGENT

RECEIVED
JAN 21 1918
GOVERNOR'S OFFICE

January 17
1918

My Dear Governor HardingL

In response to your letter of the 12th inst., with copy of telegram from the Sheridan County State Bank, Plentywood, Montana, and correspondence in connection therewith, I take pleasure in advising that this subject has been up in a conference held this week in which this bank participated, in which the situation was carefully gone over with representatives of the larger St. Paul and Minneapolis banks who are now in touch with the Montana Bankers Association and are arranging for an early conference in Montana to cover the whole question of the issue and disposition of seed grain warrants.

I have outlined the situation to the Sheridan County State Bank and advised them that as soon as we know the results of the plans that are now under way, we will advise them, and that they can depend upon the hearty cooperation of this bank and of the leading commercial banks. It is very likely that the strong commercial banks of St. Paul and Minneapolis will arrange means for the placing of all such warrants where no question of legality arises.

Very truly yours,

Federal Reserve Agent

Hon W P G Harding Governor,
Federal Reserve Board,
Washington.

11/21

272.

4-9
Jan. 9, 1918.

3332(9)

FEDERAL RESERVE BOARD

MEMORANDUM

For Mr. Re Elliot

At a meeting of the Federal Reserve Board on

Jan. 9, the following matter

(as Chairman, Committee on
was referred to you (as member, " "
(as

The attached letter of Farm Loan Commissioner

Norris, Jan. 3, and telegram of Sheridan County State
Bank, Dec. 31, relative to the purchase of seed grain
in Montana, for expression of opinion as to what can
be done.

Letter of Hon. R. C. Leffingwell transmitting same
returned to Governor Harding.

H. D. White
Secretary

Please return this memorandum with copy of
documents resulting from action taken, if any,

Date _____

Documents _____

Signature _____

333.2

January 12, 1918.

Mr. John H. Rich,
Federal Reserve Agent,
Minneapolis, Minn.

Dear Mr. Rich:

I enclose for your information copies of
a telegram addressed by the Sheridan County State Bank
of Plentywood, Montana, to the Secretary of the Treasury,
and of a letter written by Hon. George W. Norris, Farm
Loan Commissioner, to Assistant Secretary Leffingwell.
together with my reply to Mr. Leffingwell.

Very truly yours,

Governor.

333.2(9)

January 12, 1918.

Dear Mr. Secretary:

The Board has considered letter of Farm Loan Commissioner Norris to you of January 3rd, which is returned herewith, together with telegram from the Sheridan County (Montana) State Bank. Counsel has advised the Board that there appears to be no legal objection to adopting Mr. Norris's suggestion, and that if the Federal Reserve Bank of Minneapolis should find, upon investigation, that these warrants comply with the provision of Section 14 and with the Board's regulations, except in the matter of maturity, it might enter into an agreement to purchase them at a future date when their maturity does not exceed six months. Whether or not the bank would care to make commitments of this sort under existing circumstances is a question of policy rather than of law.

The Federal Reserve Bank of Minneapolis has been advised accordingly.

Very truly yours,

Hon. R. C. Leffingwell,
Assistant Secretary of the Treasury.

Governor.

333.2(9)

FEDERAL RESERVE BOARD

WASHINGTON

January 11, 1918.

M. C. ELLIOTT
COUNSEL

RECEIVED
JAN 12 1918
GOVERNOR'S OFFICE

My dear Governor:

I know of no legal objection to the adoption of the suggestion made by Mr. Norris in the accompanying letter.

If the Federal Reserve Bank finds upon investigation that these warrants comply with the provisions of Section 14 and with the Board's regulations, except in the matter of maturity, it might enter into an agreement to purchase them at a future date when their maturity does not exceed six months. Whether or not the bank should make commitments of this sort under existing circumstances is a question of policy rather than of law.

Respectfully,



Counsel.

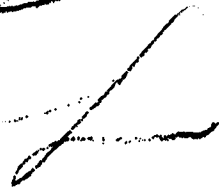
Hon. W. P. G. Harding,
Governor.



H. C. Leffingwell
Re
Board of Directors

FEDERAL RESERVE BOARD FILE
332. 2

January 8, 1918.



My dear Mr. Secretary:

I have your letter of the 4th instant enclosing letter from the Farm Loan Commissioner suggesting the purchase by the Federal Reserve Bank of Minneapolis of certain seed warrants of Sheridan County, Montana.

I will bring this matter to the attention of the Board at the next meeting, and will advise you promptly of any action taken.

Very truly yours,

Governor.

Hon. H. C. Leffingwell,
Assistant Secretary of the Treasury.

272.

No. s

Jan. 9, 1918.

FEDERAL RESERVE BOARD

MEMORANDUM

For Mr. Harding

At a meeting of the Federal Reserve Board on

Jan. 9, the following matter
(~~as Chairman, Committee on~~
was referred to you (~~as member,~~ " "
(as

for suitable reply:

The attached letter of Assistant Secretary Leffingwell, Jan. 4, with reference to the discount of seed warrants.

Telegram of Sheridan County State Bank and letter of Farm Loan Commissioner, mentioned in Mr. Leffingwell's letter, sent to Counsel for opinion as to what can be done.

A. A. Wiley

Secretary.

Please return this memorandum with copy of documents resulting from action taken, if any,

Date _____

Documents _____

Signature _____

cancel



ASSISTANT SECRETARY

TREASURY DEPARTMENT

Washington,

RECEIVED
JAN 7 1918
FEDERAL RESERVE BOARD FILE
GOVERNOR'S OFFICE
333-2

January 4, 1918

Docket jaw 9

Dear Governor Harding:

I send you herewith a telegram from the Sheridan County State Bank of Plentywood, Montana, dated December 31st, and a letter dated January 3rd from the Farm Loan Commissioner referring to it. I am wondering whether the Federal Reserve Board or the Minneapolis Reserve Bank can make any helpful suggestion to the Sheridan County State Bank in this connection. I should be very glad if you could *help in this.*

Very truly yours,

Phillips

Hon. W. P. G. Harding,

Governor, Federal Reserve Board.

(1/8)

C O P Y

January 3, 1918.

My dear Mr. Secretary:

The matter referred to in the attached telegram is entirely out of our field.

The farmers of Montana had a very dry season last year, and suffered very much, their crops being only about 55% of normal. They are, therefore, entitled to any accommodation which can reasonably and properly be extended. If I may venture a suggestion, would it not be well to get the Federal Reserve Board to instruct the Federal Reserve Bank in whose district this locality is included to take the matter up with the Sheridan County State Bank, on the lines of an agreement that, if the warrants are issued subject to their approval as to legality and security, and purchased by a group of local people, the Federal Reserve Bank will take them over when they are within six months of maturity? This would only require the local people to carry \$100,000 for four months, and if they had an assured market at the end of that time, it would seem probable that they might be able to raise the money. I am

Very truly yours,

GEO. W. NORRIS

FARM LOAN COMMISSIONER.

Hon. Russell O. Leffingwell,
Assistant Secretary of the Treasury

N:H

WESTERN UNION TELEGRAM

3232 (9)

C O P Y

Plentywood, Mont.

Dec. 31, 1917.

Hon. Secretary of Treasury,

Washington, D. C.

Do you know of some eastern bank or trust company whom would be interested in buying one hundred thousand dollars worth of Sheridan County, Montana, seed warrants to net six per cent interest and payable ten months. The County wishes to raise this money to furnish the farmers with seed grain. Wire answer to us at our expense.

SHERIDAN COUNTY STATE BANK

10:30 P.M.

FEDERAL RESERVE BOARD FILE

~~333 2~~

FEDERAL RESERVE BANK OF MINNEAPOLIS •

NINTH DISTRICT

OFFICERS

THEODORE WOLD, GOVERNOR S. S. COOK, CASHIER

DIRECTORS

| | |
|---|---|
| JOHN H. RICH, CHAIRMAN AND FEDERAL RESERVE AGENT | W. H. LIGHTNER, DEPUTY CHAIRMAN AND DEPUTY FEDERAL RESERVE AGENT |
| J. C. BASSETT, ABERDEEN, S. DAK. | E. W. DECKER, MINNEAPOLIS, MINN. |
| F. R. BIGELOW, ST. PAUL, MINNESOTA | L. B. HANNA, FARGO, N. DAKOTA |
| JOHN W. BLACK, HOUGHTON, MICH. | F. P. HIXON, LA CROSSE, WISCONSIN |
| N. B. HOLTER, HELENA, MONT. | |

RECEIVED

NOV 24 1916

OFFICE OF
MR. HAMLIN

November 22, 1916.

333 2 (9)

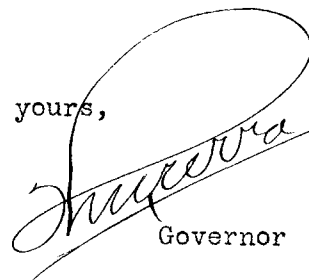
Mr. C. S. Hamlin,
C/o Federal Reserve Board,
Washington, D.C.

Dear Mr. Hamlin:

Your examiners are with us at this time and call our attention to the fact that we have not the approval of your Board for the carrying of the Minneapolis School Warrant \$300,000. This represents the entire borrowings of the Board of Education, and under the rulings of your Board we are not permitted to carry exceeding 25% of the total outstanding, without the permission of the Board. The borrowings of our school board are of a temporary nature, and its credit is unexcelled.

I wish, therefore, that you would take the matter up with the Board and have them approve of our carrying the \$300,000. Otherwise, we shall have to dispose of 75% of our holdings.

Sincerely yours,



Governor

TW-C

FEDERAL RESERVE BOARD FILE

#4

333 2

FEDERAL RESERVE BANK OF MINNEAPOLIS

NINTH DISTRICT

OFFICERS

THEODORE WOLD, GOVERNOR S. S. COOK, CASHIER

DIRECTORS

| | |
|---|---|
| JOHN H. RICH, CHAIRMAN AND FEDERAL RESERVE AGENT | W. H. LIGHTNER, DEPUTY CHAIRMAN AND DEPUTY FEDERAL RESERVE AGENT |
| J. C. BASSETT, ABERDEEN, S. DAK. | E. W. DECKER, MINNEAPOLIS, MINN. |
| F. R. BIGELOW, ST. PAUL, MINNESOTA | L. B. HANNA, FARGO, N. DAKOTA |
| JOHN W. BLACK, HOUGHTON, MICH. | F. P. HIXON, LA CROSSE, WISCONSIN |
| N. B. HOLTER, HELENA, MONT. | |

RECEIVED
NOV 24 1916
OFFICE OF
MR. HAMLIN

November 22, 1916.

333 2 (9)

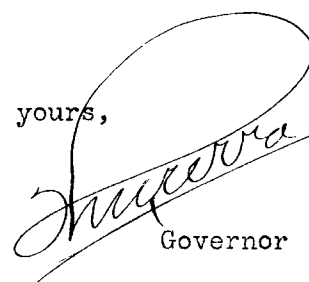
Mr. C. S. Hamlin,
C/o Federal Reserve Board,
Washington, D.C.

Dear Mr. Hamlin:

Your examiners are with us at this time and call our attention to the fact that we have not the approval of your Board for the carrying of the Minneapolis School Warrant \$300,000. This represents the entire borrowings of the Board of Education, and under the rulings of your Board we are not permitted to carry exceeding 25% of the total outstanding, without the permission of the Board. The borrowings of our school board are of a temporary nature, and its credit is unexcelled.

I wish, therefore, that you would take the matter up with the Board and have them approve of our carrying the \$300,000. Otherwise, we shall have to dispose of 75% of our holdings.

Sincerely yours,



Governor

TW-C

Mr. Fowler

Has the carbon
come to us?

J.P.

No, Sir!

A. L. Fowler, Jr.

3

412

Nov. 24, 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, " "

The attached letter of Governor Wold, dated Nov. 22, relative to the Board's approval of a \$300,000 investment in Minneapolis School Warrants by the F. R. B. of Minneapolis.

RECEIVED
DEC 1 1916
Federal Reserve Board

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.

Date.

This has been answered.
Nov. 4, 1916
Mr. Warburg has
reply letter & sent to
Mr. Hendrickson &
Mr. Hendrickson not
found. File 89.
MS

Reply drafted by Mr. ~~Warburg~~.

333.2

333, 2 (9)

November 23, 1916.

Dear Sir:

In reply to your letter of November fifteenth, asking the Board to authorize you to buy a school warrant of the municipality of Munising, Michigan, endorsed by the First National Bank of Alger County to an amount greater than 10% of the capital and surplus of that bank, I regret to say that the Board is not in a position to give this authorization.

The warrant regulation does not provide that the Board may grant exceptions to the provision of clause seven but indicates that this restriction should generally be observed, and the Board does not see its way clear, therefore, to comply with your request.

I am

Very truly yours,

G o v e r n o r .

Theodore Wold, Esq.,
Governor, Federal Reserve Bank,
Minneapolis, Minn.

23 2 PM
Shan

412

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 Theodore Wold, Governor, Federal Reserve Bank of Minneapolis, for approval of Board of rediscount for the First National Bank of Alger Co., Munising, Mich., of a school warrant, \$12,000, which represents more than 10% of the capital and surplus of that bank.

Sherrill 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.

*Under our regulation we cannot
Date. grant this. CW.*

22-Nov-16.

No. 992

3332(9)

FEDERAL RESERVE BANK OF MINNEAPOLIS

NINTH DISTRICT

OFFICERS

THEODORE WOLD, GOVERNOR S. S. COOK, CASHIER

DIRECTORS

| | |
|---|---|
| JOHN H. RICH, CHAIRMAN AND FEDERAL RESERVE AGENT | W. H. LIGHTNER, DEPUTY CHAIRMAN AND DEPUTY FEDERAL RESERVE AGENT |
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| F. R. BIGELOW, ST. PAUL, MINNESOTA | L. B. HANNA, FARGO, N. DAKOTA |
| JOHN W. BLACK, HOUGHTON, MICH. | F. P. HIXON, LA CROSSE, WISCONSIN |
| | N. B. HOLTER, HELENA, MONT. |

RECEIVED
NOV 17 1916
OFFICE OF
MR. HAMLIN

November 15, 1916.

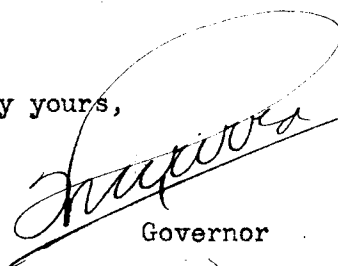
Mr. Chas. S. Hamlin,
C/o Federal Reserve Board,
Washington, D.C.

Dear Mr. Hamlin:

We have today rediscounted for the First National Bank of Alger Co., Munising, Michigan, a school warrant of their municipality due February 1st, in the sum of \$12,000. While this is a perfectly legal investment for the Munising bank, under the rules of your Board, we are unable to rediscount warrants of this nature with the endorsement of a member bank for a sum greater than 10% of the capital and surplus of the bank. The Munising bank is a very well managed institution, has a capital and surplus of \$80,000. and a comfortable undivided profit account. I trust therefore that the Board will approve of our action in taking this warrant.

Will you kindly bring it before them, and advise us?

Sincerely yours,



Governor

TW-C

November 18, 1916.

Hon. Theodore Wold,
Governor, Federal Reserve Bank,
Minneapolis, Minn.

Dear Governor Wold:

I have your note of
November 18th, as to the Munising,
Michigan, school warrant. I will
bring this at once to the attention
of the Board and will advise you
very shortly.

Believe me,

Very truly yours,

(Signed) C. S. Hamlin.

#9

1
~~262~~
333-2

333.2(9)

September 14, 1916.

Dear Sir:

In reply to your letter of September fifth, inquiring as to whether the bonds of the City of Minneapolis maturing April 1, 1917, could be purchased by the Federal Reserve Bank on or after October 1, in spite of the fact that these bonds, when originally issued, had a term longer than six months to run, let me state to you that the Board ruled in August, 1915, that the mere fact that the original bond had a maturity of more than six months would not necessarily bar the investment whenever the bond would have run off so as to have an unexpired term of not exceeding six months, provided that such bond would comply with the terms of the said ruling, which you will find on page 3321 of the 1915 issue of the Federal Reserve Bulletin.

Very truly yours,

Governor.

Theodore Wold, Esq.,
Governor, Federal Reserve Bank,
Minneapolis, Minnesota.

Approved by
Board Sept 14/16
G.A.

Mr. Harrison Sept. 13
Please see me about this
early tomorrow sent

FEDERAL RESERVE BANK OF MINNEAPOLIS

NINTH DISTRICT

333.2(9)

RECEIVED

SEP 7 1916

GOVERNOR'S OFFICE

OFFICERS

THEODORE WOLD, GOVERNOR S. S. COOK, CASHIER

DIRECTORS

| | |
|---|---|
| JOHN H. RICH, CHAIRMAN AND FEDERAL RESERVE AGENT | W. M. LIGHTNER, DEPUTY CHAIRMAN AND DEPUTY FEDERAL RESERVE AGENT |
| J. C. BASSETT, ABERDEEN, S. DAK. | E. W. DECKER, MINNEAPOLIS, MINN. |
| F. R. BIGELOW, ST. PAUL, MINNESOTA | L. B. HANNA, FARGO, N. DAKOTA |
| JOHN W. BLACK, HOUGHTON, MICH. | F. P. HIXON, LA CROSSE, WISCONSIN |
| N. B. HOLTZ, HELENA, MONT. | |

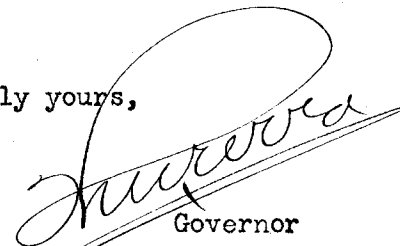
September 5, 1916.

Mr. W. P. G. Harding,
C/o Federal Reserve Board,
Washington, D.C.

Dear Mr. Harding:

In your letter of September 2nd in regard to the purchase of Minneapolis bonds, you state, "While the members of the Board are of the opinion that it will not be wise for you to purchase a large amount of six months' warrants at this time, they are disposed etc". If there are any special reasons which prompt such policy, I should be glad to have you let me know, if you can do so.

Sincerely yours,


Governor

TW-C

FEDERAL RESERVE BANK OF MINNEAPOLIS

NINTH DISTRICT

333.2(9)

RECEIVED

SEP 7 1916

GOVERNOR'S OFFICE

| | |
|---|---|
| OFFICERS | |
| THEODORE WOLD, GOVERNOR | S. S. COOK, CASHIER |
| DIRECTORS | |
| JOHN H. RICH, CHAIRMAN AND FEDERAL RESERVE AGENT | W. H. LIGHTNER, DEPUTY CHAIRMAN AND DEPUTY FEDERAL RESERVE AGENT |
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| N. B. HOLTER, HELENA, MONT. | |

September 5, 1916.

Mr. W. P. G. Harding, Governor,
Federal Reserve Board,
Washington, D.C.

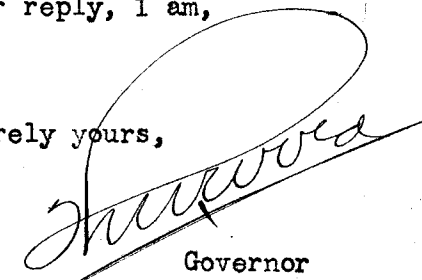
Dear Governor Harding:

Your favor of September 2nd in response to our inquiry of the 30th, asking if we would be permitted to purchase bonds issued by the City of Minneapolis, that will mature upon April 1, 1917, taxes having been levied and funds provided before that time for the paying of them, is at hand, and in reply to your inquiry as to the amount that we contemplate purchasing, would say that the amount involved at this time is comparatively small, something less than \$50,000. but what I desired to call especially to your attention for a ruling, was that they are not warrants issued in anticipation of taxes, but are bonds issued a good many years ago, which will mature within the six months period, in that particular meeting with the Federal Reserve Act and your Regulation F, Series of 1915.

What we are particularly anxious to know is whether your regulation would cover bonds under such circumstances, as well as warrants.

Awaiting your further reply, I am,

Sincerely yours,



Theodore Wold

Governor

TW-C

7

FEDERAL RESERVE BOARD FILE
262

September 2, 1916.

Mr. Theodore Wold,
Governor, Federal Reserve Bank,
Minneapolis, Minn.

Dear Governor Wold:-

Your letter of August 30th, relative to the purchase on October 1st by the Federal Reserve Bank of Minneapolis of bonds of the City of Minneapolis maturing April 1, 1917, was laid before the Executive Committee of the Board this morning.

While the members of the Board are of the opinion that it will not be wise for you to purchase a large amount of six months warrants at this time they are disposed to give favorable consideration to the matter if the details of the transaction are as they assume them to be and the warrants are approved for purchase by the Counsel for your Bank.

Pending approval by the Board will you kindly furnish us with the amount of the warrants which you anticipate purchasing and the rate at which they are to be taken. You will then be promptly advised in the matter.

Very truly yours,

Governor.

FEDERAL RESERVE BANK OF MINNEAPOLIS

NINTH DISTRICT

333, + (9)

OFFICERS

THEODORE WOLD, GOVERNOR S. S. COOK, CASHIER

DIRECTORS

| | |
|---|---|
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| JOHN W. BLACK, HOUGHTON, MICH. | F. P. HIXON, LA CROSSE, WISCONSIN |
| N. B. HOLTER, HELENA, MONT. | |

August 30, 1916.

Federal Reserve Board,

Washington, D.C.

Gentlemen:

There is a series of bonds issued by the City of Minneapolis, that will mature on April 1, 1917. Taxes have been levied and funds will be provided before that time for paying them.

Please advise us if, after October 1st, when their maturity would come within six months, and our attorney passes upon their legality, and they meet with the provisions of Circular 7 and Regulation F, Series of 1915, governing the purchase of warrants, we would be permitted to purchase them.

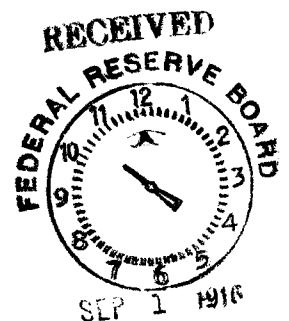
Your early reply will oblige,

Yours truly,

Handwritten signature of Theodore Wold

Governor

TW-C



No.

931

412

September 1, 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 the Governor of the F. R. Bank of Minneapolis, dated Aug. 30th, asking if bonds of the City of Minneapolis are eligible for purchase by that Bank.

RECEIVED
SEP 1 1916
OFFICE OF
VICE-GOVERNOR

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.

if they are within the law. Why not?

Date.

W.

not much to my knowledge of this two Non merch.

No. 93E

412

September 1, 1916

FEDERAL RESERVE BOARD

MEMORANDUM

For Mr. Counsel:-

Under the regulations of the Board the following matter is referred to you as Chairman, Committee on Member, " "

Letter from Governor of the F. R. Bank of Minneapolis, dated Aug. 30th, asking is bonds of the City of Minneapolis are eligible for purchase by that Bank.

FEDERAL RESERVE BOARD
1916
I. Allen
Assistant Secretary.
RECEIVED

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.

I see no reason why Board should object to purchase under circumstances noted.
Date. Sept 1, 1916
M. E. Curtis

#9.

FEDERAL RESERVE BANK FILE
~~333.2~~
~~2620~~

HS

333.2(9)

March 15, 1916.

Sir:

In answer to your letter of March 10
I beg to advise you that the Board's action was
intended as an approval of the Board of your
request, viz., the purchase of New York City
warrants up to \$1,000,000, and the raising of
the limit of your total investment in warrants
to 20% of your reserve deposits.

Respectfully,

Secretary.

Noted by [Signature] Rm. 1.

Mr. Theodore Wold,
Governor, Federal Reserve Bank of Minneapolis.

333.2(9)

FEDERAL RESERVE BANK OF MINNEAPOLIS

NINTH DISTRICT

OFFICERS

THEODORE WOLD, GOVERNOR S. S. COOK, CASHIER

DIRECTORS

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| J. C. BASSETT, ABERDEEN, S. DAK. | E. W. DECKER, MINNEAPOLIS, MINN. |
| F. R. BIGELOW, ST. PAUL, MINNESOTA | L. B. HANNA, FARGO, N. DAKOTA |
| JOHN W. BLACK, HOUGHTON, MICH. | F. P. HIXON, LA CROSSE, WISCONSIN |
| N. B. HOLTER, HELENA, MONT. | |

March 10, 1916.

Federal Reserve Board,
Washington, D.C.

Gentlemen:

We are in receipt of your telegram of March 6th,
as follows:

"Your application to the Board through Mr. Miller under date March third for power to increase investment in New York city warrants approved this morning, up to limit of 20%."

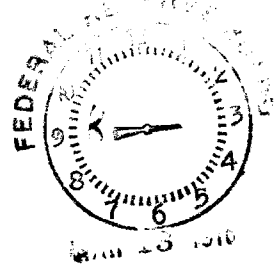
We interpret this to mean a confirmation of our request made through Dr. Miller that we be permitted to purchase New York City warrants up to One million dollars, and that in response to our request to the Board through Mr. Miller, the limit which we might invest in warrants had been increased to twenty per cent. of our reserves.

Are we right?

Yours very truly,

Handwritten signature of Theodore Wold
Governor

TW-C



FEDERAL RESERVE BOARD
WASHINGTON

FEDERAL RESERVE BOARD FILE
3336-2
267

The telegram given below is hereby confirmed.

2-7729

Assistant Secretary.

March 6, 1915.

OK
Board Meeting
March 6
APW

Theodore Weld, Governor,
Federal Reserve Bank,
Minneapolis, Minn.

Your application to the Board through Mr. Miller under date March third for power to increase investment in New York City warrants approved this morning up to limit of twenty percent.

Willis,

Secretary.

7m 40.

TELEGRAM
FEDERAL RESERVE BOARD
WASHINGTON

FEDERAL RESERVE BOARD FILE
333-2620

March 4, 1914.

Governor Weld,
Federal Reserve Bank,
Minneapolis, Minn.

Replying yours March second, feel sure Board will approve additional
purchase New York warrants at Monday meeting.

A. C. MILLER

FEDERAL RESERVE BANK OF MINNEAPOLIS

NINTH DISTRICT

2332(4)

OFFICERS

THEODORE WOLD, GOVERNOR S. S. COOK, CASHIER

DIRECTORS

| | |
|---|--|
| JOHN H. RICH, CHAIRMAN AND FEDERAL RESERVE AGENT | P. M. KERST, VICE CHAIRMAN AND DEPUTY FEDERAL RESERVE AGENT |
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| JOHN W. BLACK, HOUGHTON, MICH. | F. P. HIXON, LA CROSSE, WISCONSIN |
| N. B. HOLTER, HELENA, MONT. | |

March 3, 1916.

Dr. A. C. Miller,
C/o Federal Reserve Board,
Washington, D.C.

Dear Doctor:

3/2/16

Referring to our letter to you of yesterday, asking for permission of the Board to increase the investment of New York City warrants beyond the 5% limit provided for in Regulation F, Circular 7 of 1915, inasmuch as we have from the member banks \$14,679,204.46, and our investment in municipal bonds this morning is \$1,204,177.36, we are rapidly nearing the limit of 10%, as provided for in paragraph 3 of the regulation, which we are permitted to invest in warrants of any and all kinds.

May we not therefore, in view of the fact that a number of other banks have been permitted to exceed their limit, ask the Board to increase the limit that this bank is permitted to invest in that class of securities?

Please wire the Board's decision in the matter.

Yours sincerely,

[Handwritten Signature]
Governor

*I suggest raising limit to 20%
A.C. Miller*

TW-C
[Handwritten initials]
[Handwritten initials]

FEDERAL RESERVE BANK OF MINNEAPOLIS

NINTH DISTRICT

333.2(9)

OFFICERS

THEODORE WOLD, GOVERNOR S. S. COOK, CASHIER

DIRECTORS

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|---|--|
| JOHN H. RICH, CHAIRMAN AND FEDERAL RESERVE AGENT | P. M. KERST, VICE CHAIRMAN AND DEPUTY FEDERAL RESERVE AGENT |
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| JOHN W. BLACK, HOUGHTON, MICH. | F. P. HIXON, LA CROSSE, WISCONSIN |
| | N. B. HOLTER, HELENA, MONT. |

March 2, 1916.

Dr. A. C. Miller,
C/o Federal Reserve Board,
Washington, D. C.

Dear Doctor:

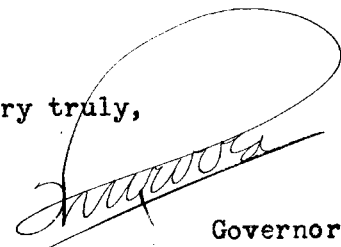
We are now carrying \$730,000. of New York City Revenue Warrants, issued in anticipation of payment of taxes, which is the maximum that we are permitted to purchase under Regulation F of January 26, 1915, except with the approval of the Federal Reserve Board.

Our committee have felt that under all the circumstances, in view of the meagre amount of rediscounts coming to us from member banks, and the excess reserve carried by member banks in this district, we would be justified in increasing our investment in New York City warrants up to one million dollars.

I wish you would, therefore, bring the matter before the Board, advising us as to their conclusion. We expect to have our regular monthly meeting of Directors on Monday of next week, and if the decision of the Board was favorable, it was our intention to then lay it before our own board for their consideration.

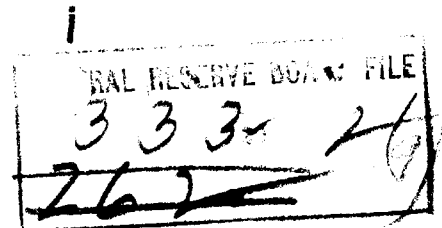
Awaiting the action of the Board, I am,

Yours very truly,



Governor

TW-C



February 18, 1916.

Mr. Theodore Weld,
Governor, Federal Reserve Bank of Minneapolis,
Minneapolis, Minnesota.

Dear Mr. Weld:

I have your kind favor of the 14th instant, enclosing copies of the Board's letter to you of the 9th and your reply to it of the 14th. I am very glad that you have brought this matter to my attention, for I should have been very sorry if any misconception as to the purpose of the Board's letter had been permitted to linger in your mind. That letter was prepared in our division of accounting in the course of the ordinary daily routine under the supposition that there might have been an error in your report of the transaction in question, errors of a similar nature due to clerical haste or inadvertence being not infrequently found in the returns made to the Board by the Reserve Banks. The letter was signed in the ordinary course by our Secretary, and neither the writer of the letter nor the signer had the slightest idea that there was anything in it that could be construed as questioning the propriety of the transaction or your motives.

I can see that the letter of February 9th might lend itself to some such construction of its purpose as you have put upon it (though I am bound to say, in all frankness, my dear Mr. Weld, that such a construction would strike me as being a strained one), but the

(2)

same may be said of many letters that originate in the course of a busy day where men are hurried and not always alive to the different impression that the words they write may produce upon those who read them. That is all, I assure you, that there is in this matter. I beg you, therefore, to dismiss it from your mind and to ask Mr. Decker to do the same in case he should have felt any irritation.

Believe me,

Sincerely yours,

A. C. MILLER

FEDERAL RESERVE BANK OF MINNEAPOLIS

NINTH DISTRICT

3322(9)

OFFICERS

THEODORE WOLD, GOVERNOR S. S. COOK, CASHIER

DIRECTORS

| | |
|---|--|
| JOHN H. RICH, CHAIRMAN AND FEDERAL RESERVE AGENT | P. M. KERST, VICE CHAIRMAN AND DEPUTY FEDERAL RESERVE AGENT |
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| JOHN W. BLACK, HOUGHTON, MICH. | F. P. HIXON, LA CROSSE, WISCONSIN |
| N. B. HOLTER, HELENA, MONT. | |

February 15, 1916.

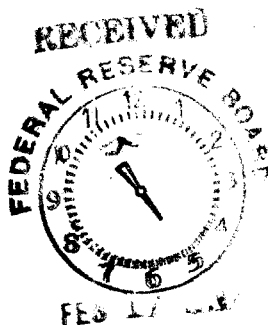
Mr. H. Parker Willis, Secy,
Federal Reserve Board,
Washington, D. C.

Dear Mr. Willis:-

Your letter of the 9th inst.,
with reference to schedule of investment S-2
No. 69, showing purchase on February 7th of \$100,000
of New York City warrants, has been referred to the
Governor of this bank for answer

Very truly yours,

J. H. Davis
Federal Reserve Agent.



FEDERAL RESERVE BANK OF MINNEAPOLIS

NINTH DISTRICT

333,2(9)

OFFICERS

THEODORE WOLD, GOVERNOR S. S. COOK, CASHIER

DIRECTORS

| | |
|---|--|
| JOHN H. RICH, CHAIRMAN AND FEDERAL RESERVE AGENT | P. M. KERST, VICE CHAIRMAN AND DEPUTY FEDERAL RESERVE AGENT |
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| JOHN W. BLACK, NOUGHTON, MICH. | F. P. HIXON, LA CROSSE, WISCONSIN |
| | N. B. HOLTER, HELENA, MONT. |

February 14, 1916.

Federal Reserve Board,

Washington, D.C.

Gentlemen:

Your favor of the 9th in reference to our schedule (S-2),
 No. 69, on February 7th, showing investments purchased, and inquiring
 as to how it happened that we had bought \$250,000. New York City warrants
 through the Federal Reserve Bank at New York at a rate of 2 3/10, and the
 same day purchased from the Northwestern National \$100,000. New York City
 warrants at 2 3/16, which you state was a lower rate than the rate at
 which we purchased warrants from the New York bank, is at hand.

In reply you are informed that your conclusion is not
 correct. Our auditor computes the return to us on the \$100,000. purchased
 from the Northwestern National at 2.188. After deducting the commission
 paid to the Federal Reserve Bank of New York of 1/8, those purchased through
 them net us 2.175. The reason for the purchase of the \$100,000. from the
 Northwestern National Bank is as follows:

We had requested that the Federal Reserve Bank of New York
 secure some New York warrants for us, and when they had arranged to make a
 purchase of something like \$6,000,000. they advised us they would be delivered
 at a certain time, and asked what proportion, if any, we desired. We responded
 by saying that we should like \$500,000. The amount they allowed us in this
 purchase was \$250,000. the balance going to themselves and other Federal Reserve
 Banks. The same date we were advised the amount of our participation by the

FRB-2

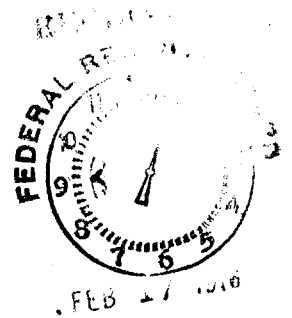
New York bank, Mr. Decker informed us that he had bought \$100,000. warrants from Goldman, Sachs & Co. at 2 3/10, and I insisted upon his turning them over to us. It was not done as an accommodation to the Northwestern National, but the Northwestern National as an accommodation to this institution turned them over to us without any consideration, whatever, we receiving them at the exact price which they had purchased them for.

You also inquire whether the purchase was made as stated, from the Northwestern National Bank of this city, and in reply you are informed that neither this bank nor its officers are in the habit of making false returns, and we take exception to the insinuation or intimation that there may have been something covered up in this transaction. The warrants were purchased from the Northwestern National Bank as and in the manner above described.

Yours truly,

[Handwritten Signature]
Governor

TW-C



262
FEDERAL RESERVE BOARD FILE
200.6

HJ/AM

February 9, 1916.

Sir:

Your schedule of Investments purchased (S-2), No. 69, shows the purchases on Feb. 7 from the Northwestern National Bank at Minneapolis of \$100,000 of New York City warrants at the rate of $2 \frac{3}{16}\%$. As this rate is lower than the rate reported by the New York Federal Reserve Bank on the purchase of like warrants for the same date, will you be good enough to confirm the correctness of the rate shown in your schedule, also whether the purchase was made as stated from the Northwestern National Bank of your city.

In the future may I ask you to report to us the rate at which investment is made separately from the commission paid, e. g. $2 \frac{5}{16}\%$ less $1/8\%$ commission.

Respectfully,

Secretary.

Mr. John H. Rich,
Chairman, Board of Directors,
Federal Reserve Bank of Minneapolis.

[Handwritten signature]

#9

FEDERAL RESERVE BOARD FILE
333 • 2 (1)

November 11, 1915.

Dear Governor Wold:

I thank you for your letter of November ninth, sending me a memorandum concerning the Minnesota State warrants, which I have studied with great interest. It is indeed a very strong showing.

We had already discussed in the Board before receipt of your letter your application to be permitted to buy these warrants up to from \$1,500,000 to \$2,500,000. You will receive an official letter from the Board, acting favorably upon your request.

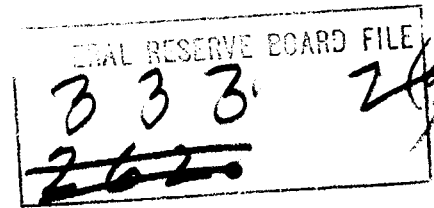
I received some reprints of my St. Paul speech, and I would like to avail myself of this opportunity of thanking you for your great courtesy in this and many other matters.

I still have very pleasant recollections of the days spent with you in Minneapolis, and am, with kindest regards,

Very sincerely yours,

(Signed) PAUL M. WARBURG.

Theodore Wold, Esq.,
Governor, Federal Reserve Bank,
Minneapolis, Minn.



November 10, 1915.

Dear Sir:

The Board has your letter of November sixth in which you advise that your bank has been able to effect arrangements with the Treasurer of the State of Minnesota for the purchase of warrants of the State, issued in anticipation of taxes, at the rate of 4 %; your bank to have the privilege of taking as many of these warrants as it desires; the Twin City banks having agreed to furnish the balance of the money as and when needed. You state that the money will be needed between now and March first and will vary in amount between \$1,500,000 and \$2,500,000.

In view of the fact that the amount of commercial paper which may be offered to you for rediscount has proved disappointingly small, and in view of the necessity of your bank to find a source of revenue, and in view of the excellent quality of these State warrants; the Board does not see any objection to granting you the privilege of buying these State warrants in excess of the 25 % limit.

It would appear, however, that it would be sufficient at this moment to fix the limit at \$1,500,000 and grant a further increase, if it should be desired at that time, as soon as this limit shall be reached. Inasmuch as the requirement will be made between now and March next, it may be just as well to leave the matter in this way, which can be done all the more readily inasmuch as you state that the Twin City banks will leave you a free hand in the matter in case you should desire to purchase more. The excellent quality of the

(2)

warrants would, of course, render it entirely possible for the Board to permit an investment even up to the larger limit mentioned by you, but your Board of Directors will, when the time comes, no doubt want to consider carefully whether so large an amount should be invested for six months.

Very truly yours,

Secretary.

Theodore Wold, Esq.,
Governor, Federal Reserve Bank,
Minneapolis, Minnesota.

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3332(9)

FEDERAL RESERVE BANK OF MINNEAPOLIS

NINTH DISTRICT

OFFICERS

THEODORE WOLD, GOVERNOR S. S. COOK, CASHIER

DIRECTORS

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| JOHN H. RICH, CHAIRMAN AND FEDERAL RESERVE AGENT | P. M. KERST, VICE CHAIRMAN AND DEPUTY FEDERAL RESERVE AGENT |
| J. C. BASSETT, ABERDEEN, S. DAK. | E. W. DECKER, MINNEAPOLIS, MINN. |
| F. R. BIGELOW, ST. PAUL, MINNESOTA | L. B. HANNA, FARGO, N. DAKOTA |
| JOHN W. BLACK, HOUGHTON, MICH. | F. P. HIXON, LA CROSSE, WISCONSIN |
| N. B. HOLTER, HELENA, MONT. | |

November 9, 1915.

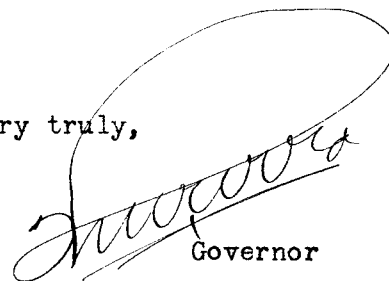
Mr. Paul M. Warburg,
C/o Treasury Building,
Washington, D.C.

Dear Mr. Warburg:

In connection with the purchase of Minnesota State Warrants drawn in anticipation of taxes which will be paid by public service corporations on or before March 1st, about which we wrote the Board last week. asking for permission to purchase such an amount as in the judgment of our directors and executive committee would be advisable, I am enclosing herein information regarding the issue.

Your attention is especially directed to the fact that while the total taxable property was \$1,490,000,000. there was no indebtedness by the way of bonds or warrants outstanding, and as I wrote you, the State of Minnesota probably has the largest invested school fund of any state in the Union.

Yours very truly,


Governor

TW-C

FEDERAL RESERVE BANK OF MINNEAPOLIS
 DATA REGARDING MUNICIPAL REVENUE WARRANTS OR NOTES

- 1- Name of municipality (or political division)... State of Minnesota.....
- 2- Population (last Federal census) ..2,075,708.....
- 3- Total valuation of taxable property (as of 1915.).....\$1,490,000,000.00
- 4- Total indebtedness.....\$.. None.....
 Less,--
 (a) Obligations payable from current revenues,....\$.. None.....
 (b) Outstanding bonds issued for public utilities providing income sufficient for maintenance, interest, and sinking fund\$.. None.....
 (c) Outstanding improvement bonds paid by special assessments against abutters provided they are included in total indebtedness.....\$.. None.....
 (d) Sinking funds.....\$.. None.....
- Total \$.....\$.. None.....
- 5- Net funded indebtedness.....\$.. None.....
 (Total indebtedness less total of (a) (b) (c) (d).)
- 6- Percentage of net funded indebtedness to total valuation.....None.....%
- 7- Description of present issue of revenue warrants (or notes)... State Auditors Warrants drawn on Revenue fund in amount esitimated at \$2,000,000.00.....
- 8- Date of maturity. On demand, not later than Mch. 1st. 1916.....
- 9- Are the warrants issued in anticipation of taxes or assured revenues?... Yes.....
- 10- What is last day on which taxes in anticipation of which the warrants are issued can be paid without penalty?..... Mch 1st 1916
- 11- Are the warrants the general obligations of the entire municipality?... Yes.....
 to be
- 12- Total amount of revenue warrants issued and outstanding and payable from tax levy or assured revenues applicable to payment of issue described in (7)...\$2,000,000. est.
- 13- Has the municipality been in existence for 10 years?... Yes.....
- 14- Has the municipality during such period defaulted for longer than 15 days in payment of principal or interest of any funded debt?... No.....
- 15- Are the warrants registered at any bank or trust company?... No.....
- 16- Has legal opinion as to validity of issue been given? If so, by whom?.. Legislature and Constitution of State.....

(Signed)... J. A. O. Preus, State Auditor
 D

NOTE. Data herein requested should preferably be given by certificate of the comptroller or other proper officer of the municipality. For full requirements see Regulation F, Series of 1915, of Federal Reserve Board.

FEDERAL RESERVE BANK OF MINNEAPOLIS

NINTH DISTRICT

333 2(9)

OFFICERS

THEODORE WOLD, GOVERNOR S. S. COOK, CASHIER

DIRECTORS

| | |
|---|--|
| JOHN H. RICH, CHAIRMAN AND FEDERAL RESERVE AGENT | P. M. KERST, VICE CHAIRMAN AND DEPUTY FEDERAL RESERVE AGENT |
| J. C. BASSETT, ABERDEEN, S. DAK. | E. W. DECKER, MINNEAPOLIS, MINN. |
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| JOHN W. BLACK, HOUGHTON, MICH. | F. P. HIXON, LA CROSSE, WISCONSIN |
| | N. B. HOLTER, HELENA, MONT. |

November 6, 1915.

Federal Reserve Board,
Washington, D.C.

Gentlemen:

The State of Minnesota usually at this season of the year finds its general funds short and is in the habit of borrowing money on warrants drawn in anticipation of taxes which will accrue in March following. All the indebtedness thus incurred, is always paid on or before March 1st following. The State of Minnesota has no bonded debt, and I believe has the largest invested school fund of any state in the Union.

We have been able to effect arrangements with the Treasurer to furnish him money upon such warrants issued in anticipation of taxes, as and when needed, between this date and March 1, 1916, at a rate of 4%. The amount needed is not known definitely, depending to some extent upon other revenues of the State coming in in the meantime. It is possible that it may be \$2,500,000. It is possible that they may not run to exceed \$1,500,000. but in any event, our arrangement is such that we have those first issued, until our needs are satisfied, when the Twin City banks will furnish the balance of the money as and when needed.

Our desire is to take on just as many of these warrants as your Board will permit us to. They are absolutely good. The rate, you

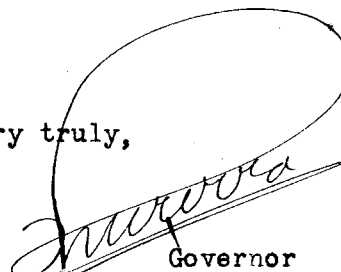
3

Federal Reserve Board---2

will admit is a very attractive one, and we would not care, of course, to have that given any publicity. I trust you will permit us to purchase as many of these warrants as in the judgment of the Directors and Executive Committee of this bank, is deemed wise.

Awaiting your early reply, I am,

Yours very truly,



Governor

TW-C



Form 40

119

TELEGRAM

FEDERAL RESERVE BOARD

WASHINGTON

FEDERAL RESERVE BOARD FILE

333-2

2628

August 25, 1915.

Governor,
Federal Reserve Bank,
Minneapolis, Minn.

Authorization purchase New York City warrants, requested your letter
August twenty, given subject to other provisions regulations governing
these matters.

Assistant Secretary.

Handwritten initials

FEDERAL RESERVE BOARD FILE
333-2
~~Assistant Secretary~~

PCM.

August 23, 1915.

Dear Governor Wold:-

At a meeting of the Executive Committee of the Federal Reserve Board held this morning, your request of August 20th, to purchase \$350,000 additional warrants of the City of New York, due December 1st on a 2½% basis, delivery to be made on August 25th, was approved, subject to the other regulations of the Federal Reserve Board governing such purchases.

It was noted that you now own warrants of the City of New York to the amount of \$256,000.00, and that \$154,500 of this amount will mature on September 1st, this resulting in your carrying a larger amount of warrants than authorized by the regulations for the period of August 25th to September 1st, 1915.

Very respectfully,

Assistant Secretary.

Mr. Theodore Wold,
Governor, Federal Reserve Bank,
Minneapolis, Minn.

33.2(9)

FEDERAL RESERVE BANK OF MINNEAPOLIS

NINTH DISTRICT

OFFICERS

THEODORE WOLD, GOVERNOR S. S. COOK, CASHIER

DIRECTORS

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| JOHN W. BLACK, HOUGHTON, MICH. | F. P. HIXON, LA CROSSE, WISCONSIN |
| N. B. HOLTER, HELENA, MONT. | |

August 20, 1915.

Federal Reserve Board,
Washington, D.C.

Gentlemen:

We are now carrying warrants of the City of New York to the amount of \$256,000.00, \$154,500. of which will mature on September 1st. The Federal Reserve Bank of New York advises us that they have arranged the purchase of \$9,000,000. New York City warrants due December 1st on a 2 1/2% basis, to be delivered August 25th.

We desire to participate with them to the amount of \$350,000. in this purchase, and have so advised them. This, however, would leave us with a larger amount, than authorized by your regulations, for the period between August 25th and September 1st. If the Board have any objection to it, I wish you would kindly wire immediately, and we will make other arrangements to have them carried during that period.

Yours very truly,

Frederic Wold
Governor

WLS

TW-C

Warrants

#9

FEDERAL RESERVE BOARD FILE
333-29
262

April 17, 1915.

Dear Sir:-

Your letter of April 15th, asking that you be furnished with a copy of a letter addressed to the Federal Reserve Bank of Philadelphia, relative to warrants by way of rediscount, is received.

I am sending you a copy of a letter addressed to Federal reserve agents on February 25th which I think covers the matter which you have in mind. If it does not and you will address the specific inquiry to the Board I shall be glad to see that it is given prompt attention.

200.6

Respectfully,

Secretary.

Mr. Theodore Wold,
Governor, Federal Reserve Bank,
Minneapolis, Minn.

FEDERAL RESERVE BANK OF MINNEAPOLIS

NINTH DISTRICT

333 2 (9)

OFFICERS

THEODORE WOLD, GOVERNOR S. S. COOK, CASHIER

DIRECTORS

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| JOHN W. BLACK, HOUGHTON, MICH. | F. P. HIXON, LA CROSSE, WISCONSIN |
| N. B. HOLTER, HELENA, MONT. | |

April 13, 1915.

Mr. H. Parker Willis, Secretary,

Federal Reserve Board,

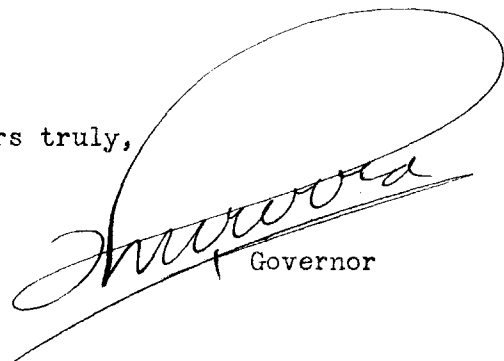
Washington, D.C.

Dear Doctor Willis:

Some time ago the Federal Reserve Bank of Philadelphia was authorized by letter to handle warrants by ~~the~~ way of a rediscount, with endorsement of the member bank, under certain conditions.

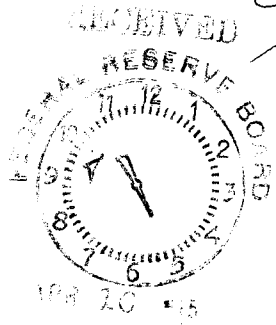
I do not find that any general ruling has been made. If it has and I have overlooked it, kindly call my attention to it. If not, will you kindly send me a copy of the letter sent to Governor Rhoads on that question, and advise me if we may be permitted to operate under it?

Yours truly,



Governor

TW-C



RRB

79

| | |
|-----------------|----|
| FIVE BOARD FILE | |
| 333 | 24 |
| 267 | |

January 29, 1915.

S I R:-

Your letter of January 26th relative to the purchase of warrants by your Bank has been presented to the Federal Reserve Board and duly considered.

The existing regulations as to warrants fixes the limit not at 5% but at 10% of the deposits kept by member banks with the Federal Reserve Bank, and it would appear that your letter must have been based to that extent, on a misapprehension.

In order that there may be no doubt about the matter, however, the Board has authorized you to proceed with the purchase you have described.

I have the honor to be,

Respectfully yours,

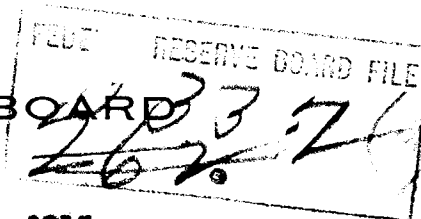
Secretary.

Mr. Theodore Wold, Governor,
Federal Reserve Bank,
Minneapolis, Minn.

Form 40

REB

#19
TELEGRAM
FEDERAL RESERVE BOARD
WASHINGTON



January 29, 1915.

Theodore Weld, Governor
Federal Reserve Bank
Minneapolis, Minn.

Board has authorized the purchase of warrants you describe in your letter of January twenty sixth.

H. P. Willis

Secretary.

OFFICIAL BUSINESS

GOVERNMENT RATES

CHARGE FEDERAL RESERVE BOARD

or

THEODORE WOLD, GOVERNOR
S. S. COOK, CASHIER

JOHN H. RICH, CHAIRMAN OF BOARD
P. M. KERST, DEPUTY CHAIRMAN

FEDERAL RESERVE BANK
NINTH DISTRICT

333.2 (9)

MINNEAPOLIS, MINN., January 26, 1915.

Federal Reserve Board,
Washington, D.C.

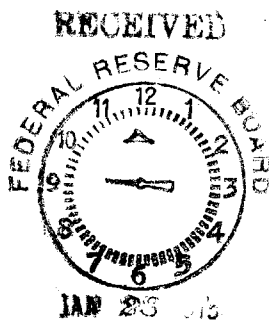
Gentlemen:

We have been offered some warrants issued by one of the principal cities in the Iron Range District of Minnesota, which are issued in anticipation of taxes which have been levied, and will accure June 1st, but inasmuch as we now have our limit as provided in your tentative regulation on local market operations, we wish that you would permit us to make application to have such limit raised, at least temporarily. Between six and seven hundred thousand dollars of our investments in warrants are those of the State of Minnesota, which will be retired within the next thirty days and may be retired any day. When those are paid, of course we will have plenty of leeway, but should we effect a purchase of the new warrants before the State began to liquidate those which we are holding, it would be an excess over the five per cent which your Board has fixed that we may invest in that character of security.

Awaiting your early reply, I am,

Yours very truly,

Theodore Wold
Governor



TW-C

Treasury Department

TELEGRAM

13PO MO 79 R U S H 1 ex

9

H MINNEAPOLIS Minn Dec 17 1914

FEDERAL RESERVE BOARD FILE
333-262

File
Aug
10/19/14

H Parker Willis Secretary

Washington D C

Has anything been determined regarding the basis upon which we may purchase warrants? The State warrants about which I consulted members of board when in Washington last week were taken by our friends with the expectation that within two or three days we would be in a position to take them off their hands. They have other opportunities of disposing of them now and are a little impatient in not getting a definite answer from us. Wire instructions

Theodore Wold, Governor

1233pm

FEDERAL RESERVE BOARD

WASHINGTON

November 27, 1914.

MEMORANDUM FOR MR. WILLIS:

Referring to the attached telegram to you from Governor Wold:

While this investment is desirable, it will be very difficult to explain why we should refuse to let the banks and the business communities have the advantage of a 5% rate when we are willing to buy warrants on that basis. After a while when we shall have a substantial amount of discounts, these investments will slip in to advantage, but a bank statement showing no discounts or hardly any at all, with discount rates at 5½% and 6% while we purchase these warrants at 5%, would lead to comment.

It would appear as if our Federal reserve banks would have to be a little bit patient with us before we can give them a free hand to proceed a little bit more along business lines.

Paul M. Warburg.

*

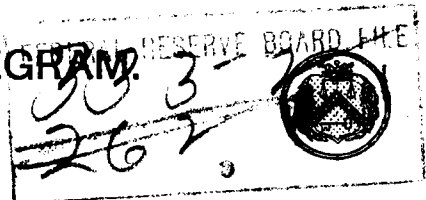
Warrant

#9
Wold

1
262
233-2

373,2(9)

TREASURY DEPARTMENT TELEGRAM



RE
WHERE WRITTEN:

Federal Reserve Board

#9

Washington,

November 25, 1914.

3332(1)

Mr. Theo. Gold,

Governor, Federal Reserve Bank,

Minneapolis, Minn.

Your wire twenty-fifth. Board would like to know before committing
itself how much you wish to invest in the warrants, and about what
rate you think you would have to pay for same.

Secretary.

OFFICIAL BUSINESS.

GOVERNMENT RATES.

CHARGE TREASURY DEPARTMENT, APPROPRIATION FOR _____

2-6827

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

DEPARTMENTAL STOCK FORM 212B.

THE WESTERN UNION TELEGRAPH COMPANY

INCORPORATED

25,000 OFFICES IN AMERICA. CABLE SERVICE TO ALL THE WORLD

This Company TRANSMITS and DELIVERS messages only on conditions limiting its liability, which have been assented to by the sender of the following message. Errors can be guarded against only by repeating a message back to the sending station for comparison, and the Company will not hold itself liable for errors or delays in transmission or delivery of Unrepeated Messages, beyond the amount of tolls paid thereon, nor in any case beyond the sum of Fifty Dollars, at which, unless otherwise stated below, this message has been valued by the sender thereof, nor in any case where the claim is not presented in writing within sixty days after the message is filed with the Company for transmission. This is an UNREPEATED MESSAGE, and is delivered by request of the sender, under the conditions named above.

THEO. N. VAIL, PRESIDENT

BELVIDERE BROOKS, GENERAL MANAGER

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MINNEAPOLIS MINN NOV 24 1914

And

FEDERAL RESERVE BOARD TREASURY BUILDING

WASHN DC

THE STATE OF MINNESOTA IS ABOUT TO ISSUE AND SELL
TWO MILLION DOLLARS IN WARRANTS IN ANTICIPATION OF TAXES WHICH
WILL BE PAID MARCH NINETEEN FIFTEENTH THE HIGHEST RATE OF
THE INTEREST THE STATE MAY PAY UNDER/LAW IS FIVE
PERCENT WE WOULD LIKE YOUR PERMISSION AND YOUR AUTHORITY TO
NEGOTIATE FOR THESE WARRANTS APPLICATIONS FOR REDISCOUNTS FROM MEMBER
BANKS HAVE BEEN VERY MEAGER AND WE ARE ANXIOUS TO EMPLOY
IN THIS ONLY A PORTION OF OUR FUNDS UNTIL THE
SPRING ACTIVITIES BEGIN PLEASE LET IS HEAR BY WIRE

FEDERAL RESERVE BANK OF MINNEAPOLIS, THEO WOLD GOVR

#9
Treasury Department

TELEGRAM

33-2
260
Put on file

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CG MINNEAPOLIS MINN Nov 25 1914

H Parker Willis,
Wash'n D C

333.2 (9)

Referring to our night letter regarding state warrants the twin city banks had agreed to take them at five percent I would recommend that we take them at the same rate I feel satisfied that the twin city member banks will release their rights in our favor our executive committee feel that it would be perfectly safe for us to carry the entire issue early advice on your desision would be appreciated

Theodore Wold

Governor

314p