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ADDRESS REPLY TO  
FEDERAL RESERVE BOARD  
728.

July 7, 1916.

My dear Mr.

I enclose a memorandum (Stencil #727, of July 7, 1916) which states my individual views on a matter which we have already been discussing in correspondence and which I should like to have you take into consideration in connection with your study of this question. This memorandum has not been submitted to the Board and therefore does not represent the Board's action. At the same time, I should like to have you consider it in connection with the whole subject.

It seems to Mr. Harding and to me that the Board can not long defer making a ruling on the matter. Already we are receiving complaints from member banks, saying that they have given up their New York accounts and find now that a draft on a Federal Reserve Bank is not given the same credit that a draft on a New York bank was. These complaints are certain to multiply as time goes on and I can not help feeling that with drafts on New York preferred over drafts on other Federal Reserve cities, the Federal Reserve Bank of New York will feel very serious drains through its Gold Settlement Fund. The way to meet this situation is by having offsetting items.

Yours very truly,

F. A. DELANO.