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# FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS REPLY TO  
FEDERAL RESERVE BOARD

July 25, 1917.

Mr. J. F. Curtis,  
Secretary Federal Reserve Bank,  
New York.

Dear Mr. Curtis:

The Board has received and considered your letter of July 24th advising it that a meeting in Washington of the governors of Federal reserve banks had been called for August 15th and succeeding days. The meeting not having been called by the Federal Reserve Board, and it not being clear from your letter by whom it had been called, I assumed from your statement that it would be devoted to a discussion of procedure in handling the next Liberty Loan campaign, that it must have been called at the instance of the Secretary of the Treasury. When your letter however, was brought to his attention he stated that he had not asked for such a conference, and that as a matter of fact, in the present circumstances he did not desire such a meeting. In order that you may be fully advised as to the viewpoint of the Treasury on this subject, I enclose herewith copy of a letter addressed to the Board by Assistant Secretary of the Treasury Crosby.

In view of the foregoing, and there being no matters relating to the Federal Reserve System on which the Board wishes to advise with the governors of the Federal reserve banks at this time, it has concluded that plans for the proposed meeting should be abandoned, or at least held in abeyance pending information as to the need for it.

There is no question as to the powers of Federal reserve banks, as defined by statute, within their respective districts; but in matters which concern inter-bank relations and the operations of the Federal reserve banks as a system, authority is vested by law solely in the Federal Reserve Board. Accordingly, it must take the position that conferences of governors of Federal reserve banks can with propriety be held only when called by it; and in harmony with this view, the Secretary of the Treasury has informed the Board that whenever it appears desirable that fiscal agency operations should be considered at a conference, he will communicate his wishes through the Federal Reserve Board.

Should the governor of any Federal reserve bank, or any group of governors, feel at any time that a conference should be held, the suggestion should be made to the Board for its determination.

Very truly yours,

Governor.