

REPORT OF THE COMMITTEE OF GOVERNORS.

Washington, D. C.,  
May 6, 1915.

To the Federal Reserve Board

The Committee of Governors, appointed to consider collection matters, believes that, in the interest of sound banking practice, transfers of funds by member banks through the Federal Reserve Banks should be encouraged, and that it will both induce and facilitate such transfers, if standard forms be prepared by all the Federal Reserve Banks and distributed among their members for general use. They recommend that such forms be prepared, and, if desired, suggestions for these forms will be submitted by the Committee.\*

The Committee on Clearing further recommends that no stated charge be fixed for inter-district mail transfers to be made by Federal Reserve Banks for their members, but that, inasmuch as conditions vary greatly in the several districts, and will fluctuate with the seasons, each Federal Reserve Bank be allowed to arrange its own schedule of charges to be based upon the cost of the service rendered, and adequate to protect it in its dealings with its members. The cost of such transfers should not exceed the expense of shipping currency to the nearest subtreasury city.

It further recommends that a protective charge is advisable upon all telegraphic transfers for members and that such charge, when made, shall include cost of telegraphing and the interest on the sum transferred at a minimum rate of two per cent, for the time required by a reserve bank to make the transfer by mail in accordance with the schedule hereto annexed.

Whenever a charge for mail transfers is imposed, the protective charge for telegraphic transfer shall be in addition thereto.

(Signed) J. B. McDougal,

Chairman, (for the committee)

\* NOTE- A joint committee of the Board and the Federal Reserve Banks has since prepared a set of forms which will be sent out shortly.