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FEDERAL RESERVE BOARD

WASHINGTON

X-3442

June 13, 1922.

SUBJECT: Franking Privileges on Fiscal Agency Mail.

Dear Sir:

In connection with the proposal of the Treasury Department to reimburse the Federal Reserve Banks for fiscal agency expenses, the question has been raised as to whether the Federal Reserve Banks will be permitted to frank all Treasury mail after July 1, 1922, as was done prior to the absorption of fiscal agency expenses by the Federal Reserve Banks.

The following quotation is from a letter received by the Board from the Under Secretary of the Treasury to whom the question was referred:

"It will be appropriate for you to advise the Federal Reserve Bank that the contemplated absorption by the Treasury of certain fiscal agency expenses after July 1, next, will not involve any change in policy with respect to the payment of postage, and if after that date the Federal Reserve Banks incur postage charges in connection with items the expenses of which will be reimbursed by the Treasury, such postage charges of course will be absorbed by the Treasury. So far as the Treasury is concerned no further representations will be made to the Post Office Department with respect to the dispatch of mail by Federal Reserve Banks without prepayment of postage, and accordingly, the arrangements now in effect will be continued".

Very truly yours,

Governor.

To Governors of all F.R.Banks.