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ADDRESS REPLY TO
FEDERAL RESERVE BOARD

FEDERAL RESERVE BOARD

WASHINGTON

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W. M. IMLAY, FISCAL AGENT

November 22, 1920.

X-2064

Subject: Commercial Telegrams Chargeable to the Federal Reserve Board. Revised Method of Accounting.

Dear Sir:

Referring to the Board's letters X-1611 (July 9, 1919) and X-1697 (Oct. 10, 1919) wherein instructions were transmitted concerning the method of preparing official telegrams to be sent over the commercial wires for account of the Federal Reserve Board, you are advised that at the request of the Western Union Telegraph Company and the Postal Telegraph Cable Company the Federal Reserve Board has agreed to a revision of the method of settlement for services performed and the following arrangement will become effective December 1, 1920:

- (a) Telegrams sent via Western Union or Postal Telegraph to the Federal Reserve Board "collect" will be paid for by the Federal Reserve Board at Washington.
- (b) Telegrams via Western Union or Postal Telegraph sent "paid" or received "collect" by Federal Reserve Agents on Federal Reserve Board business will be billed monthly by the Telegraph Companies against the respective Federal Reserve Agents, for account of the Federal Reserve Board, at Government rates. These telegrams will be assembled by the local representatives of the Telegraph Companies in the respective Federal Reserve cities and transmitted monthly with bills and Federal Reserve Board vouchers to the Federal Reserve Agents. The Federal Reserve Agents will examine and certify to the correctness of the bills and forward them to the Board by registered mail. The Board will make payment direct to the Telegraph Companies' local representatives in each of the Federal Reserve Cities.

IN EXPLANATION OF THE FOREGOING:

1. Telegrams covered by section (a) when sent over Western Union or Postal Telegraph Company wires addressed to the Board at Washington should bear the notation - "Official Business, Collect Government Rates, Federal Reserve Board."

2. Telegrams covered by section (b) when sent by the Federal Reserve Agents on Federal Reserve Board business should bear the notation - "Official Business, Paid Government Rates, Charge Federal Reserve Agent" (give the name of the Federal Reserve City). When sent by Clearing House managers to the Federal Reserve Agents, on Federal Reserve Board business, they should bear the notation "Official business, Collect Government rates".
3. Bills and vouchers with messages must be forwarded to the Board by registered mail, for the reason that settlement is made on original telegrams or water copies only, and their loss in the mail would make impossible a settlement by the Board.

It will be noted that the foregoing arrangement refers only to official telegrams transmitted or received for account of the Federal Reserve Board, and that it does not pertain to telegrams on Bank business.

Under the order of the Postmaster General, dated July 1, 1920, Government domestic telegrams are subject in all respects to the prevailing commercial count of chargeable words, and the address and signature of a domestic telegram are transmitted free, in accordance with the commercial practice. The charge for a Government domestic telegram is 40% of the prevailing commercial charge for the same class of service, with a minimum charge of 25¢ for a day telegram, 20¢ for a night telegram, 30¢ for a night letter, and 45¢ for a day letter.

The Telegraph Companies will transmit instructions to their local representatives in each Federal Reserve City, and you are requested to communicate with them as to the details of the plan. They will also furnish copies of all local commercial tariffs, etc.

There is enclosed for transmittal to the local representatives of the Telegraph Companies a supply of Federal Reserve Board Voucher #52.

Very truly yours,

Enclosures.

Assistant to Governor.

To Chairmen of all F.R. Banks.