

X-1729

C O P Y

1919 NOV 19

MEMPHIS TENN

GOVERNOR W P G HARDING

WASHINGTON D C

NATIONAL FARMERS UNION IN SESSION HERE ASK IF YOU REFERRED TO  
WITHDRAWAL OF TWO MILLION BALES FROM MARKET OR IF YOU MEAN PRICE  
HIGH ENOUGH AND REGIONAL BANK MONEY WILL BE WITHHELD IF HIGH PRICE  
IS SOUGHT TO BE HAD BY FARMERS

T T McELDERRY

FOR COTTON COMMITTEE.

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## TELEGRAM

## FEDERAL RESERVE BOARD

Washington

November 19, 1919

T. T. McElderry,  
Cotton Committee,  
National Farmers Union,  
Memphis, Tenn.

Federal Reserve Board does not undertake to fix price of cotton or to express an opinion as to merits of present price, its only concern is to administer the Federal reserve system in sound and businesslike manner, to see that paper rediscounted for member banks is adequately secured, and that Federal reserve banks in extending accommodations shall observe the requirement of the law that the affairs of the Federal reserve banks be administered fairly and impartially and without discrimination in favor of or against any member bank or banks, and that the reserve banks extend to each member bank such advancements, discounts and accommodations as may be safely and reasonably made with due regard for the claims and demands of other member banks. The Board does not believe that the resources of Federal reserve banks should be used directly or indirectly for speculative purposes or for facilitating the hoarding of commodities for such purposes. Board has consistently maintained that gradual and orderly marketing of crops is proper policy and believes that banks should extend to producers such accommodations as can be safely made to carry this policy into effect, thereby avoiding sales at sacrifice prices which usually result from forcing undue volume of commodities on market at one time

W. P. G. HARDING,  
Governor.