

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

371

S-399

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 5, 1941



Dear Sir:

In 1937 the Board requested one of the members of its legal staff to make a survey of the legal divisions of the Federal Reserve Banks. Following the submission of the reports of these surveys the Board, in June 1938, adopted a resolution in which, in view of the material differences in the practices of the Federal Reserve Banks with respect to the employment of counsel and the manner in which their legal work was handled, the position was taken that as a matter of general policy the legal work of each Federal Reserve Bank should be conducted under the direction of a full-time general counsel who represents only the Federal Reserve Bank; that, however, with respect to the Banks which did not have such counsel the adoption of this policy should be regarded as an ultimate objective to be attained when circumstances permitted without disturbing existing arrangements if otherwise satisfactory; and that the President of each Federal Reserve Bank should be advised that it was the desire of the Board to be consulted informally before the Bank made any change in the manner of conducting its legal work or the principal personnel engaged therein.

Advice of the adoption of the policy as set forth in the resolution was not sent to the Federal Reserve Banks at the time for the reason that it was felt that the policy could be brought to the attention of the respective Federal Reserve Banks as occasion might require, but in accordance with the last clause of the resolution a letter was sent to the President of each of the Federal Reserve Banks on June 8, 1938, stating that it would be appreciated if, whenever circumstances developed in the future indicating the desirability of a change in the principal legal personnel or the manner in which the legal work of the Bank was conducted, the Bank would advise the Board informally before action was taken.

Recently the Board has had occasion to reconsider and reaffirm the policy as set forth above and requested that all Federal Reserve Banks be advised of the position which the Board had taken.

Very truly yours,

Chester Morrill

Chester Morrill,
Secretary.

TO THE PRESIDENTS OF ALL
FEDERAL RESERVE BANKS