

FEDERAL RESERVE BOARD X-4301

221

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

March 25, 1925.

SUBJECT: Amendments to Leased Wire Regulations.

Dear Sir:

The Federal Reserve Board has amended Paragraph 4 of its regulations governing the use of the Federal reserve leased wires (Letter of June 21, 1924, X-4099) to read as follows:

"In addition to the usual mail advice to the member bank receiving credit for a telegraphic transfer of funds, immediate advice by telegraph or otherwise should be given by the Federal reserve bank receiving the transfer, in cases where the credited member bank has stated that wire advice is necessary. All such wire advices should be at the expense of the member bank receiving credit, and, therefore, should be sent collect."

The present regulations provide that "The cost of all telegrams between Federal reserve banks transferring funds over the commercial telegraph wires will be charged to the member banks for which the transfers are made", etc. Some of the reserve banks advise that their members occasionally request that telegrams between Federal reserve banks transferring funds over commercial telegraph wires be sent collect, for the reason that it is difficult at times to predetermine the expense involved where it is desired to transfer net proceeds only of certain transactions. The Board has no objection to the Federal reserve banks complying with such requests, it being understood, of course, that the right will be reserved to charge the cost of the telegrams, if necessary, to the member banks requesting the transfers.

Very truly yours,

D. R. Crissinger,
Governor.

TO ALL GOVERNORS.