

182

# FEDERAL RESERVE BANK OF MINNEAPOLIS

NINTH DISTRICT

FILING DEPT.

APR 2<sup>nd</sup> 1915

FEDERAL RESERVE BANK

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APR 21 1915 12 41 PM

April 19, 1915.

FEDERAL RESERVE BANK  
OF NEW YORK

*R. L. fr.*  
APR 23 1915

Mr. Benj. F. Strong, Jr., Governor,

Federal Reserve Bank,

New York, N.Y.

Dear Governor Strong:

Your favor of the 16th in response to my letter of the 12th regarding plan of settling balances between the Federal Reserve Banks and asking regarding the custody and safe-guarding of the gold pool which is to be contributed by the Federal Reserve Banks, is at hand, and attached correspondence noted.

In the opinion of Attorney General Gregory, made public by the Secretary of the Treasury on December 19th, he holds that the Federal Reserve Board is a separate and distinct board, not a branch of the Treasury Department, and he holds that the "assessments that have been levied by officers of the board pursuant to the provisions of a Federal statute are to be devoted to the payment of official salaries and the expenses of this official board." He also holds that this money so collected is no longer the property of the paying banks, but is money belonging to the United States, and subject to audit, but under no stretch of the imagination could it be held that a gold pool, such as is proposed, would be part of the public funds and subject to audit.

Section 16 of the Federal Reserve Act confers upon the Board the power to exercise the function of a Clearing House. I understand

the function of a clearing house to be to accept money from those members from whom it is due and to pay it to those members to whom it is due, and where the members of a clearing house association see fit to form a pool, as they do in a few of the cities, but which is not general in practice, they safe-guard those funds, and it is no reflection upon the Federal Reserve Board for the members of this pool, which are the twelve Federal reserve banks, to want to know to whom to look for the safe custody of the funds they deposit.

The Treasury Department advises us that there is no way provided for the issue of a duplicate registered gold certificate except through an act of Congress. The fact that the funds which we deposit will be order gold certificates and that no one else but the Federal Reserve Board or member banks can receive the gold represented thereby, does not justify us in not using the utmost precaution.

From what dealings the writer has had with the Treasury Department and Government officials, he is led to believe that they assume no responsibility whatever, but require the other fellow to "hold the bag". Only recently our Federal Reserve Agent asked that a quantity of Federal reserve notes be deposited with the Assistant Treasurer at Chicago so that they might be obtained quickly in case of an emergency. After some correspondence, he learned that this might be brought about, provided the Federal Reserve Agent or this bank assumed all responsibility in case of loss.

While we do not expect it, do you think we ought to lose sight of the fact that there might be a loss of some of these certificates, and in case there was a loss, who would be responsible? It seems to me we ought to know whether or not the Federal Reserve Board have the legal right to act as Trustee of this gold pool, and if so, a clear understanding that the Board would be responsible.

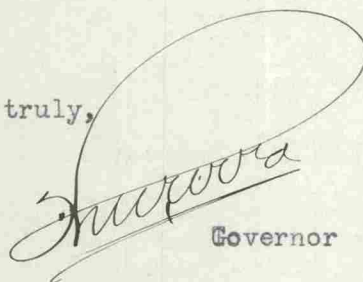
RECEIVED  
APR 21 1915 12 41 PM  
FEDERAL RESERVE BANK  
OF NEW YORK

the Treasury Department is not to receive money from the  
from whom it is due and to pay it to some person in whom it is due, and  
where the receipt of a clearing house association and its loss a pool  
as they do in a few of the cities, but which is not general in practice.  
They also want those funds, and it is no reflection upon the Federal Reserve  
Board for its members of this pool, which are the Federal Reserve Board  
to send to New York to look for the safe custody of the funds they deposit.  
The Treasury Department advised us that there is no way provided for  
the issue of a duplicate registered and certified check for a pool  
of members. The fact that the funds which are deposited with the  
certificates and that no one else but the Federal Reserve Board or member  
banks can receive the cash represented by these checks and that  
under the present practice.

The first thing the writer has had with the Treasury Department was  
a conversation with Mr. C. B. Smith, who is in charge of the Treasury Department  
and who is in charge of the clearing house. He said that the only way  
our Federal Reserve Board could get a duplicate of Federal Reserve notes  
is to contact with the Treasury Department and to get their consent to  
duplicate checks in case of an emergency. He said that the Treasury  
Department is not going to give us a duplicate of Federal Reserve notes  
or this is an attempt to make all responsibility in case of loss.  
He said that he does not expect us to do this and that we must not  
the fact that there might be a loss of some of these certificates and in  
some cases when lost, you would be responsible. It seems to me we must do  
some thing on our part. The Federal Reserve Board has the right to do so  
Treasury of this pool, and it is, in fact, the Federal Reserve Board  
which is responsible.

In reference to your letter to Mr. Warburg, suggesting a change in Paragraph 4, its adoption would eliminate the time schedule entirely and make drafts upon a Federal Reserve Bank immediately par upon receipt. That is one feature that appeals to me, but we would probably, in order to protect ourselves, require member banks to make transfers through requests to us instead of by check on us, which is the proper way for transfers of funds to be made.

Yours truly,

A handwritten signature in dark ink, appearing to read "McGovern", written over a large, loopy flourish that extends upwards and to the left. Below the signature, the word "Governor" is printed in a small, serif font.

Governor

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APR 21 1915 12 41 PM

FEDERAL RESERVE BANK  
OF NEW YORK

is referred to your letter to the Federal Reserve Bank of New York dated April 15, 1915, in relation to the proposed issue of \$100,000,000 of Federal Reserve Notes. The Federal Reserve Bank of New York has advised that it is not possible to issue such a large amount of notes at this time, but that it will endeavor to issue as much as possible as soon as the situation permits.

*[Handwritten signature]*  
J. P. Morgan  
President

380.0

a) T. Wood

Minneapolis

1915-1919

RECEIVED DEPT.

JAN 7 - 1915

FEDERAL RESERVE BANK

January 6th, 1915.

Dear Governor Wold:

Your greeting and good wishes were on my desk this morning on my return from White Sulphur Springs, and I hasten to thank you most cordially for your note and wish you the same most heartily.

Very truly yours,

Governor.

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

BSjr/VCM-4

199

October 15th, 1915.

Dear Governor Wold:

Your wire came yesterday and I was very sorry to be obliged to answer as I did, but the situation really would not justify my making an engagement to speak at the banquet of the Twin City Bankers. If I am able to go to Minneapolis for the conference, as I now expect to do, I will explain to you more in detail when I see you.

With best regards, believe me,

Sincerely yours,

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

BS Jr/VCM

Estes Park, Col.,

September 2nd, 1916.

My dear Wold:

I have read your address delivered at the Montana State Bankers Association last month with a great deal of interest and much admiration for your good "punch" in the interest of the System. It has done a lot of good and I noticed quotations from it in various publications, (including the conservative old Chronicle in New York), all with favorable comments.

It leads me to suggest the desirability of your being one of a number of our fraternity to attend the Kansas City Convention. There are sure to be some attacks launched at the System there and we should be fully and ably represented, if possible, to head it off. If you can go, I certainly hope you will and have taken the liberty of writing similar suggestions to some of the others.

I heard all about the Boston meeting and was very much gratified by the telegrams you fellows sent me. You can imagine my disappointment at not being there,

With warmest regards,

Sincerely yours,

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

BS/VCM

199

# FEDERAL RESERVE BANK OF MINNEAPOLIS

## NINTH DISTRICT

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THEODORE WOLD, GOVERNOR      S. S. COOK, CASHIER

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

September 6, 1916.

Mr. Benj. Strong, Jr.,  
Estes Park, Colo.

Dear Governor Strong:

Your favor of September 2nd is at hand, and I thank you for the kind reference to my Montana remarks.

In reference to the Kansas City convention, aside from Mr. Treman there was not very much enthusiasm displayed. A number of them thought that we might find ourselves in an embarrassing position if we did go. Upon my return home I therefore turned over my reservations to Mr. Hendricks, as he was without reservations. Since then, however, I have been urged by Mr. Treman, and now get your letter setting forth the necessity, in your opinion, and the importance of being represented. I defer to your judgment in the matter, and if I can secure reservations will arrange to go.

Governor Aiken handled the Boston meeting very nicely indeed, but the meeting was incomplete for the reason that the "King" was not there. If you could have heard the regrets expressed and the hopes that you would soon be with us again, I am sure it would hasten your return to good health.

Sincerely yours,

*Frederic C. Moore*  
Governor

TW-C

199  
Estes Park, Colo.,

September 9th, 1916.

Dear Governor Wold:

Your letter of the 6th is just received and I am feeling a little uneasy in my conscience if my letter led you to decide to go to Kansas City against your best judgement. On the other hand, after attending no end of bankers Group meetings, I am convinced that the mere presence of representatives of the Federal Reserve System will operate as a restraining influence, even if those present take no active part in the proceedings.

Then again, it enables members to ask questions and get accurate answers and, still more important, it conveys the impression to all the member bankers that we are interested in their affairs and sufficiently so to watch what is going on. I hope you fellows go and feel repaid for doing so.

Many thanks for your letter and for giving consideration to my suggestion which was really none of my business.

With warmest regards,

Sincerely yours,

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

BS/VCM

THEODORE WOLD

199  
B.A. Jr.  
NOV 21 1916

Dear Strong

Your note of 15th  
was very welcome and I  
just want to say that if  
you had received a letter  
from me every time I  
had that of writing you  
you would realize without  
question that you are  
sorely missed but certainly  
not forgotten - it has been  
piling out of consideration  
for you that I have not  
written often and I am quite  
sure that has prevented the  
other boys from actually  
picturing you with commu-  
nications

It is only my  
hope when I know just

whispering to me or Kansas  
City - you might be with  
us just for a day or two  
at December conference - if  
it turns out to be true, there  
is going to be a grand old  
party with the faithful  
present - all with bells on too.

Curtis of course must  
always report on every occasion  
Warburg & Arthur brought his  
good words and when Mr  
Kandrup was here last  
month he reported the  
progress you were making  
so you see we are not without  
information as to your  
progress - There are a hundred things  
I would like to talk to you about  
regarding operation of the Comis - but I  
am not. We just want you to get  
back among us again.

Sincerely

Chapman

199

November 21st, 1916.

Dear Wold:

I have just received yours of the 17th and appreciate your writing me very much.

You can understand what a deprivation it is for me to be missing not only the Governors meeting, but having a hand in all the interesting things that are now under way.

There is no chance of my getting on for the December meeting, much as I would like to do so. Please give all the boys my warmest regards when you see them.

I am getting along very well and still hopeful of returning some day.

With warmest regards,

Faithfully yours,

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

BS/VCM

199

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NINTH DISTRICT

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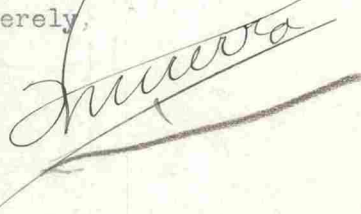
November 27, 1916.

Dear Strong:

I am enclosing herewith a picture of our Kansas City associate, which before it was received by me, bore the initials of yourself and Archie. The picture has been noted by members of the fraternity and is returned to you for filing among the archives.

I called upon your friend, Robert Masson, yesterday morning, a mighty interesting gentleman. He is to lunch with Decker, Jaffray <sup>for</sup> and myself today. My only regret is that his visit is not going to be longer so that I could see more of him.

Sincerely,



Mr. Benjamin Strong, Jr.,  
4100 Montview Blvd.,  
Denver, Colo.

199

November 30th, 1916.

Dear Wold:

Thank you for the souvenir with yours of the 27th. I am adding it to the archives where it will afford permanent evidence of the versatile attainments of at least one of the governors.

I am glad you had opportunity to visit with Masson. He is a charming man, one of the best bankers I know and is here, as you realize, on a very important mission which, however, is somewhat out of our line.

Best regards.

Sincerely yours,

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

BS/VCM

# FEDERAL RESERVE BANK OF MINNEAPOLIS

## NINTH DISTRICT

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FRANK C. DUNLOP, ASST. CASHIER

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L. B. HANNA, FARGO, N. DAKOTA

F. P. HIXON, LA CROSSE, WISCONSIN

N. B. HOLTER, HELENA, MONT.

*D.A. Jr.*

FEB 26 1917

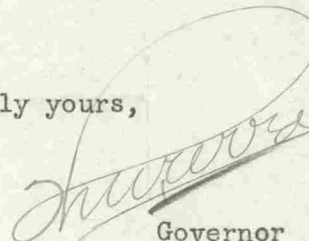
February 21, 1917.

Mr. Benjamin Strong,  
4100 Montview Blvd.,  
Denver, Colo.

Dear Mr. Strong:

I have been made very happy by receipt of a letter this morning from Mr. Treman, written after the return of Mr. Curtis from a visit to you, and I am looking forward with keenest pleasure to June, when you will be with us again, ready to encourage and inspire us in the work.

Sincerely yours,



Governor

TW-C

( C O P Y )

FEDERAL RESERVE BANK OF MINNEAPOLIS

February 21, 1917.

Mr. R. H. Treman,  
C/o Federal Reserve Bank,  
New York, N. Y.

Dear Mr. Treman:

I am delighted and encouraged with the information contained in your letter of February 19th, regarding the improved condition of Mr. Strong. The system needs him, his ability, experience and his enthusiasm. Individually, I need the support and inspiration of the association with him from time to time. I shall look forward to June and to his return with anticipation and pleasure.

Sincerely yours,

(Signed) Theodore Wold,

Governor.

Denver, Colorado,  
February 26, 1917.

Dear Wold:

Many thanks for your nice letter of the 21st. I am getting so husky that I could lick my weight in wild cats and shortly, when the weather permits, hope to be playing golf. The best exhibition of progress is my weight; I have put on 23 pounds since last June.

Enclosed is a little Scotch humor from Archie Kains.

Faithfully yours,

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

BS/CC

Enc.

# FEDERAL RESERVE BANK OF MINNEAPOLIS

## NINTH DISTRICT

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N. B. HOLTER, HELENA, MONT.

March 1, 1917.

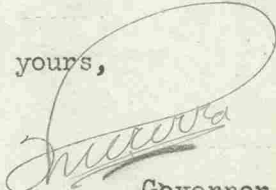
Mr. Benj. Strong,  
4100 Montview Boulevard,  
Denver, Colo.

Dear Governor Strong:

Your note of the 26th is before me, and I have had a good laugh over the Scotch joke, unaccompanied by any Scotch liquids. So long as a man can enjoy Scotch stories and put on twenty-three pounds, there is no occasion for his friends worrying over him any longer.

Just to take the curse off and to prove that some amusing things may be brought out in the development of this system, I am enclosing herewith an argument prepared by our Transit Manager as to why rediscounts should be made to member banks without any charge for interest. If we are going to transfer funds by telegraph, by mail, by freight and by gosh, *without charge*, there is no reason why we ought not to loan them money without interest, he says.

Sincerely yours,

  
Governor

TW-C

An argument for doing away with the charging of interest by Federal Reserve Banks on rediscounts of member banks.

-----

The principal argument for the establishment of the Federal Reserve System was based upon the service the Federal Reserve Banks could render their member banks and through the service thus rendered the service the member banks would be enabled to render the business of the country in general.

It is stated emphatically by those interested in the establishment of the Federal Reserve System and those directing the management of the Federal Reserve Banks that dividends on the stock of the Federal Reserve banks are of secondary consideration and that little consideration should be given to their earnings. The first consideration is to be given to the service rendered. With this in view exchange charges are to be done away with and no charge is to be made for service rendered in the transferring of funds from one center of the country to another. The reason given for not making such charges is that such service costs the Federal Reserve Banks little or nothing. It is stated that such charges "Will surely be no more than might be properly absorbed by the Treasury Department or the Federal Reserve Banks - for the benefit of the commerce of the country and the member banks of the system - An incidental (and possibly subordinate purpose) of the Federal Reserve Banks is to provide beneficial service to member banks, and the necessary costs, provided all member banks share in the benefits, may in many cases be absorbed. Having provided them (the member banks) with the facilities afforded by reserve depositories, may the Federal Reserve Banks not properly absorb the cost of such facilities."

According to the conclusion reached by several authorities the Federal Reserve Banks have been able to entirely eliminate space and time as regards the transferring of funds and the benefits derived therefrom should be passed on to their member banks without charge for the service rendered.

Exchange charges are the most ancient and honorable in banking history and until the establishment of the Federal Reserve System have never been questioned. They are charges made for the transferring of funds from center to center and have always been recognized as legitimate. The only questions that have been raised as regards such charges are as to whether or not they are reasonable and as to who shall pay them.

Interest charges were condemned by all ancients, both philosophers and lawmakers and it is only in comparatively recent times that they have been tolerated. Aristotle said, "Money is barren." The charging of interest was prohibited by both church and state and the man who charged interest was without the pale of society.

With the foregoing in view it would appear that

if the Federal Reserve Banks are in a position to do away with any of the charges with which modern business is burdened that the first one upon which effort should be made is that of interest. It would also appear from careful study of the different statements of the Federal Reserve Banks and their combined statements that the Federal Reserve Banks can well afford to waive interest charges on rediscounts made with them by their member banks and thus grant to their member banks a service they are justly entitled to. Referring to the combined statements of resources and liabilities of the Federal Reserve Banks as of December 29th, 1916, we find that the total of rediscounts of the Federal Reserve Banks at that date was \$30,196,000.00. The total earnings of all the Federal Reserve Banks on bills discounted for member banks for the entire year ending December 31st, 1916 were \$1,025,675.00 out of total earnings of \$4,955,343.00. On December 29th, 1916 the Federal Reserve Banks held as deposits of member banks net \$668,786,000.00 upon which no interest was paid.

It would appear that by wise and judicious investment, of a portion of the large amount on deposit by member banks, in government obligations, municipal warrants, acceptances and by dealing in government bonds, that the Federal Reserve Banks should be in a position to waive all interest charges on rediscounts for member banks. It would also appear that the member banks are fully entitled to receive this benefit in view of the fact that no interest is paid them upon their deposits and that they are compelled to carry such deposits with the Federal Reserve Bank. Some criticism might be raised to such a policy on the ground that all member banks might not participate in the benefit, but as long as the privilege was open to all members such criticism would not apply any more than it does to the doing away with the charges for transferring funds from one center to another. It would appear that it is the duty of the Federal Reserve Bank to co-operate in the efforts that have been put forth by others from time immemorial in reference to interest charges, as interest is the cause of our being afflicted with the idle rich, the drones, the Shylocks and parasites of modern times.

(Signed) A. Nutt of the

FEDERAL RESERVE BANK OF MATTEAWAN.

FEDERAL RESERVE BANK  
OF MINNEAPOLIS

CONFIRMATION OF TELEGRAM

(THIS COPY TO  
BE MAILED)

X Day

BELOW IS A FACSIMILE COPY OF TELEGRAM SENT YOU TODAY

199

Chg Fed Res Bank  
Minneapolis

October 15, 1917

FILING DEPT.

OCT 19 1917

FEDERAL RESERVE BANK

Benj. Strong, Jr.  
Federal Reserve Bank  
New York

Thank you very much for taking care of the copy. Draft will be promptly  
paid when presented.

Theodore Wold

1.000

T-C

W. U.

1000

RECEIVED

1918

ST. LOUIS

OFFICE

CLASS OF SERVICE	SYMBOL
Message	
Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

# WESTERN UNION



# TELEGRAM

CLASS OF SERVICE	SYMBOL
Day Message	
*Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

OCT 15 PM 6 52  
NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

RECEIVED AT

16 BROAD ST. N.Y.  
457 NA ANV 17

SU MINNEAPOLIS MINN 520P OCT 15 1917

BENJ STRONG JR

3072  
FEDERAL RESERVE BANK NEWYORK

THANK YOU VERY MUCH FOR TAKING CARE OF THE BOY DRAFT WILL BE  
PROMPTLY PAID WHEN PRESENTED

THEODORE WOLD

631P

FILING DEPT.

OCT 17 1917

FEDERAL RESERVE BANK

PERSONAL AND CONFIDENTIAL

March 6, 1919.

My dear Governor Wold:

For some time I have been interested with some friends in a study of some of the problems of our national financial system and particularly to the possibilities of a reform movement which might result in the establishment of a scientific plan for a Federal budget. The need for this has been made apparent to me during the past two years and as a result of contact with the financial machinery in Washington. Some of my friends believe the time is now opportune for a general attempt to interest the people of the country in national financial reform.

The campaign for saving, thrift and sensible spending, incident to the flotation of Government loans has put many of our people in a receptive mood for further suggestions in these matters. The national debt must be reduced and can only be reduced if both individuals and the Government practise sensible spending. It is particularly true with the Government but cannot be made possible until scientific machinery is installed to accomplish it.

Students of this subject seem to be in general agreement that a scientific budget system is the only solution. To persuade our people that such a system should be installed, a nonpartisan organization should be built up and a wise and sane campaign of publicity inaugurated. It is a plan of that sort in which some of my friends are interested with a view to activity after the next loan is placed. In the meantime steps must be taken to prepare the publicity, and the personnel of the organization must be developed in advance.

It is, of course, out of the question to utilize the Liberty Loan organizations as such for an enterprise of this character. It does not, however, seem improper for me to ask you if in your experience with the Liberty Loan, War Savings, or other organizations in connection with the war, you have come in contact with individuals

March 6, 1919.

in your district who would be likely to be interested in this movement and who would be qualified for service in such an organization and who would do so as a matter of public duty. What is first needed is a representative in every State, competent to take charge of the movement and direct it in the State. He should have qualifications to enable him to become a leader of the State movement, some ability as an organizer, should be public spirited, able to grasp the subject and willing to study it, and should be regarded locally as without political prejudice or purpose, and have the confidence in general of the people of the State.

In addition to State directors, similar organizers must be appointed in the various counties and principal cities.

I shall be greatly indebted to you if you can let me have suggestions and names of men in your district for this work without, however, mentioning the matter to them. You may know them well enough to make definite recommendations not only because you came in contact with them in Liberty Loan matters, but other public spirited activities with which you are acquainted or connected.

This is a matter in which I have a strong personal interest and will be grateful for your assistance. At our meeting in Washington on the 20th I hope to have an opportunity to refer to this matter more specifically.

Sincerely yours,

Governor.

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

BS/DT

April 3, 1919.

Dear Mr. Wold:

I am anxious to get suggestions from you as to some one to do some work in South Dakota in connection with a proposal now being shaped for Federal legislation designed to establish a financial budget for our Government.

The work required will not be very onerous, but it will need the services of a man who can develop an organization for the purpose of some little educational and publicity work to bring about a better understanding of this subject. It will be necessary to raise a small amount of money, and, generally, to carry out the program which will be laid out by the organization at the New York Headquarters.

It needs the services of a man who is interested in the economic aspects of the Government's finance, and who is sufficiently interested in the subject to be willing to devote some time and energy to bringing about an improvement. It would be preferable to have some one who would be capable of making an occasional address on this subject, and who would be willing himself to study and understand it by an examination of literature which will later be furnished.

It will greatly appreciate any help you can give me in this connection, by suggesting anyone you think could undertake this work successfully.

Faithfully yours,

Theo. Wold, Esq.,  
Governor, Federal Reserve Bank of Minneapolis,  
Minneapolis, Minn.

BS/MSB

April 11, 1919.

See 796 in Filing Dept.  
Dear Mr. Wold:

It was very good of you to make the further suggestions contained in yours of the ninth of possible South Dakota representatives, and I thoroughly appreciate your cooperation in this matter.

Sincerely yours,

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

MSB

b) Young, R. A.  
1921

September 14, 1921.

Dear Governor Young:

You will recall that about two years ago we had some correspondence in regard to the work of the National Budget Committee. In part, at least, passage of the budget legislation by the Congress was due to the work conducted by that committee. Now that the basis of the budget system has been adopted by Congress, our organization is endeavoring to crystallize public sentiment for the support of the program of government economy and thereby to insure permanent success for the new national budget system.

We are seeking to extend this work by selecting, so far as possible, bankers to accept active chairmanships in various of the more important cities, simply to carry on work which will be laid out for them by the national committee. The scope of the work is described in the enclosed memorandum.

Can you suggest representative men, preferably bankers, who might be willing to accept such appointments in the cities of Minneapolis and St. Paul.

At the present time I shall only ask you to suggest names, but later on possibly you would be willing to communicate with them directly and further our object of having them accept these appointments.

If for any reason you think it unwise to make these suggestions, will you not write me quite frankly and, if you are willing to do so, give me your reasons.

With best regards, and thanking you very cordially, I am,

Yours very truly,

R. A. Young, Esq.,  
Governor, Federal Reserve Bank of Minneapolis,  
Minneapolis, Minn.

BS:MM  
enc.

November 28, 1921.

Dear Governor Young:

11/22/21  
Mr. John T. Pratt just wrote me of the warm reception he is receiving at the hands of my good friends in connection with his continental trip in the interest of the National Budget.

He particularly mentioned the pleasant and profitable visit he had with you, and with what enthusiasm you discussed Budget matters. It is gratifying to know that the chairman of the National Budget Committee is meeting with such hearty cooperation, and that good progress is being made in forming State organizations. I deeply appreciate your courtesies to Mr. Pratt, and am glad he had the opportunity of meeting you.

With best wishes, believe me,

Yours sincerely,

Mr. R. A. Young,  
Governor, Federal Reserve Bank of Minneapolis,  
Minneapolis, Minn.

AMP

FEDERAL RESERVE BANK  
OF MINNEAPOLIS

November 30, 1921.

Mr. Benj. Strong, Governor,  
Federal Reserve Bank,  
New York, N.Y.

ANSWERED

DEC 13 1921

Per. File B. S.  
Budget  
E. L. H.

Dear Governor Strong:

This will acknowledge receipt of your letter of November 28th. In my humble way I attempted to do what I could for Mr. Pratt when he was here, and am more than pleased that he has been so appreciative.

X  
I am sending you in confidence a copy of a letter I wrote the Federal Reserve Board in reference to Exchange drafts. I am rather keen about this question and hope they do not remove the limit. I know that you are against removing the limit, and if it is not asking too much, I would be interested in having a copy of your reply to the Board on the question. I can assure you in advance that any information furnished me will be used with discretion.

With kindest personal regards, I am

Yours very truly,

*Raymond*  
Governor

RAY-C

**FEDERAL RESERVE BANK  
OF MINNEAPOLIS**

January 30, 1922.

Mr. Benjamin Strong, Governor,  
Federal Reserve Bank,  
New York, N.Y.

Dear Governor Strong:

Under date of June 30, 1921,  
Mr. S. P. Gilbert, Jr., Under Secretary of the Treasury,  
dispatched Memorandum No. 90 to all Federal Reserve  
Banks. An excerpt from the second paragraph of the  
memorandum reads as follows:

"Federal Reserve Banks will  
not be reimbursed for postage and registry fees incurred  
in connection with exchange transactions of issues dated  
prior to July 1, 1921, including exchanges of temporary  
for permanent bonds".

Would you be kind enough to  
advise me if your bank is absorbing this expense without  
reimbursement from the Treasury Department, or whether  
you have discontinued reimbursing banks in your district  
for postage and registration fees on such fiscal agency  
transactions?

Yours very truly,

*Raymond*  
Governor

RAY-C

ACKNOWLEDGED  
FEB 1-1922  
B. S.