

FEDERAL RESERVE BOARD

753

WASHINGTON

X-3847
September 27, 1923.

SUBJECT: Purchase of Debentures of Federal Intermediate
Credit Banks.

Dear Sir:

There is quoted below, for your information and guidance, a resolution adopted by the Federal Reserve Board at its meeting today:

"WHEREAS, The Federal Reserve Board has been requested to express an opinion on the question of whether or not Federal Reserve Banks may purchase the debentures of Federal Intermediate Credit Banks issued under the terms of the Agricultural Credits Act of March 4, 1923,

"BE IT RESOLVED, therefore, That the Federal Reserve Banks are authorized in their discretion to purchase the debentures of Federal Intermediate Credit Banks issued in accordance with the terms of the Agricultural Credits Act of 1923, provided such debentures have a maturity at the time of purchase not in excess of six months."

While the power to purchase the debentures of Federal Intermediate Credit Banks is subject to such rules and regulations as the Federal Reserve Board may prescribe, the issuance of rules and regulations is not a condition precedent to the right of Federal Reserve Banks to purchase such debentures, and the Board sees no necessity of issuing any rules and regulations at this time restricting their purchase.

By direction of the Board.

Very truly yours,

Walter L. Eddy,
Executive Secretary.

TO GOVERNORS OF FEDERAL RESERVE BANKS