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SECRETARY OF THE TREASURY
CHAIRMAN
JOHN SKELTON WILLIAMS
COMPTROLLER OF THE CURRENCY

FEDERAL RESERVE BOARD

WASHINGTON

February 19, 1918.

X-746
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ADOLPH C. MILLER
CHARLES S. HAMLIN
H. PARKER WILLIS, SECRETARY
SHERMAN P. ALLEN, ASST. SECRETARY
AND FISCAL AGENT
ADDRESS REPLY TO
FEDERAL RESERVE BOARD

Dear Sir:

The Board has received a communication from the Chief of the Military Intelligence Branch, War Department, asking that each Federal Reserve Bank communicate with some officer of each member bank asking that some one man be detailed by each bank to keep a close look-out for any suspicious account or transaction which might be interpreted as involving enemy funds or money used for enemy propaganda work. These transactions should be reported direct to the Federal Reserve Board in Washington, which could then communicate with the Military Intelligence Bureau. It is suggested by the Chief of this Bureau that "in putting this plan into execution, it should be borne in mind that the fewer people who are communicated with in this connection the better, in order to establish the cooperation of every bank in the Federal Reserve System, and the officers of these banks who are entrusted with the duty of cooperating should be strongly urged to observe the greatest secrecy, even among the other employes or officers of the bank".

The Board is aware that compliance with this request will involve a good deal of work and the exercise of a discriminating judgment, but in view of the evident importance of keeping track of any propaganda work, it feels justified in bringing the matter to your attention and asking your cooperation.

Very truly yours,

Governor.