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 ———  
 ADDRESS REPLY TO  
 FEDERAL RESERVE BOARD

FEDERAL RESERVE BOARD  
 WASHINGTON

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 W. M. INLAY, FISCAL AGENT

June 26, 1920.

X-1966

Subject: Transfer of Subtreasury Functions  
 to Federal Reserve Banks.

Dear Sir:-

I enclose herewith copy of a letter from Acting Secretary of the Treasury Leffingwell relating to the transfer of the duties and functions of the Subtreasuries to the Federal Reserve Banks and branches.

It is the Board's understanding that all Federal Reserve Banks at the head offices will exercise Subtreasury functions and that at least those branches which are located in present Subtreasury cities will also be required to perform similar functions in order that no city may have grounds for complaint that facilities now existing have been withdrawn from it. The question of whether Subtreasury functions will be performed by branches in cities which are not now Subtreasury cities should be considered by your board of directors and any conclusions reached submitted for the approval of the Federal Reserve Board.

Very truly yours,

Enclosure.

Governor.

To Chairmen of all F.R. Banks.

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TREASURY DEPARTMENT  
WASHINGTON

June 24, 1920.

Dear Governor Harding:-

I am hereby bringing to your attention that portion of an Act of Congress approved May 29, 1920, repealing Section 3595 together with such laws or parts of laws as relate to the establishment and maintenance of the Subtreasuries.

You will observe that the Secretary of the Treasury is authorized to transfer on or before June 30, 1921, the duties and functions of said Subtreasuries, and to utilize any of the Federal Reserve Banks acting as depositories and fiscal agents of the United States for the purpose of performing any or all of the duties and functions now and heretofore devolving upon said Subtreasuries.

The Subtreasuries are located in the following named cities:

Boston, Mass.  
New York, N.Y.  
Philadelphia, Pa.  
Baltimore, Md.  
Chicago, Ill.  
Cincinnati, Ohio.  
St. Louis, Mo.  
New Orleans, La.  
San Francisco, Calif.

Inasmuch as the proposed transfers cannot be made simultaneously for obvious reasons, nor will it be practicable to make all of them during the last two months of the fiscal year 1921, I beg to suggest that you communicate with the proper officials of the several Federal Reserve Banks interested, with a view to ascertaining just when in their opinion the transfers contemplated by the Act of Congress above referred to may conveniently be made.

It may be advisable to suggest that in each case an official of the Federal Reserve Bank or branch bank in the city in which the Subtreasuries are located, confer with the Assistant Treasurer of the United States in such city, relative to the character and volume of the work for the purpose of determining at what time it may be most advantageously taken over.

The Department will make every effort, if it is found that same may be done, to begin to make these transfers as soon after July 1, 1920, as the several Federal Reserve Banks or branch banks interested are in a position to assume this branch of the work.

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The Department controls the entire buildings occupied by the Subtreasuries in New York and in San Francisco, and in the other cities mentioned the Subtreasuries are located in certain rooms assigned in Public buildings.

The Act in question authorizes the Secretary of the Treasury to assign the rooms, vaults, equipment and safes or space in the buildings now occupied by the several Assistant Treasurers of the United States, to the Federal Reserve Banks. Just what particular space is desired by the Federal Reserve Banks should be ascertained.

It is also suggested that if practicable, the several Federal Reserve Banks advise you as to what particular employees now in the Subtreasuries they desire to take over in connection with the work. With this information at hand, the Department may be able to take up with other branches of its field service the question of providing employment for such employees as the Federal Reserve Banks are not prepared to offer positions.

There are numerous details to be considered and worked out in connection with transferring the above mentioned functions and duties and it is suggested that these matters be taken up with Mr. H.P Huddleson, Chief of the Division of Public Moneys, who will have direct supervision of the transfers referred to.

By direction of the Secretary.

Respectfully,

(signed) R.C. Leffingwell  
Acting Secretary of the Treasury.

Honorable W.P.G. Harding,  
Governor, Federal Reserve Board,  
Washington, D.C.