

## EX-OFFICIO MEMBERS

CARTER GLASS  
SECRETARY OF THE TREASURY  
CHAIRMAN  
JOHN SKELTON WILLIAMS  
COMPTROLLER OF THE CURRENCY

## FEDERAL RESERVE BOARD

WASHINGTON

W. P. G. HARDING, GOVERNOR  
ALBERT STRAUSS, VICE GOVERNOR  
ADOLPH C. MILLER  
CHARLES S. HAMLIN

J. A. BRODERICK, SECRETARY  
W. T. CHAPMAN, ASSISTANT SECRETARY  
W. M. IMLAY, FISCAL AGENT

ADDRESS REPLY TO  
FEDERAL RESERVE BOARD

May 12, 1919.

X-1533

Subject: Uninsured Shipments of Cancelled  
Liberty Loan Bond Coupons.

Dear Sir:

For your information, there is enclosed herewith  
a copy of a letter received from a Federal Reserve Bank  
in regard to the above stated subject and a copy of the  
Board's reply thereto.

Very truly yours,

Assistant Secretary.

Enclosures.

W. P. G. HARDING, GOVERNOR  
ALBERT STRAUSS, VICE GOVERNOR  
ADOLPH C. MILLER  
CHARLES S. HAMLIN

J. A. BRODERICK, SECRETARY  
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ADDRESS REPLY TO  
FEDERAL RESERVE BOARD

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## FEDERAL RESERVE BOARD

WASHINGTON

April 22, 1919.

X-1533 a

Mr. J.Z. Miller, Jr.,  
Governor, Federal Reserve Bank,  
Kansas City, Missouri.

" SUBJECT: Shipment of cancelled Liberty Loan Bond coupons.

Dear Sir:

Receipt is acknowledged of your letter of April 15, regarding shipments by your bank to Washington of cancelled Liberty Loan bond coupons. We have conferred with officials of the Treasury Department and are informed that, should any shipments of coupons be lost in transit, it would be a very difficult matter to obtain settlement from the Treasurer of the United States; - in fact, it is the opinion that your bank would not have any recourse whatever from the Treasury Department. We have further been advised by the Treasury Department that recently several of the Federal Reserve banks have taken this matter up with the Treasurer's office, but that no uniform practice is being observed at the present time. Should your bank decide to insure shipments of cancelled coupons to Washington at your own expense, Treasury Department officials advise that it will be possible for your bank to make such shipments under the Treasury Department insurance policy, which rate would effect a very material saving over ordinary rates."

Very truly yours,

Assistant Secretary,

FEDERAL RESERVE BANK  
OF  
KANSAS CITY

April 15, 1919.

X-1533 b

Federal Reserve Board,  
Washington, D.C.

Gentlemen:

"Under date of September 13, 1918, we received telegraphic instructions from Assistant Secretary of the Treasury Leffingwell from which we quote as follows:

'From this date, Federal Reserve Banks are not authorized to insure shipments of paid canceled coupons for account of Treasury Department or Treasurer, and if coupons are insured by any Federal Reserve Bank for own account, expenses of premiums therefor will not be reimbursed directly or indirectly by the Department.'

In compliance with these instructions, we have been forwarding canceled coupons by registered mail un-insured. It occurs to us, however, that in the event of loss of any of the coupons in transit between our bank and the Treasury Department, it might be a very difficult matter to obtain credit on the books of the Treasurer of the United States. The Department's rule, as you know, is that a duplicate check cannot be issued under the expiration of 90-days from the date of the original check. Furthermore, in the event of a lost check, the Department required in some cases affidavits and an indemnity bond.

We believe that in the event of a lost shipment of coupons, we might have even greater difficulty and feel that we should take steps to protect ourselves. It is understood that one of the Federal Reserve Banks has reached the conclusions that shipments of canceled coupons will be insured at its expense, and we will appreciate your recommendation on the subject."

Yours truly, . . .

J.Z. MILLER JR.

Governor.