

15-17
September, 1955

Internal Memorandum

Owen D. Young Papers

Box 265

Letter of September 30, 1927 addressed to Dr. Henry A. E. Chandler,
National Bank of Commerce, New York.

"Dear Dr. Chandler:

I am very glad that you have answered so fully and effectively the criticism of some of our foreign friends on the increasing power of the Federal Reserve System in the world's monetary and credit affairs. If the nations of the world had ~~XXX~~ based their currencies on American credits instead of gold, such power as we have to affect the purchasing power of those credits has been thrust upon us by that election. It is not a power that we have sought, in fact, it is a power that we would rather not have. It is a power which can be increased or diminished in substantial measure by the action of the central banks abroad. If they do not like our credits, they could give up their profits from investments in this market and take their balances home in bullion. They force us by this method of procedure to demonetize in one form or another a certain portion of our gold in order that it may be set aside to meet their abnormal demand."