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ADDRESS REPLY TO
 FEDERAL RESERVE BOARD

March 13, 1917.

My dear Sir:

As you are aware, the Federal Reserve Board has taken measures to provide that each Federal reserve bank should have an adequate supply of notes in stock at the subtreasury or mint nearest it. This naturally brings about a condition differing from that which has existed in the past, in that the stock of reserve notes available for issue is now divided between the subtreasuries or mints, and the Bureau of Engraving and Printing. The question has been raised whether existing regulations which call for the issue of notes in order of serial numbers, so far as possible, should be maintained by steadily drawing on the subtreasuries in response to note requisitions and restoring the existing supplies by shipment of additional notes to such subtreasuries, or whether the stock in subtreasuries should be regarded as a reserve supply, not to be interfered with except in case of emergency. The Board has determined upon the latter course, and this makes it necessary to modify the instructions already issued with regard to preserving the exact sequence of serial numbers.

The following resolution has been adopted:

RESOLVED, That henceforward requisitions for Federal reserve notes shall be supplied by shipping direct from Washington, the supply already in subtreasuries to be regarded as an emergency stock and to be drawn upon only under exceptional conditions. No attempt shall be made to maintain the continuity of serial numbers. The issue of notes to the public without regard to the serial numbers of those held in subtreasuries shall be authorized, all regulations to the contrary now in existence to be repealed.

It will, however, be wise to issue notes, so far as possible, in their consecutive order, treating those drawn from subtreasuries as a separate series.

Yours very truly,

Governor.