

FEDERAL RESERVE BOARD

523

WASHINGTON

July 12, 1933
B-905

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

SUBJECT: Safekeeping of securities by
Federal reserve banks

Dear Sir:

As questions have arisen regarding the extent and cost of service rendered by Federal reserve banks to member banks and others in the safekeeping of securities, the Board will appreciate it if you will submit the following information pertaining thereto as of July 31, 1933, this date being selected with a view to allowing ample time for the preparation of the desired data:

1. Number of member banks in district for which securities are held in safekeeping, showing separately the number located in each Federal reserve bank and branch city and the number outside such cities.

2. Amount of securities held in safekeeping for member banks, showing separately the amounts held for banks located in each Federal reserve bank and branch city and for banks located outside such cities.

3. Number of outstanding individual vault custody receipts issued to member banks, or acknowledgements when no formal receipts are issued, covering securities held in safekeeping, showing separately figures for banks located in each Federal reserve bank and branch city and for banks located outside such cities.

Figures in paragraphs 1, 2 and 3 should be exclusive of securities held as collateral to loans and to public deposits.

4. Statement of bank's policy with respect to acceptance of securities from member banks for safekeeping, with separate comment on such service, if any, rendered member banks in Federal reserve bank and branch cities, and with particular reference to precautions taken to prevent the deposit, for safekeeping, of securities which are the property of customers of member banks.

5. Copy of latest general circular furnished member banks covering the safekeeping of securities, and all supplements thereto.

6. Statement showing amount of securities held in safekeeping for others than member banks, including securities of member banks, if any, held in escrow to secure public deposits, giving in each case name and address of party for whom held, amount held in each account and number of individual vault custody receipts outstanding; and statement of policy with respect to acceptance of such securities for safekeeping.

7. Percentage increase in current holdings of cash and securities (cubic contents, not dollar value) that can be accommodated in vaults at head office and at each of your branches, if any.

In addition, the Board desires an estimate of cost, prepared in accordance with the attached form, of the various operations performed in the Securities function at the head office and at each branch, if any, during 1932, and your opinion as to whether there has been any substantial change in such costs since last year.

Very truly yours,

Chester Morrill,
Secretary.

TO GOVERNOR OF EACH FEDERAL RESERVE BANK*