

## FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO  
THE FEDERAL RESERVE BOARD

X-9142

March 6, 1935.

Dear Sir:

There is inclosed a copy of a self-explanatory letter dated February 21, 1935, from the Secretary of the Federal Trade Commission inquiring whether the files and records of the committees which were organized in the twelve Federal reserve districts in 1918 as local or subcommittees of the Capital Issues Committee appointed by the Federal Reserve Board and which were continued by the Capital Issues Committee appointed by the President pursuant to the War Finance Corporation Act of April 5, 1918, still exist and remain in the possession of the Federal Reserve Board or its agents, and requesting that if such be the case these records be forwarded to the Commission in accordance with the proclamation issued by the President on August 30, 1919.

The files of the Federal Reserve Board show that all of the records of the Capital Issues Committee held in Washington were turned over to the Federal Trade Commission in accordance with the proclamation above referred to, but there is an indication that the records of the subcommittees are still held at

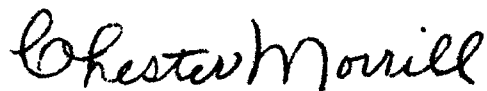
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the Federal reserve banks. Informal inquiry of two Federal reserve agents has disclosed that the banks have on file the records of the district subcommittees, and this office was advised that there appears to be no reason why they should continue to be held at the banks as there has been no occasion necessitating reference to them. It is assumed that a similar situation exists at the other Federal reserve banks.

Accordingly, it will be appreciated if you will have any files and records of the subcommittee of your district, now being held at your bank, forwarded to the Federal Trade Commission as soon as possible with a letter of transmittal describing very briefly the nature of the records and their physical volume. In order that the Board's files may be complete regarding this matter, a copy of your letter of transmittal to the Federal Trade Commission should be sent to this office.

Very truly yours,



Chester Morrill,  
Secretary.

Inclosure

TO ALL F. R. AGENTS.

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Copy

FEDERAL TRADE COMMISSION

Washington

Office of the Secretary

February 21, 1935.

Hon. Marriner S. Eccles, Governor,  
Federal Reserve Board,  
Washington, D. C.

My dear Governor:

Early in 1918 there was created within the Federal Reserve Board an organization known as the Capital Issues Committee of the Federal Reserve Board. It was the function of this Committee, as the Commission understands, to secure the voluntary regulation of capital issues in order that the success of Treasury bond issues for the conduct of the war might not be impaired by the diversion of funds in unessential projects. This Committee continued its work until May, 1918 when it was replaced by the Capital Issues Committee established pursuant to title II of the War Finance Corporation Act (April 5, 1918, 40 Stat. 512). It is the further understanding of this Commission that much of the work, both of the first and second of these Committees, involved in the examination of proposed capital issues was decentralized through the formation of sub-committees at each of the headquarters of the several federal reserve districts.

Following the cessation of war the Committee suspended its activities December 31, 1918. President Wilson by Proclamation dated August 30, 1919, declared the title of the War Finance Corporation Act relating to the Capital Issues Committee as no longer necessary and further directed that "the Committee shall close up its affairs and that all the records, including letters, correspondence and testimony in the possession of said Committee be turned over to the Federal Trade Commission." A copy of this Proclamation is enclosed. Thereafter, on October 6, 1919, there was transferred to the Federal Trade Commission a quantity of filing cases, etc. containing the records of the Committee. Receipt of these was acknowledged by the Secretary of the Federal Trade Commission.

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In connection with a recent examination of one of these files there developed the likelihood, or possibility, that there still exist the files and records of the twelve sub-committees of the Capital Issues Committee which may be still in the possession of the several Federal Reserve Agents.

Inquiry is therefore made to learn whether the records of these sub-committees or any records belonging to the Capital Issues Committee, other than those heretofore transferred to the Federal Trade Commission, still exist and remain in possession of the Federal Reserve Board or its Agents. If such be the case it is requested that these be forwarded to the Federal Trade Commission in accordance with the President's direction.

By direction of the Commission.

(Signed) Otis B. Johnson,  
Otis B. Johnson,  
Secretary.

Encl.

X-9142-b

(Dissolution of Capital Issues Committee.)

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By the President of the United States of America

A PROCLAMATION

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WHEREAS, Congress on April 5, 1918, enacted a law known as "The War Finance Corporation Act;"

And Whereas, under Section 206 of said Act, it is provided that the President may at any time by proclamation declare that the Title relating to the Capital Issues Committee is no longer necessary and that thereupon it shall cease to be in effect:

Now Therefore, I, Woodrow Wilson, President of the United States, by virtue of the authority in me vested, do hereby proclaim and declare that Title Two of said War Finance Corporation Act, relating to the Capital Issues Committee, is no longer necessary, and I further direct that the Committee shall close up its affairs and that all the records, including letters, correspondence and testimony in the possession of said Committee be turned over to the Federal Trade Commission.

IN WITNESS WHEREOF I have hereunto set my hand and caused the seal of the United States to be affixed.

DONE this thirtieth day of August, in the year of our Lord One Thousand Nine Hundred and Nineteen, and of the independence of the United States of America the One hundred and forty-fourth.

WOODROW WILSON

(Seal)

By the President:  
Robert Lansing,  
Secretary of State.

(No. 1535.)