

FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

X-9378

November 29, 1935.

SUBJECT: Expense, Main Lines, Leased
Wire System, October, 1935.

Dear Sir:

Inclosed herewith you will find two mimeographed statements, X-9378-a and X-9378-b, covering in detail operations of the main lines of the Leased Wire System, during the month of October, 1935.

Please credit the amount payable by your bank for your share of the expense of the Leased Wire System to the Federal Reserve Bank of Richmond in your daily statement of credits through the Gold Settlement Fund for the account of the Board of Governors of the Federal Reserve System, and advise the Federal Reserve Bank of Richmond by wire the amount and purpose of the credit.

It will be noted that on X-9378-b there has been added to the total expenses to be prorated among the twelve Federal reserve banks \$963.57. This represents the total amount of three vouchers rendered to the Treasury Department covering telegrams sent during the months of July, August and September against the Treasury appropriation for miscellaneous and contingent expenses. Since April, 1925, the Board has sought reimbursement from the Treasury Department for the cost of telegrams sent for the account of this appropriation, but the Treasury has advised that it has been unsuccessful in obtaining the necessary appropriation to permit of reimbursement. The matter was taken up again in November, 1934, and the Board advised the Treasury at that time that it felt that the arrangement which had been in effect whereby the cost of the telegrams chargeable to the appropriation was absorbed by the Federal reserve banks was not a satisfactory one and should be discontinued as promptly as possible, and that, if it was felt desirable to have the telegrams handled by the Leased Wire System after July 1, 1935, every effort should be made to bring to the attention of the proper persons the necessity for the inclusion in the Treasury Department appropriation of an amount sufficient to permit reimbursement for the cost of the telegrams. Nothing further was heard from the Department regarding the matter and, beginning with the fiscal year 1936, vouchers were rendered covering the cost of the messages sent during the first three months of the fiscal year. When advice was received from the

Treasury Department that funds had not been provided to cover the cost of the telegrams, the matter was the subject of further negotiation with the Department which resulted in the Board advising the Treasury Department under date of November 21, 1935, as follows:

"It is understood that there has been included in the Treasury estimates of expenses for the fiscal year 1937 an amount sufficient to permit of reimbursement for the telegrams of the kind in question transmitted during that year and that the Treasury Department will do all that it can to have the item included in its appropriations. In view of these assurances and the inability of the Treasury to pay for telegrams transmitted prior to July 1, 1936, the Board will continue to handle such telegrams without reimbursement during the remainder of the fiscal year 1936 with the further understanding that if the appropriation referred to be not obtained the Treasury Department will make some other arrangement under which the Federal reserve banks will be relieved of this expense."

The amount of \$15,535.05 shown on form X-9378-b includes \$323.26, the cost of handling such telegrams for the Treasury Department for the month of October.

Very truly yours,



O. E. Foulk,
Fiscal Agent.

Inclosures.

TO GOVERNORS OF ALL F. R. BANKS.

REPORT SHOWING CLASSIFICATION AND NUMBER OF WORDS TRANSMITTED OVER MAIN LINES
OF THE FEDERAL RESERVE LEASED WIRE SYSTEM FOR THE MONTH OF OCTOBER, 1935.

From	Business reported by banks	Words sent by New York chargeable to other F. R. Banks (1)	Net Federal reserve bank business	Per cent of total bank business (*)
Boston	31,789	1,527	33,316	4.58
New York	133,663	-	133,663	18.38
Philadelphia	28,634	1,577	30,211	4.15
Cleveland	43,571	1,577	45,148	6.21
Richmond	47,947	1,574	49,521	6.81
Atlanta	51,029	1,512	52,541	7.23
Chicago	76,437	2,213	78,650	10.82
St. Louis	62,526	2,028	64,554	8.88
Minneapolis	33,056	1,486	34,542	4.75
Kansas City	62,632	1,557	64,189	8.83
Dallas	53,592	2,771	56,363	7.75
San Francisco	81,979	2,419	84,398	11.61
Total	706,855	20,241	727,096	100.00
Board business			322,848	1,049,944
Reimbursable business Incoming & Outgoing				571,748
Total words transmitted over main lines				1,621,692

(*) These percentages used in calculating the pro rata share of leased wire expense as shown on the accompanying statement (X-9378-b).

(1) Number of words sent by New York to other F. R. Banks for their sole benefit charged to banks indicated in accordance with action taken at Governors' Conference November 2-4, 1925.

REPORT OF EXPENSE MAIN LINES
 FEDERAL RESERVE LEASED WIRE SYSTEM, OCTOBER, 1935.

Name of bank	Operators' Salaries	Retire-ment Contribu-tions	Oper-ators' over-time	Wire rental	Total expenses	Pro rata share of total expenses	Credits	Payable to Board
Boston	\$ 260.00	\$ 24.65	-	\$ -	\$ 284.65	\$ 755.64	\$ 284.65	\$ 470.99
New York	1,358.29	122.79	-	-	1,481.08	3,032.45	1,481.08	1,551.37
Philadelphia	225.00	20.25	-	-	245.25	684.69	245.25	439.44
Cleveland	306.66	27.60	-	-	334.26	1,024.56	334.26	690.30
Richmond	190.00	17.35	-	230.00(&)	437.35	1,123.56	437.35	686.21
Atlanta	262.50	21.52	-	-	284.02	1,192.85	284.02	908.83
Chicago	4,195.14(#)	336.84	-	-	4,531.98	1,785.15	4,531.98	2,746.83(*)
St. Louis	195.00	17.43	-	-	212.43	1,465.08	212.43	1,252.65
Minneapolis	199.98	17.10	-	-	217.08	783.68	217.08	566.60
Kansas City	287.00	25.83	-	-	312.83	1,456.83	312.83	1,144.00
Dallas	251.00	22.34	-	-	273.34	1,278.64	273.34	1,005.30
San Francisco	380.00	32.03	-	-	412.03	1,915.49	412.03	1,503.46
Board	-	-	-	14,968.35	14,968.35	-	-	-
Total	\$8,110.57	\$685.73	-	\$15,198.35	\$23,994.65	\$16,498.62	\$9,026.30	\$10,219.15

Less Reimbursable Charges

8,459.60
\$15,535.05

2,746.83(a)
\$7,472.32

963.57(b)
\$16,498.62

- (&) Main line rental, Richmond-Washington
- (#) Includes salaries of Washington operators
- (*) Credit
- (a) Amount reimbursable to Chicago
- (b) See attached letter