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ADDRESS REPLY TO
FEDERAL RESERVE BOARD

March 8, 1917.

Dear Sir:

The Board is informed that each Federal reserve agent, with possibly one exception, carries the notes and securities with the custody of which he is charged by law, in a separate safe or compartment in the vault of the bank to which he is accredited, the combination of the vault being in the exclusive control of the executive officers of the bank and not of the Federal reserve agent, while the latter has the combinations to his own safe or compartment. It seems, therefore, that only a few additional steps are necessary to bring about joint control and custody of the gold, notes and securities held by the agent, and the Board would appreciate the opinion of the Federal reserve agents and of the Governors as to whether it would be practicable or desirable for the Federal reserve banks to assume with the Federal reserve agents such joint custody under a voluntary arrangement which would require the presence of some person duly authorized by the board of directors of the bank whenever the Federal reserve agent's safe is opened. If this plan is impracticable under the law as it now stands,

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would it, in your opinion, be advisable to ask for legislation requiring joint custody of the notes, funds and securities now held exclusively by Federal reserve agents, and making the banks and the Federal reserve agents jointly liable?

A frank expression of your views upon this subject would be appreciated by the Board.

Very truly yours,

Governor.