

OF AUGUST 11th.

On August ninth my four year term of office as a member of the Federal Reserve Board will expire. I do not know whether or not, under the constant burden of grave and pressing decisions, you have reached the point where you wish to deal with the question of naming my successor, or whether or not you contemplate to have me continue in this work. Nor would I presume to broach this question were it not that I felt that, in consequence of recent occurrences, it has become one of policy rather than of personalities.

Certain persons have started an agitation to the effect that a naturalized citizen of German birth, having near relatives prominent in German public life, should not be permitted to hold a position of great trust in the service of the United States. (I have two brothers in Germany who are bankers. They naturally now serve their country to the utmost of their ability, as I serve mine).

I believe that the number of men who urge this point of view is small at this time. They probably have not a proper appreciation of the sanctity of the oath of allegiance or of the oath of office. As for myself, I did not take them lightly. I waited ten years before determining upon my action, and I did not swear that "I absolutely and entirely renounce and abjure all allegiance and fidelity to any foreign potentate, and particularly to Wilhelm II, Emperor of Germany", etc. until I was quite certain that I was willing and anxious to cast my lot unqualifiedly and without reserve with the country of my adoption and to defend its aims and its ideals.

These are sad times. For all of us they bring sad duties, doubly hard indeed for men of my extraction. But, though, as in the Civil War, brother must fight brother, each must follow the straight path of duty, and in this spirit I have endeavored to serve during the four years that it has been my privilege to be a member of the Federal Reserve Board.

I have no doubt that all fair-minded and reasonable men would consider it nothing short of a national disgrace if this country, of all countries, should condone or endorse the attitude of those who would permit the American of German birth to give his all, but would not trust him as unreservedly and as wholeheartedly as he, for his part, serves the country of his adoption. Unfortunately, however, in times of war, we may not always count upon fair reasoning. It is only too natural that, as our casualty lists grow, bitterness and indiscriminating suspicion will assert themselves in the hearts of increasing numbers - even though these lists will continue to show their full proportion of German names.

Much to my regret, Mr. President, it has become increas-

ingly evident that should you choose to renominate me this might precipitate a harmful fight which, in the interest of the country, I wish to do anything in my power to avoid and which, even though resulting in my confirmation, would be likely to leave an element of irritation in the minds of many whose anxieties and sufferings may justify their intense feelings. On the other hand, if for reasons of your own, you should decide not to renominate me it is likely to be construed by many as an acceptance by you of a point of view which I am certain you would not wish to sanction. In these circumstances, I deem it my duty to state to you myself that it is my firm belief that the interest of the country will best be served if my name be not considered by you in this connection.

I am frank to admit that I have reached this conclusion with the deepest regret both on account of its cause and its effect. I have considered it the greatest privilege to serve my country at this time, and I do not abandon lightly a work, half done, in which I am deeply and genuinely interested. But my continuation in office under present conditions might make the Board a target of constant attack by unscrupulous or unreasoning people, and my concern to save any embarrassment to you and to the Board in the accomplishment of its work would make it difficult for me to conserve that independence of mind and freedom of action without which nobody can do justice to himself or his office.

In writing you this letter, I have been prompted solely by my sincere conviction that the national welfare must be our only concern. Whatever you may decide to be best for the country will determine my future course. We are at war, and I remain at your orders.

May your patience and courage be rewarded and may it be given to you to lead our country to victory and peace!

Respectfully and faithfully yours,

Signed.....PAUL M. WARBURG.

The President,
The White House,
Washington.