FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

X-7236

September 1, 1932.

SUBJECT: Charge for Printing Federal Reserve Notes During Fiscal Year 1933.

Dear Sir:

Referring to the telegrams which were addressed to all Federal reserve banks under date of July 30, 1932, and August 9, 1932, you are advised that the charge for printing Federal reserve notes during the month of July was at the rate of $90.50 per one thousand sheets, a reduction of $2.00 per one thousand sheets from the charge during the fiscal year 1932. The Bureau of Engraving and Printing advises that this reduction is the result of savings effected in the cost of materials used for the printing of the notes.

The Bureau also estimates that a much larger saving in the cost of printing Federal reserve notes will be made during the present fiscal year by virtue of the furlough without pay of employees of the Bureau under the provisions of the Economy Act. The Comptroller General of the United States has ruled, however, that the amounts withheld from the compensation of employees engaged in the printing of Federal reserve notes and other so-called repay work by reason of the operation of the Economy Act must be impounded, and that the fact that the compensation actually paid such employees has been reduced by the operation of the statute does not authorize any reduction in the charge made against Federal reserve banks for the printing of Federal reserve notes or the charge for other so-called repay work which is to be reimbursed by other agencies.

However, there is under consideration a proposed request to the Comptroller General to reconsider his decision. If the opinion of the Comptroller General should be reversed a further reduction will be made in the charge against the Federal reserve banks for printing Federal reserve notes; if not, the charge of $90.50 per one thousand sheets will continue during the fiscal year 1933.

Very truly yours,

Chester Morrill,
Secretary.

TO GOVERNORS OF ALL F. R. BANKS.