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FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS REPLY TO  
FEDERAL RESERVE BOARD

August 3, 1917.

Mr. Frederic H. Curtiss, -  
Federal Reserve Agent,  
Boston, Mass.

Dear Mr. Curtiss:

Attention has been given your letter of July 20, previously acknowledged, in which you state the difficulty surrounding reimbursement for a shipment of the notes of the Federal Reserve Bank of Boston, amounting to \$450, by the New Orleans Branch of the Federal Reserve Bank of Atlanta to the Treasury Department for redemption. This transaction, as explained by you, resulted from advice from the Treasury Department to you of the receipt of notes to the amount of \$450, when it became necessary for you to take from your vault a \$10,000 gold certificate to make payment to the bank, you receiving \$8,550, which you are now carrying as cash.

After consultation with the National Bank Redemption Agency in the Treasury Department, it is suggested that the Federal reserve bank making a shipment of other bank's notes to the Treasury Department for redemption could charge them on its books to the Gold Redemption Fund with the Treasurer of the United States and receive credit in that Fund on the books of the Treasurer. The Treasurer would then charge the Gold Redemption Fund of the Federal Reserve Agent of the bank whose notes were sent in for redemption and deliver the notes to the Comptroller of the Currency for credit of the Federal Reserve Agent of the issuing bank.

Should the Gold Redemption Account of any Federal Reserve Bank become unduly large because of such credits, transfer can be made, upon proper request, for credit in the Gold Settlement Fund. If the bank sending in notes of other banks for destruction prefers to have immediate credit in the Gold Settlement Fund, the Treasurer can charge the notes against the Gold Redemption Fund of the Federal Reserve Agent accredited to the bank of issue, and transfer a like sum to the Gold Settlement Fund for credit of the Federal reserve bank sending in the notes for redemption.

In order to have this plan effective the consent of all banks concerned to this method would have to be obtained. Copy of this letter has been sent to all Federal Reserve Banks and Agents.

Very truly yours,

Assistant Secretary.