

FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

X-6940

August 11, 1931.

SUBJECT: Topics for Joint Conference of Governors and
Federal Reserve Agents.

Dear Sir:

There is enclosed herewith copy of a letter the Board is today addressing to the Chairmen of the Governors' and Federal Reserve Agents' Conferences, suggesting two topics for consideration at the next joint conference of the Governors and Federal Reserve Agents.

Although the date for such conference has not yet been fixed, this matter is called to your attention at this time for your information. In connection with the second topic outlined in the attached letter, it will be helpful if each Federal reserve bank will advise the Federal Reserve Board, in advance of such conference, of its total expense in handling securities of member banks for safekeeping during the year 1930, or as close an estimate of such expense as can be made.

By order of the Federal Reserve Board.

Very truly yours,

E. M. McClelland,
Assistant Secretary.

Enclosure.

TO GOVERNORS AND AGENTS OF ALL F. R. BANKS.

C O P Y

X-6940-a

August 11, 1931.

Dear Mr.

The Federal Reserve Board's attention has been called to the fact that one of the Federal reserve banks recently made a delivery, on forged orders, of securities held in safekeeping for a member bank. The Federal reserve agent at the Federal reserve bank involved has suggested that additional safeguards should be developed in order to prevent the possibility of losses occurring in this manner. Under these circumstances the Board has voted to request the Governors of the Federal reserve banks and the Federal reserve agents to consider the following topics at their next joint conference:

(1) "The advisability of securing from all member banks depositing securities with Federal reserve banks for safekeeping an agreement whereby the depositing bank would agree to approve and accept the insurance policy carried by the Federal reserve bank, and all liability other than that covered in the Federal reserve bank's policy would be assumed by the depositing bank, which, if it desired, could itself carry insurance against such additional liability."

(2) "Cost of the safekeeping function at Federal reserve banks."

You are accordingly requested to have these topics placed on the program of the next Federal Reserve Agents' Conference. The Chairman of the Governors' Conference is also being requested to have such topics placed on the program of that Conference.

By Order of the Federal Reserve Board.

Yours very truly,

E. M. McClelland,
Assistant Secretary.