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ADDRESS REPLY TO
FEDERAL RESERVE BOARD

July 12, 1917.

Dear Sir:

The Federal Reserve Board has, during the past few weeks, received communications from several Federal Reserve banks asking if any action could be taken looking toward the exemption of their employes from the operation of the Federal draft for military service.

The Treasury Department has more recently referred to the Board letters and telegrams from the governors of most of the Federal Reserve banks asking if this exemption could be secured on the ground that the banks are fiscal agents for the Government and are doing a large amount of additional work in addition to their duties as such, and in connection with the bond issues.

While the Board appreciates the importance of protecting the organizations of the Federal Reserve banks, it is unable, after very careful consideration, to find any grounds upon which to base a request for the exemption of employes of Federal Reserve banks. The law does not authorize specific exemption in favor of the employes of Federal Reserve banks or of the Federal Reserve Board, and while the banks will doubtless suffer some inconvenience, just as member banks, insurance companies, and mercantile concerns will, the Board believes that the executive officers of the Federal Reserve banks should, as a rule, release cheerfully any employes who may be drawn under the selective draft, filling their places either with men who are beyond the draft age, or with competent women, as has been done to such a great extent in all belligerent countries. The Board does not see how it can take the position that Federal Reserve banks are so much in a class by themselves that general exemption in their favor should be requested, and it does not believe that such a request could be granted if made. The Board realizes the possibility that some employes may be drawn whose services are especially valuable to the banks, and in such specific cases, it would suggest that application be made for exemption.

Very truly yours,

Governor.