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FEDERAL RESERVE BOARD

WASHINGTON

X-3812
August 16, 1923.

SUBJECT: EXPRESS RATES FOR TRANSPORTATION OF MONEY AND SECURITIES.

Dear Sir:

In letter X-3777 dated July 12, the Board's Committee on Economy and Efficiency asked all banks for certain information concerning the present costs of shipping currency and coin, particularly with respect to those shipments made by express. As advised in that letter, the question of securing a downward revision of the express rates now being charged, had already been taken up informally with the Interstate Commerce Commission, with the result that it was regarded as advisable to formally present the matter to the Commission.

It is, of course, desirable that the matter be handled in such a way as to secure the greatest benefits possible, and the Committee on Economy and Efficiency has advised the Board that it may be advisable to secure the services of an attorney regularly practicing before the Interstate Commerce Commission. The Board has approved of this action with the understanding that whatever expense may be incurred in this connection, which is not expected to be great, will be paid by all banks on a pro rata (not an equal) basis.

The information received from the banks indicates that the matter is of considerable importance inasmuch as the twelve banks are paying altogether over \$300,000. per annum for express charges, this cost being based upon rates which are between 40 and 50% higher than the rates in effect prior to about a year ago. It is desirable to have the matter handled as promptly as possible and will you, therefore, advise if the proposed action meets with the approval of your bank.

By order of the Federal Reserve Board.

Very truly yours,

W. W. Hoxton,
General Secretary.

TO GOVERNORS ALL F.R. BANKS.