



"Business is sensitive—
It goes only where it is invited
And stays only where it is well treated."
—Lewis

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Office of the President

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DETROIT, MICH., U.S.A.

October 10, 1914

Hon. F. A. Delano,
Federal Reserve Board,
Washington, D. C.

My Dear Mr. Delano:

Your most esteemed favor of October 1st. I fully appreciate everything you say, and agree with you in everything that you say.

Our six directors were all desirous of advancing the development of the District #7 bank and we wanted to put it up to the Federal Reserve Board. Therefore, I felt that the reply from the Federal Reserve Board, tho' coming to me through you personally was really necessarily also for the other directors, and they no doubt greatly appreciated your enlightening them on the situation.

Personally I feel that efficiency in the management of Federal Reserve Banks will be promoted by the Federal Reserve Board, so far as it can within the provisions of the Act, leaving all the initiative to the Directors of said banks as to the appointment of officers, etc. If the Directors of the District Banks are left to their own initiative, and with all the authority not taken away from them by the provisions of the Federal Reserve Act, they will develop ideas, ways and means and methods and principles of conduct which might not otherwise be developed, and all District Banks will have the benefit of any valuable ideas initiated by any one Bank.

I have a little feeling--in fact I think it's growing on me--that the Federal Reserve Board in Washington is inclined towards dominating the District Banks. I think it would militate against the greatest efficiency in the evolution of the District Bank system and would tend to make those responsible under the Act as Directors of a District Bank inclined to lay their burdens upon the Federal Reserve Board in Washington, which I think would be

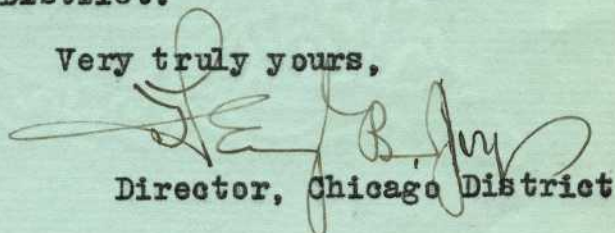
Mr. DeLano - 2

harmful and restrictive of the possibilities which are available under the Federal Reserve Act.

I hope I am wrong in this feeling, and probably am. I am a very great believer in leaving initiative to those upon whom responsibility is placed.

I believe that in the selection of the President or Manager or Governor of the Chicago District Bank a very great deal of thought and careful consideration should be devoted to the task. I think we should have the ablest man for that position who can be found. I am in hopes that for that position there can be found a man so able to express himself clearly, so great a leader, that he may be of vast benefit and vast aid to the entire Reserve system. No ordinary man of ordinary talents, or even a man well above the average will accomplish the possibilities in the great Chicago District.

Very truly yours,



Director, Chicago District