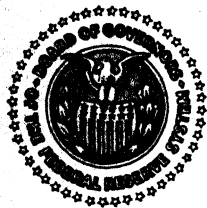


BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON



ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

April 8, 1939.

Dear Sir:

The Board concurs in the action of the Conference of Presidents held March 6, 1939, in approving the following recommendations of the Standing Committee on Collections, contained in its report dated January 14, 1939. Paragraph numbers refer to corresponding numbers in the Committee's report.

(3) Country items payable in own Federal Reserve bank or branch territory

That each Federal Reserve bank and branch give deferred credit of not to exceed two business days for all country items payable in its own territory, regardless of whether such items are received from its own member banks or from other Federal Reserve banks and branches and their direct routing member banks.

(4) Items payable outside own Federal Reserve bank or branch territory

That each Federal Reserve bank and branch give deferred credit of not to exceed three business days for all items payable outside of its own territory when received from its own member banks.

(5) and (6) Items routed direct either by ordinary or air mail

That each Federal Reserve bank and branch give deferred credit of not to exceed three business days from date of dispatch for all items routed direct either by ordinary or air mail to other Federal Reserve banks and branches, provided, however, that one and two-day deferred credit from date of dispatch be given for those items which can be collected in one and two days.

(7) Member banks' own drafts on their commercial bank correspondents

That each Federal Reserve bank and branch give deferred credit based on actual transit time for member banks' own drafts on their commercial bank correspondents.

(10) Amend paragraph (c) of Section 2 of Regulation D

That, at an appropriate time, to be determined by the Board of Governors, Regulation D be amended to agree with Regulation J as it relates to uncollected funds.

(11) Telegraphic advices regarding dishonored items

That no wire costs be absorbed in connection with telegraphic advices regarding dishonored items received from a direct routing bank or from a Federal Reserve bank or branch.

(12) Absorption of shipping charges on currency and coin received from nonmember remitting banks

That no steps be taken at this time to bring about uniformity of practice on the part of Federal Reserve banks with regard to the absorption of shipping expense on currency and coin received from nonmember remitting banks.

(13) Cash letters prepared by nationally known corporations

That, while there is no objection to the acceptance by Federal Reserve banks from their member banks of deposits of checks where the cash letters are prepared by nationally known corporations but actually deposited by the member banks, no arrangements be made with member banks for the acceptance of deposits of checks directly from such corporations themselves for the credit of the member banks without first securing opinion of counsel that such acceptance is not in violation of laws relating to branch banking.

(23) Subcommittee of the Standing Committee on Collections

That a Subcommittee of the Standing Committee

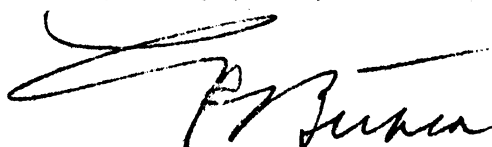
on Collections consisting of three persons, who are not members of the Standing Committee on Collections and who can devote their entire time to the development of the subject and a comprehensive report thereon, be appointed by the Conference of Presidents to make a study of the check collection system in its entirety to determine what improvements may be made.

The recommendations contained in paragraphs (8) and (9) with respect to an amendment to Regulation J and a change in the check collection circular relating to direct routing and the recommendations contained in the report of the Committee of Counsel, paragraphs (14) to (22), are now under consideration. You will be advised with respect to these recommendations at an early date.

The Board understands that the Standing Committee on Collections and the Committee of Counsel will meet in Chicago on April 19 for the purpose of considering the proposed regulation on noncash collections, amendments to Regulation J, and changes in the uniform paragraphs of the cash and noncash collection circulars. In the circumstances, it is assumed that no Federal Reserve bank will make any of the changes which have been suggested in its cash or noncash collection circulars or in availability schedules until after these meetings have been held.

In forwarding the revised time schedules between Federal Reserve bank and branch cities to the Board for approval, it will be appreciated if at the same time you will send us copies of the cash and noncash collection circulars with the proposed changes incorporated therein in order that the Board may have an opportunity to review them before they are released.

Very truly yours,



L. P. Bethea,
Assistant Secretary.

TO PRESIDENTS OF ALL FEDERAL RESERVE BANKS.

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

S-158

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD



April 13, 1939.

Dear Sir:

For your information there is enclosed a copy of a letter sent today to Mr. Harrison, President of the Federal Reserve Bank of New York.

Very truly yours,

A handwritten signature in dark ink, appearing to read "L. P. Bethea". The signature is fluid and cursive, with a large initial "L" and "P".

L. P. Bethea,
Assistant Secretary.

Enclosure

TO PRESIDENTS OF ALL FEDERAL RESERVE BANKS
EXCEPT NEW YORK