

FEDERAL RESERVE BOARD

136

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

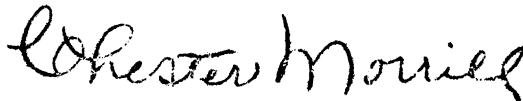
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September 18, 1934.

Dear Sir:

For your information there is inclosed a copy of a letter received by the Board from the Third Assistant Postmaster General, together with a copy of a letter addressed to the Director of the Postal Savings System by Mr. E. P. Tyner, Assistant Cashier of the Federal Reserve Bank of Kansas City, and of the reply made thereto by the Third Assistant Postmaster General.

Very truly yours,



Chester Morrill,
Secretary.

Inclosures.

TO ALL GOVERNORS.

(Copy)

Board of Trustees
Postal Savings System
Washington

August 25, 1934

Federal Reserve Board,
Washington, D. C.

Gentlemen:

There is enclosed a copy of a letter sent today to the Federal Reserve Bank, Kansas City, Missouri, which brought up the question of its accepting payments for the credit of the Board of Trustees, Postal Savings System, from banks received after the expiration of the time period.

In view of the fact that it is not possible for such transfers to be received by Federal Reserve Banks located in cities distant from the sending banks, it would seem appropriate for the Federal Reserve Bank to accept the deposits received at a later date, allowance being made for time in transit.

If the above meets with your approval I will appreciate it if you will instruct banks accordingly, advising this office of the action taken.

Very truly yours,

(Signed) C. B. Eilenberger.

Third Assistant Postmaster General

Enclosure

(Copy)

FEDERAL RESERVE BANK

of

KANSAS CITY.

August 9, 1934.

Director of Postal Savings System,
Washington, D. C.

Sir:

We are enclosing a Ruling of the Federal Reserve Board with reference to the payment of interest on Postal Savings Funds, which was forwarded by us to all banks in our district under date of November 27, 1933.

This ruling of the Federal Reserve Board quotes order No. 4420 of the Postmaster General issued under date of October 24, 1933, with reference to the return of secured interest bearing Postal Savings Funds by banks. Acting under this ruling and the ruling of the Federal Reserve Board, since November, 1933, it has not been the policy of this bank to accept for depository banks, Postal Savings Funds to be returned to the Board of Trustees, Postal Savings System except on the dates indicated in the schedule contained in the order of the Postmaster General.

There seems to be some misunderstanding inasmuch as a number of banks have stated that in instructions received from the Board of Trustees, Postal Savings System, deposits of secured interest bearing funds are to be returned by them on the dates indicated in the schedule, the banks having construed such to mean that entries may be made on their books on the date indicated but that the actual transfer of funds need not be completed on that date. Our Counsel has given his opinion that the transaction should be completed on that date and the funds actually credited to the Treasurer of the United States.

It will, therefore, be appreciated, in view of the difficulties mentioned above, if you will advise as to whether it is the intention of the Department if such transactions should be completed on the date indicated or whether the Federal Reserve Bank may accept deposits one or two days after that date and still handle the matter in accordance with both the ruling of the Postmaster General and the Federal Reserve Board.

Yours very truly,

EPT*MP
encl.

(Signed) E. P. Tyner,

Assistant Cashier.

(Copy)

August 25, 1934.

Mr. E. P. Tyner, Assistant Cashier,
Federal Reserve Bank,
Kansas City, Missouri.

My dear Sir:

In reply to your letter of August 9, I have to advise that Postal Savings funds with banks being on time deposit basis may only be released at the expiration of a time period. It is realized that in many cases the payments cannot reach the Federal Reserve Bank at a distant point on the same date. It is, therefore, suggested that any such transfers received by you from banks dated as of the expiration of the time period be accepted, even though received at a later date, allowance being made for time in transit.

If this meets with your approval it will be appreciated if you will instruct your branches accordingly.

Very truly yours,

Third Assistant Postmaster General.