

## STATEMENT FOR THE PRESS.

December 25, 1916.

The Federal reserve Board has authorized the Federal Reserve Bank of New York to appoint as one of its foreign correspondents and agents the Bank of England of London, England, under the terms of the Federal Reserve Act.

Section fourteen of the Act permits any Federal reserve bank "with the consent of the Federal Reserve Board to open and maintain banking accounts in foreign countries, appoint correspondents and establish agencies in such countries wheresoever it may deem best for the purpose of purchasing selling and collecting bills of exchange and to buy and sell with or without its indorsement through such correspondents or agencies bills of exchange arising out of actual commercial transactions" so that a broad field of operations is possible under it.

In granting the authority to establish this agency the Board has authorized the Federal Reserve Bank of New York to maintain accounts either with or for the Bank of England so that operations both in England and in the United States are possible.

Other Federal reserve banks may participate in the agency relationship with the Bank of England upon the same terms and conditions that will govern the Federal Reserve Bank of New York, if they so desire.