

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Thursday, March 18, 1954. The Board met in the Board Room at 10:00 a.m.

PRESENT: Mr. Szymczak, Acting Chairman
Mr. Vardaman
Mr. Mills
Mr. Robertson

Mr. Carpenter, Secretary
Mr. Sherman, Assistant Secretary
Mr. Kenyon, Assistant Secretary
Mr. Thurston, Assistant to the Board
Mr. Leonard, Director, Division of Bank Operations
Mr. Vest, General Counsel
Mr. Hackley, Assistant General Counsel

Mr. Leonard reported on a proposal by the Post Office Department that the operations of the Federal Reserve Banks in connection with the processing of postal money orders be expanded, effective April 1, 1954, to include the handling of United States international postal money orders and domestic-international postal money orders. After discussing the nature of these international items, Mr. Leonard said that the proposal was made in a letter which Assistant Postmaster General Robertson sent recently to Mr. Willis, Chairman of the Presidents' Conference Subcommittee on Collections. President Erickson, Chairman of the Committee on Collections and Accounting, then presented the matter at the last meeting of the Presidents' Conference. The Conference agreed to the proposal, and the Subcommittee of Counsel on Collections was requested to work out the necessary formalities for carrying the proposal into effect. In the circumstances,

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Mr. Leonard anticipated that a proposed amendment to the agreement between the Post Office Department and the Federal Reserve Banks covering the handling of postal money orders and an appropriate uniform amendment to the Reserve Banks' check collection circulars would be submitted to the Board of Governors shortly, with a request that the Board concur in the revision of the uniform paragraphs of the check collection circulars.

In response to questions by members of the Board, Mr. Leonard said that the volume of international money orders handled would be small in comparison to the volume of domestic money orders, that the technique of processing would be similar, that the total additional Reserve Bank expense therefore would not be large, and that reimbursement to the Reserve Banks would be on the same basis as that provided for the processing of domestic money orders.

At the conclusion of a discussion of the matter, the members of the Board indicated that they would have no objection to the Reserve Banks' expanding their operations as proposed by the Post Office Department, and that they would be willing to concur in the necessary revision of the check collection circulars if requested to do so by the Presidents' Conference.

The meeting then adjourned. During the day the following additional action was taken by the Board with all of the members except Chairman Martin and Governor Evans present:

