

FEDERAL RESERVE BOARD

X-4681

WASHINGTON

October 6, 1926.

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

SUBJECT: Litigation Affecting Federal Reserve System as a Whole.

Dear Sir:

At the last conference of Governors of all Federal reserve banks, it was voted:

"To recommend to the Federal Reserve Board that the Federal Reserve System, acting through the Federal Reserve Board, retain as special counsel, Mr. Newton D. Baker, to consider litigable matters only, and that all Federal reserve banks shall refer to the Counsel of the Federal Reserve Board as soon as it arises every litigated question, together with all papers relating thereto, and that the Counsel of the Federal Reserve Board should refer to such special counsel all such cases as he thinks concern the system as a whole and any other cases which Counsel of the forwarding Federal reserve banks request be referred to the special counsel."

Upon consideration of this subject, the Federal Reserve Board voted to disapprove the recommendation of the Governors' Conference to the effect that the system retain Hon. Newton D. Baker as Special Counsel to consider litigable matters only. The Board voted, however, that all Federal reserve banks be requested to forward to the General Counsel of the Federal Reserve Board all papers in suits brought against Federal reserve banks and also all papers in suits brought by Federal reserve banks which are of system-wide interest, in order that the question of employing special system counsel might be determined in each specific case.

The obvious purpose of the plan recommended by the Governors' Conference was to obtain better coordination of the litigation involving the various Federal reserve banks, to the end that the interests of the Federal Reserve System as a whole in the legal principles involved in such litigation might be more adequately safeguarded. The Board is in sympathy with this purpose, but believes that it is not necessary to obtain the services of a lawyer of national reputation on a regular retainer in order to accomplish the desired results.

The Office of the Board's General Counsel has for some time been acting as a clearing house for information respecting recently decided cases of interest to the entire Federal Reserve System, and it is believed that this service might be extended in such a way as to accomplish the purpose of the recommendation of the Governors' Conference without incurring the expense involved in the employment of a lawyer of national reputation on a regular retainer basis.

The Board believes that, if information concerning all pending cases is promptly sent to the Board's General Counsel, the necessary cooperation can be obtained through correspondence with counsel for the Federal reserve banks and through conferences participated in by counsel for all Federal reserve banks. Whenever it is considered advisable to obtain the services of a lawyer of national reputation to assist in the trial of a case involving questions of system-wide interest, such special system counsel can be retained in that particular case.

You are requested, therefore, to arrange with counsel for your bank to forward promptly to the General Counsel of the Federal Reserve Board copies of all papers in suits brought against Federal reserve banks and copies of all papers in suits brought by Federal reserve banks which are of system-wide interest.

Very truly yours,

D. R. Crissinger,
Governor.

To Governors of all
Federal Reserve Banks.