

# FEDERAL RESERVE BOARD

WASHINGTON

X-3456

June 27, 1922.

SUBJECT: Liability of Federal Reserve Banks on Government  
Warrants and Checks Cashd by Them.

Dear Sir:

The Under Secretary of the Treasury has sent the Board a copy of a letter he has written the Governor of one of the Federal Reserve Banks on the subject of the liability of Federal Reserve Banks on Government warrants and checks cashed by them. For your information I quote the following from the letter in question:

"The Treasury does not look to the Federal Reserve Banks as indorsers or guarantors of warrants or checks drawn on the Treasurer which may be cashed by the Federal Reserve Banks. The duties and functions of the Federal Reserve Banks, as depositaries and fiscal agents of the United States, in respect to the payment of Government warrants and checks are set forth in paragraphs 35-38 of Treasury Department Circular No. 176, as amended and supplemented May 15, 1922, and the Treasury has no intention of holding the Federal Reserve Banks to any liability in this connection beyond the discharge of their duties and responsibilities under the terms of the circular."

Very truly yours,

G o v e r n o r .

GOVERNORS OF ALL F. R. BANKS  
COPIES TO CHAIRMEN.