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AND FISCAL AGENT

X-167-
ADDRESS REPLY TO
FEDERAL RESERVE BOARD

May 22, 1917.

Dear Sir :

The Treasury Department suggests that Federal Reserve Banks address to all member banks of their district, a letter substantially as enclosed.

The Department believes that member banks by offering to receive and take in custody Liberty Loan bonds purchased in small amounts by people of their community would render patriotic assistance in the distribution of the loan.

Very truly yours,

Vice Governor.

SUGGESTION FOR CIRCULAR LETTER TO BE SENT BY THE
FEDERAL RESERVE BOARD TO EACH MEMBER BANK IN THE COUNTRY.

LIBERTY LOAN.

To the Member Banks :

It is of the utmost importance that the Liberty Loan bonds now being offered by the Secretary of the Treasury be purchased to the largest possible extent by individuals in order that the resources of the banks may be available for the conduct of the current business of the country. It is realized that in order to accomplish such a distribution these bonds must be purchased by people all through the country who have not heretofore been bond buyers and who for the most part have no facilities for the safekeeping of securities.

The Board, therefore, suggests that you can render patriotic assistance in the distribution of the loan by offering to receive and care for Liberty Loan bonds purchased in small amounts by people in your community, collecting and remitting to them the interest on the bonds as payable, such service to be rendered without charge to the buyer of the bond. We would not recommend that such service be rendered free of charge except for a maximum amount of bonds, say \$5000 par value, and that no other securities should be received and cared for in this way except Liberty Loan bonds.

This service has already been offered by many banks throughout the country. It will be apparent to you that there are collateral advantages to any bank rendering such service in that people will become accustomed to doing business with a banking institution and it is likely that many new accounts will result from such service rendered by you.