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ADDRESS REPLY TO  
FEDERAL RESERVE BOARD

X-291  
July 19, 1917.

Dear Sir:

On June 28th a letter, X-236, was sent you, on behalf of the Federal Reserve Board, in relation to further progress in check clearing and collection. The Board not having heard to the contrary assumes that you are making arrangements to carry its suggestions into effect. It would, however, like to be informed as to the progress you are making in this matter, and to receive copies of such circulars as you may have issued to your member banks.

The Board has in contemplation a general circular to all member banks covering the subject of charges which they may make against their own customers. It is thought, however, that it is not desirable to issue this circular immediately, nor until the Federal Reserve banks have made more progress in the development of clearing operations.

It seems proper to take this opportunity of calling attention to the suggestion of the Board some months ago that the Federal Reserve banks arrange in the near future to collect maturing notes and drafts for their member banks. A committee of governors was appointed to look into this subject, but so far as we have been advised, this committee has made no report. One of the Federal Reserve banks has asked if it may proceed with its own arrangements, and there seems to be no reason why it should not do so; for while uniformity is desirable, it is not necessary that all the banks should adopt identical methods simultaneously. The Board would like to see the Federal Reserve banks develop this function as early as possible because this is one of the important ways in which Federal Reserve banks may be of service to their country members, and suggests that each bank proceed to do so independently.

Very truly yours,

Governor.