

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

S-595

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

November 30, 1942.

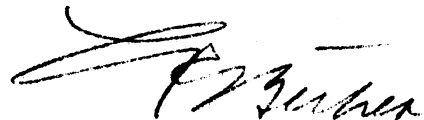
Dear Sir:

Enclosed herewith is a copy of a letter written by the Treasury Department to a State member bank with respect to the establishment of a banking facility at a military reservation by the member bank under its designation by the Treasury as a Depository and Financial Agent of the Government.

It is understood that the letter to the State member bank in this case is typical of letters written to banks establishing these facilities but that in some cases there may be other points covered.

The Board's Division of Examinations will keep the Federal Reserve Banks currently informed as to the establishment of these facilities by State member banks in their respective districts and will pass on any information received from the Treasury Department with respect to special points covered in the agreements between the State member bank and the Treasury Department.

Very truly yours,



L. P. Bethea,
Assistant Secretary.

Enclosure

TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS.



C O P Y

Dear Mr. :

Reference is made to the recent conference in your bank at which Mr. _____ of this Department and Major _____ of the War Department were present relative to the need for limited banking facilities at Camp _____. It is understood that your bank is willing to render this essential banking facility provided a satisfactory arrangement is perfected to offset costs of operation.

The Treasury is desirous of having the _____, under its designation as a Depository and Financial Agent of the Government, perform the following functions: (1) provide paying and receiving facilities for Army personnel, including custodians of Post Exchange funds, Company funds and other similar unit funds; (2) furnish the cash requirements of Finance Officers except cash for month-end payrolls; (3) accept deposits from Finance Officers for credit to the account of the Treasurer of the United States; (4) sell War Savings Bonds and Stamps; and (5) sell cashier's checks and bank money orders. All of the foregoing services should be rendered without charge to the Army personnel except for the sale of cashier's checks and bank money orders. Authorization to perform these functions at Camp _____ is contingent upon the military authorities providing adequate quarters at the Post and military protection to the extent necessary.

Confirming the arrangement agreed to at the conference, you are advised that the Treasury, as a basis for your providing limited banking facilities at Camp _____, is willing to place an initial balance of \$_____ with your bank, with the privilege of investing such balance in a 2% Depository Bond. The Treasury is willing, also, to permit your bank to purchase with its own funds a 2% Depository Bond in the amount of \$_____, making a total of \$_____ invested in these bonds. The arrangement will be reviewed monthly for the purpose of making such adjustments as may be warranted. I wish to assure you that sufficient 2% Depository Bonds will be allotted to your bank to offset the costs involved in providing banking facilities at Camp_____.

It will be necessary for your bank to execute and return to the Treasury the original and two copies of Form No. 387, Subscription Form for 2% Depository Bond. The amount of your subscription on Form No. 387 should be \$_____ and you should indicate that Methods A and C, as outlined on the reverse of the form, are to be used in making payment for the 2% Depository Bond.

In order that the Treasury may proceed with the matter, it is requested that you forward your check or draft for \$_____ payable to the Treasurer of the United States in part payment for a 2% Depository Bond. With respect to the remaining \$_____, you are advised that funds in that amount will be placed to the credit of your bank by the Treasurer of the United States and used in making payment for a depository bond.

It should be understood that the facility at Camp_____ will be in no sense a branch bank but will be a function which your bank has been requested to perform by virtue of its designation as a Depository and Financial Agent of the Government.

Upon receipt of Form No. 387, completely executed, together with your check or draft for \$_____, payable to the Treasurer of the United States, immediate steps will be taken to complete the arrangement and you will be advised.

Very truly yours,

(Signed) D. W. Bell

Under Secretary of the Treasury