

EX-OFFICIO MEMBERS

WILLIAM G. MCADOC
SECRETARY OF THE TREASURY
CHAIRMAN
JOHN SKELTON WILLIAMS
COMPTROLLER OF THE CURRENCY

W. P. G. HARDING, GOVERNOR
PAUL M. WARBURG, VICE GOVERNOR
FREDERIC A. DELANO
ADOLPH C. MILLER
CHARLES S. HAMLIN

H. PARKER WILLIS, SECRETARY
SHERMAN P. ALLEN, ASST. SECRETARY
AND FISCAL AGENT

FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS REPLY TO
FEDERAL RESERVE BOARD

July 20, 1916.

S i r :

Your attention is directed to an order issued by the Postmaster General bearing this date, directing postmasters to receive from Federal Reserve Banks checks on non-member banks for collection and remittance by registered mail to the Federal Reserve Banks.

It is desirable that Federal Reserve Banks should, as far as possible, collect checks through banks, but in cases where non-member banks in towns having no member banks, are unwilling to remit to Federal Reserve Banks at par, you will be permitted to avail yourselves of the facilities afforded by the Postmaster General's order. We hope, however, that it will not be necessary, as a rule, to make collections through post offices, and in cases where you feel obliged to make collections in this way, you should first arrange for fidelity bonds on the postmasters making collections, premiums on such bonds to be paid by your bank as well as postage and registration fees. This matter was taken up several months ago with some of the leading bonding companies, and the Board is informed that these companies are prepared to furnish proper bonds on reasonable terms. It is the belief of the Board that after the banking community has knowledge of the Postmaster General's order, many non-member banks that have hitherto been unwilling to remit at par for their checks, will agree to do so; but it is suggested that it would be well for your bank to enter into negotiations at once with the bonding companies, as the postmasters' bonds now held by the Postoffice Department do not cover such transactions as the collection of checks.

Very truly yours,

Governor.

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FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS REPLY TO
FEDERAL RESERVE BOARD

July 21, 1916.

S i r :

An order has been issued by the Postmaster General bearing this date, directing postmasters to receive from Federal Reserve Banks checks on non-member banks for collection and remittance by registered mail or money order to the Federal Reserve Banks.

It is of course desirable that Federal Reserve Banks should, as far as possible, collect checks through banks, but in cases where non-member banks in towns having no member banks, are unwilling to remit to Federal Reserve Banks at par, you will be permitted to avail yourselves of the facilities afforded by the Postmaster General's order. We hope, however, that it will not be necessary, as a rule, to make collections through post offices, and in cases where you feel obliged to make collections in this way, you should first arrange for a blanket insurance policy to cover all post offices making collections in this way, premiums on such insurance policies to be paid by your bank as well as postage and registration fees, or cost of money orders.

This matter was taken up several months ago with some of the leading bonding companies, and the Board is informed that these companies are prepared to furnish blanket insurance policies on reasonable terms. It is the belief of the Board that after the banking community has knowledge of the Postmaster General's order, many non-member banks that have hitherto been unwilling to remit at par for their checks, will agree to do so; but it is suggested that it would be well for your bank to enter into negotiations at once with leading bonding companies, as the postmasters' bonds now held by the Postoffice Department do not cover such transactions as the collection of checks.

Very truly yours,

Governor.