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FEDERAL RESERVE BOARD

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AND FISCAL AGENT

WASHINGTON

ADDRESS REPLY TO  
FEDERAL RESERVE BOARD

April 11, 1916.

Dear Sir:

The Federal Reserve Board has had under discussion with the Treasury Department, particularly with Assistant Secretary Malburn, suggestions which have come to it at various times that National banks be permitted to make deposits to the credit of the Five Per cent Fund in the hands of the Treasurer of the United States at Washington through their own Federal Reserve Banks, and that, if this can be arranged, it will enable Federal Reserve Banks to render an important and desirable service to their members. The rule heretofore has required National banks to get drafts on New York, but it is now suggested that that instead of requiring this, the banks may properly be permitted to request their own Federal Reserve Banks to remit to the Treasurer of the United States for their credit in the Five Per cent Redemption Fund. This would then be handled (in denominations of \$10,000) and at the convenience of the Federal Reserve Bank of the District, through the Gold Redemption Fund at Washington.

In carrying out this plan it is proposed that the Federal Reserve Bank of New York shall have the privilege of

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paying for its member banks directly to the Assistant Treasurer of the United States in that city, and, furthermore, it is the idea that nothing in this plan shall prevent National banks from making remittances direct to the Treasurer of the United States or to the Assistant Treasurer at New York in the old way if they do not choose to avail themselves of the method herein proposed.

As this is a matter in connection with the operation of the Banks which may well be considered by the Governors at their forthcoming conference in Washington, it is now submitted to you with the request that you take it up at that time and offer such suggestions or conclusions as you may have arrived at.

Yours very truly,

Vice Governor.