

February 28, 1917.

STATEMENT FOR THE PRESS.

Pursuant to the policy already made known in connection with the Bank of England on December 26, 1916, at which time it was stated that the Board had had under consideration the advisability of authorizing Federal reserve banks to establish correspondents or agencies in Europe, the Federal Reserve Board has announced that it has passed a resolution approving the application of the Federal Reserve Bank of New York for authority to establish an agency with the Bank of France of Paris, France.

This action is taken under the provisions of Section 14, paragraph (e) of the Federal Reserve Act, which authorizes 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 * * * and to open and maintain banking accounts for such foreign correspondents or agencies."

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