

#70

332.24
FEDERAL RESERVE BOARD FILE
333

FEDERAL RESERVE BANK
OF
KANSAS CITY

J. Z. MILLER, JR.
GOVERNOR
J. L. CROSS
DEPUTY GOVERNOR
ARCH W. ANDERSON
SECRETARY-CASHIER
C. A. WORTHINGTON
ASSISTANT CASHIER

ASA E. RAMSAY, CHAIRMAN
AND FEDERAL RESERVE AGENT
FRANK W. FLEMING
DEPUTY CHAIRMAN
C. K. BOARDMAN
ASST. FEDERAL RESERVE AGENT

April 3, 1919.

333.4 (10)

Mr. J. A. Broderick, Secy.,
Federal Reserve Board,
Washington, D. C.

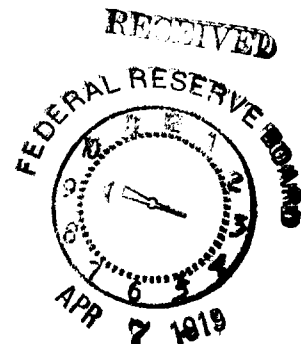
Dear Mr. Broderick:

As suggested in your telegram of
April 3rd, we have today wired the Federal Reserve
Bank of New York that we should discontinue
participation in their acceptance purchases until
our own reserve position improves.

Yours truly,



Governor.



#10
FEDERAL RESERVE BOARD
WASHINGTON

FEDERAL RESERVE BOARD FILE
333.

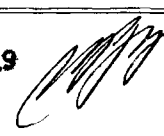
The telegram given below is hereby confirmed.

2-7729

Assistant Secretary.

#10

April 3, 1919



333.4(10)

Miller - Kansas City.

Board suggests that your bank discontinue its participation in New York's acceptance purchases until the reserve position of your bank improves.

Harding.

FOR APPROVAL OF GOVERNOR
and Return to _____

FEDERAL RESERVE BOARD FILE
333

#10
FEDERAL RESERVE BANK OF KANSAS CITY

TENTH DISTRICT

MAY 14 1917
OFFICE OF
MR. DELANO

~~Handwritten signature~~

MAY 11th
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file
333.4(10)

Honorable F. A. Delano,
FEDERAL RESERVE BOARD,
Washington, D. C.

Dear Mr. Delano: -

At the meeting of the Directors yesterday, the matter of participation in the agreement recently made between the Federal Reserve Bank of New York City, the Bank of England, the Bank of France and the Government Bank of Argentina, was considered, and, after a thorough discussion, it was voted to take a participation for this Bank to the extent of 5 per cent. of the undertaking.

A letter was read from the Federal Reserve Bank of New York, stating that Secretary McAdoo had discussed the possible needs of the Treasury Department to call upon Federal Reserve Banks for possibly as much as \$50,000,000.00 upon short-time Treasury notes to meet urgent sudden demands of foreign governments, and it was voted that this Bank should participate for its proportionate share in such loan.

A great deal of time was taken up in the discussion of the "Liberty Loan" and it was the opinion of our Directors that it would take vigorous and continuous effort to secure subscriptions for the amount to which this District should subscribe.

As soon as we receive the official announcement from the Treasury department giving all the details, we will push it as vigorously as we can.

Very truly yours,

Gas. McAdoo

Chairman, Board of Directors.

CMS-U

Mr Delano

*Thank you
Lud.*

2

Confidential

#10

FEDERAL RESERVE BOARD FILE
262
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FEDERAL RESERVE BANK OF KANSAS CITY.

TENTH DISTRICT

333.4(10)

May 27, 1916.

RECEIVED
MAY 29 1916
OFFICE OF
VICE-GOVERNOR

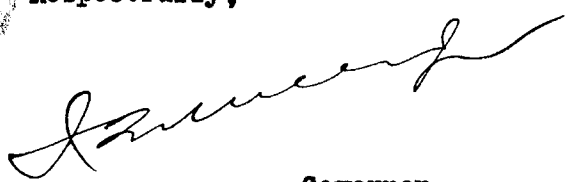
Honorable F. A. Delano,
Vice Governor, Federal Reserve Board,
Washington, D. C.

Dear Mr. Delano:

Following up the suggestion made in your letter of the 15th instant, addressed to the Federal Reserve Agent of this bank, carbon copy of which was mailed to me, and in which you express the opinion that it would be desirable for the central western banks to permit their investments in municipal warrants and bankers' acceptances to run down, - at least until the reserves were 60%:

I am enclosing herein carbon copy of a letter which we are to-day writing to Governor Strong of New York, asking that, temporarily at least, our participation be otherwise allotted as he may see fit.

Respectfully,



Governor.

1 Enclosure.

FEDERAL RESERVE BANK OF KANSAS CITY

TENTH DISTRICT

May 27, 1916.

333.4(10)

Mr. Benjamin Strong, Jr.,
Governor, Federal Reserve Bank,
New York City, New York.

Dear Governor Strong:

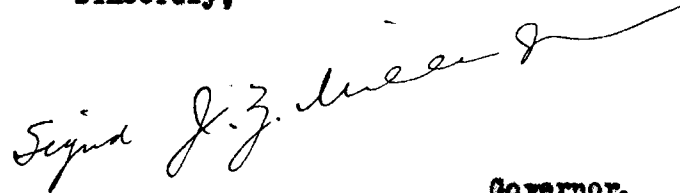
5/15/16

A few days ago we received a letter from Vice Governor Delano, probably a general letter also sent to some of the other banks, in which he suggests the importance of getting in the strongest possible shape for eventualities in the next few months. Governor Delano expresses the belief that it would be desirable to increase the loaning power of each of the banks by increasing reserves to, say, 60%; and that, if necessary, it might be well for the central western Federal reserve banks to let the amount of investments in municipal warrants and bankers' acceptances run down. He also expresses the view that it would be desirable to make sale of the Conversion 3% bonds, and possibly also the one year gold notes..

Since we are obligated to re-purchase the gold notes at their maturity, I can hardly believe that we would be warranted in making a sale of them, but I do think that we should sell our Conversion 3% bonds at the first opportunity we can get the new minimum price, 103, or better. We hope at a very early date you will have occasion to advise us of the sale of these bonds.

Our reserves at this writing are about 54%, which, in the aggregate, are about \$1,200,000.00 short of the 60% recommended in Governor Delano's letter; and, while we do not wish to permanently relinquish our participation in your distribution of bankers' acceptances and municipal warrants, temporarily, and until further advice, it will be satisfactory to us, effective June 1st, for you to distribute as you may see fit the proportion of such securities which has heretofore been allotted to us.

Sincerely,



Governor.

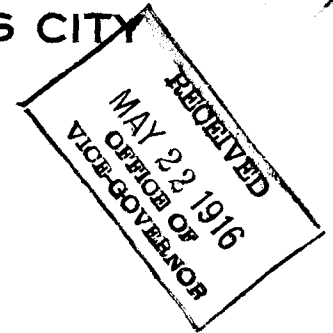
C. C. to
Vice Gov. Delano.

333.4(10)

FEDERAL RESERVE BANK OF KANSAS CITY

TENTH DISTRICT

May 19, 1916.



Honorable F. A. Delano,
Vice Governor, Federal Reserve Board,
Washington, D. C.

Dear Mr. Delano:

Mr. Sawyer has shown me your letter of the 15th instant, in which you express your belief that it would be desirable to considerably increase our loaning power, by increasing our reserves to, say, 60%. The letter suggests that we permit the amount of our investments in city warrants and bankers' acceptances to run down, and that we sell our 3% conversion bonds, and if good opportunity occurs, our 3% gold notes as well.

We have been in correspondence with the Federal Reserve Bank of New York regarding the sale of our conversion 3's, and look for a sale at a very early date, since a very low price, -103,- has been agreed upon.

I feel sure that the installment of reserves which is now being paid in will increase our reserves to 60%, without reduction of our investment in bankers' acceptances and warrants.

As you know, we have about \$6,300,000 of Federal reserve bank notes, which, in case of need, we could convert immediately into gold by purchasing with them bills from member banks, which we would use with the Federal Reserve Agent for Federal reserve notes, and which notes we would simultaneously present to the Agent for redemption in gold, a sufficient quantity of which he has on hands for that purpose.

Sincerely,

A handwritten signature in cursive script, appearing to read "John A. ...".

Governor.

FEDERAL RESERVE BANK OF KANSAS CITY

TENTH DISTRICT

333.4 (10)

MAY 18th,
1916

RECEIVED
MAY 20 1916
OFFICE OF
VICE-GOVERNOR

Hon. F. A. Delano,
Vice-Governor,
FEDERAL RESERVE BOARD,
Washington, D. C.

Dear Mr. Delano: -

I have your letter of the 15th, suggesting that we increase our reserve to 60% or more so as to be in condition to meet any eventualities and that in your opinion it would be well to allow our investments in city warrants and bankers' acceptances to run off in order to increase our reserve.

We will have \$835,000, of New York City warrants maturing on the 3rd, 5th and 6th of June, and will not take on other warrants at this time to replace them. We figure that this amount together with the additional reserves now being paid in will increase our reserves to more than 60%.

I will call the attention of our Executive Committee and Directors to your suggestion and assume that they will concur in the proposition to sell our 3% conversion bonds but I cannot see any advantage in selling the one year notes since we would not be relieved of our obligation by such sale to renew same each year.

Very truly yours,

CMS-U

Chas. M. Sawyer
Chairman, Board of Directors.

DECLASSIFIED

Authority EO 13958Confidential333.4(10)
May 15, 1916.

Mr. Chas. M. Sawyer,
Federal Reserve Agent,
Kansas City.

My dear Mr. Sawyer:

A matter which has come up for informal discussion of the Board and which, at the request of the Board, I wish to direct your attention to is that of getting your Bank in the strongest possible shape for eventualities in the next few months. The Board does not want to be understood as expressing alarm at the situation, but rather advising extreme prudence and caution on the part of each Federal Reserve Bank. We believe that it would be desirable to increase very considerably the loaning power of each of the Banks by increasing reserves. ^{to say 60%} The additional payment of reserve deposits, due tomorrow, May 16th, will of course very considerably help the situation, and it has occurred to us that it might be well to let investments in city warrants and bankers' acceptances, especially in central western banks, run down. Another thing which has occurred to us as desirable would be the sale of conversion 3% bonds and possibly also of the notes when you can avail yourselves of a good market.

Will you kindly bring this matter to the attention of your executive committee and directors?

Yours very truly,

'(SIGNED) F. A. DELANO.

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Authority EO 13958

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#10.

FEDERAL RESERVE BOARD FILE
333.4
262

333.4(10)

October 30, 1915.

S I R :

Grant

This is to advise you that the Board's
letter of October 8 ^{x 374} relating to open market opera-
tions has been slightly modified by the insertion
of the words " with respect to bills of exchange"
on the last page of the letter after the words "free
to exercise the authority granted under Section 14. "
This addition does not alter the sense of the letter
but has been introduced for the sake of clearness.
The letter as thus modified will be officially pub-
lished in the Federal Reserve Bulletin for November.

Respectfully,

Secretary.

Mr. J. F. Miller, Jr.,
Chairman, Board of Directors,
Federal Reserve Bank of Kansas City.

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Authority EO 13958

FEDERAL RESERVE BOARD FILE
333
376

OFFICERS:
J. Z. MILLER, JR.,
FEDERAL RESERVE AGENT
ASA E. RAMSAY,
DEPUTY FEDERAL RESERVE AGT.
CHAS. M. SAWYER,
GOVERNOR
JEROME THRALLS,
SEC-CASHIER

DISTRICT NO. 10
FEDERAL RESERVE BANK
KANSAS CITY, MISSOURI

DIRECTORS:
W. J. BAILEY, ATCHISON, KANS.
C. E. BURNHAM, NORFOLK, NEB.
T. C. BYRNE, OMAHA, NEB.
GORDON JONES, DENVER, COLO.
R. H. MALONE, DENVER, COLO.
M. L. MCCLURE, KANSAS CITY, MO.
J. Z. MILLER, JR., KANSAS CITY, MO.
A. E. RAMSAY, KANSAS CITY, MO.
L. A. WILSON, EL RENO, OKLA.



333-4(10)

October 12, 1915.

Federal Reserve Board,
WASHINGTON, D. C.

Gentlemen:

This will acknowledge the receipt of your communication of the 8th instant, with which you enclosed copy of opinions of Counsel for the Board in the matter of open market transactions.

As requested, these will be brought to the attention of our Board of Directors at its next meeting.

Respectfully,

[Handwritten signature]

Chairman of the Board.



x376

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Authority EO 13958

OFFICERS:
J. Z. MILLER, JR.,
FEDERAL RESERVE AGENT
ASA E. RAMSAY,
DEPUTY FEDERAL RESERVE AGENT
CHAS. M. SAWYER,
GOVERNOR
JEROME THRAKLE,
CASHIER

*Proposed sale
of motor exchange
from persons & corporations*

DISTRICT NO. 10

FEDERAL RESERVE BANK

KANSAS CITY, MISSOURI

FEDERAL RESERVE BOARD
W. B. BAILEY, ARK. (1914)
C. J. HAMMILL, ILL. (1914)
T. C. BURNE, CALIF. (1914)
J. H. HONN, IOWA (1914)
J. H. HONN, IOWA (1914)
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J. H. HONN, IOWA (1914)
J. H. HONN, IOWA (1914)
J. H. HONN, IOWA (1914)



July 12, 1915.

333.4/104

Federal Reserve Board,
Washington, D. C.

Gentlemen:

We thank you for your communication of the 10th instant, relative to the purchase and sale of domestic exchange from and to persons and corporations other than member banks.

Respectfully,

John Miller
Chairman of the Board.

JRM

DECLASSIFIED
Authority EO 13958

#10

FEDERAL RESERVE BOARD FILE

333 4 70

July 10, 1915.

My dear Mr. Miller:

Answering your letter of July 2, I think there can be no doubt that, under Section 14 of the Federal Reserve Act, Federal reserve banks have the right "to buy or sell domestic exchange from and to persons and corporations other than member banks." At the same time the spirit of the Act is that whatever benefits there are should accrue to members and stockholding banks, and, through them, to the general public. If by buying and selling exchange the Federal reserve bank is rendering important service to non-member banks, I think the members would have reasonable grounds for complaint. They could very well say that they should not be taxed to maintain an organization for the benefit of their competitors.

If, however, the buying and selling of exchange can be defended on the ground that it is primarily for the benefit of the Federal reserve bank, and in that way it benefits stockholding or member banks, the action could not be criticised.

Yours very truly,

Secretary.

Mr. J. Z. Miller, Jr.,
Chairman, Board of Directors,
Federal Reserve Bank of Kansas City.

DECLASSIFIED
Authority EO 13958

*Purchase of
Domestic Exchange # 10*

FEDERAL RESERVE BOARD FILE
260

333.4(10)

July 7, 1915.

Sir:

Your letter of July 2, relating to the purchase and sale of domestic exchange in transactions with other than member banks, has been received. I shall take the matter up at once with the Board, and advise you as early as possible of the decision on the points you raise.

Respectfully,

Secretary.

Mr. J. E. Miller, Jr.,
Chairman, Board of Directors,
Federal Reserve Bank of Kansas City.

DECLASSIFIED

Authority EO 13958

322. 414

FEDERAL RESERVE BOARD

WASHINGTON

July 9th, 1915.

My dear Mr. Miller:

Answering your letter of July 2nd, I think there can be no doubt that under Section 14, of the Federal Reserve Act, Federal Reserve Banks have the right "to buy or sell domestic exchange from and to persons and corporations other than member banks." At the same time the spirit of the Act is that whatever benefits there are should accrue to members and stockholding banks and, through them, to the general public. If by buying and selling exchange the Federal Reserve Bank is rendering ~~important~~ service to non-member banks, I think the members would have reasonable grounds for complaint. They could very well say that they should not be taxed to maintain an organization for the benefit of their competitors.

If, however, the buying and selling of exchange can be defended on the ground that it is ^{primarily} for the benefit of the Federal Reserve Banks and in that way it benefits stockholding or member banks, the action could not be criticised.

Yours very truly,


 Secretary.

Mr. J. E. Miller,
 Federal Reserve Agent, Kansas City, Mo.

DECLASSIFIED
Authority EO 13958

333. 4(10)

FEDERAL RESERVE BOARD

RECEIVED
JUL 8 1915
OFFICE OF
VICE-GOVERNOR

July 8, 1915.

Dear Mr. Delano:

I send Mr. Miller's letter ^{7/2/15} as to domestic exchange to you as one of the members of the Executive Committee, as I shall go away tomorrow. I shall be glad to talk with you about it at any time tomorrow before four o'clock.

Sincerely yours,

C. S. Hamilton

Governor.

Hon. F. A. Delano,

Vice Governor, Federal Reserve Board.

Enclosure:

DECLASSIFIED
Authority EO 13958

DISTRICT NO. 10

OFFICERS:
J. Z. MILLER, JR.,
FEDERAL RESERVE AGENT
ASA E. RAMSAY,
DEPUTY FEDERAL RESERVE AGT.
CHAS. M. SAWYER,
GOVERNOR
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FEDERAL RESERVE BANK
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J. Z. MILLER, JR., KANSAS CITY, MO.
A. E. RAMSAY, KANSAS CITY, MO.
L. A. WILSON, EL RENO, OKLA.



July 2, 1935. *Red*
333.4(10)
ack'd July 6

(2)

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

My dear Sir:

Permit us to inquire whether or not, in the opinion of the Board, Federal reserve banks have the right to buy or/and sell domestic exchange from and to persons, firms and corporations other than member banks.

In other words, could the Federal Reserve Bank of Kansas City sell its draft on the Federal Reserve Bank of New York to an individual who might apply therefor, and, conversely, could it purchase a New York draft from an individual?

We will thank you for as early a reply as your convenience will admit.

Respectfully,
Samuel
Federal Reserve Agent.

DECLASSIFIED
Authority EO 13958

No. 31 Date July 8, 1915. ^{272.}

FEDERAL RESERVE BOARD

MEMORANDUM

For Mr. Hamlin

At a meeting of the Federal Reserve Board on
July 8, the following matter
was referred to you ~~(as Chairman, Committee on~~
~~(as member, " ")~~
~~(as Chairman of Executive Committee.~~

The attached letter for further investigation
and report.

Arthur H. Wood
Secretary.

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

Date _____

Documents _____

Signature _____