

FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARDAugust 9, 1935
B-1091

Dear Sir:

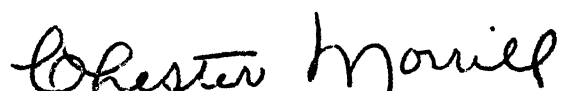
There is attached, for your information, a statement, B-1091, showing the financial results of operations under Section 13b of the Federal Reserve Act for the first half of 1935 as reported by each Federal Reserve bank on Form B-23.

The Board's letter of November 28, 1934, B-1040, regarding the preparation of Form B-23, stated that "Expenses reported on Form B-23 should include an equitable proportion of the expenses of the provision of space function, rental of furniture and equipment (whether owned by Federal Reserve bank or rented from outside agencies), retirement system contributions at the full rate, and all other expenses incurred in connection with the making of industrial advances and commitments under Section 13b, except such expenses as are paid by the applicants for loans." It will be noted from the attached statement that certain items, such as "provision of space", are not being reported on Form B-23 by all banks in accordance with the above-quoted instructions and it is understood that some banks are not including any portion of the salaries of senior officers although they devote an appreciable amount of their time to work in connection with industrial advances.

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It is important that these reports be prepared on a uniform basis by all banks and that they properly reflect the actual earnings and expenses of the several Federal Reserve banks in connection with operations under Section 13b.

Very truly yours,



Chester Morrill,
Secretary.

Inclosure.

TO ALL GOVERNORS

FINANCIAL RESULTS OF OPERATIONS UNDER SECTION 13b OF THE FEDERAL RESERVE ACT FOR THE FIRST HALF OF 1935

B-1091

	System	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
Earnings from industrial advances and commitments:													
Loans, discounts, advances and purchases	\$618,060	\$51,238	\$94,865	\$102,017	\$38,465	\$100,280	\$31,646	\$45,531	\$13,822	\$57,070	\$18,623	\$44,554	\$19,949
Commitments	93,215	9,880	32,453	306	9,218	10,600	1,836	3,753	9,311	200	3,197	546	11,915
Other earnings on funds received from Secy. of Treas. under Section 13b	--	--	--	--	--	--	--	--	--	--	--	--	--
Total earnings	711,275	61,118	127,318	102,323	47,683	110,880	33,482	49,284	23,133	57,270	21,820	45,100	31,864
Expenses:													
Salaries: Officers	109,990	3,750	15,497	2,250	937	7,250	6,875	18,629	8,465	4,050	4,000	12,283	26,004
Employees	316,044	9,168	73,019	26,162	29,248	16,033	9,759	14,121	11,908	24,408	8,539	8,997	84,682
Contributions - Retirement System	34,435	1,221	6,927	2,576	2,629	2,057	1,610	2,487	1,820	2,272	1,407	2,134	7,295
Industrial Advisory Committee members - Expense or per diem allowances	7,262	804	426	228	337	393	280	652	326	2,165	510	212	929
Traveling expenses (a)	14,486	--	444	1,524	991	346	586	653	155	4,428	487	800	4,072
Legal fees	17,713	-336	--	616	-284	3,461	3,070	--	--	2,255	2,675	2,929	3,327
Appraisers' fees	1,896	532	--	406	200	--	-50	247	--	527	--	20	14
Registered mail insurance	8	--	--	--	4	--	--	--	--	--	--	--	4
Other insurance	393	--	165	53	20	--	--	--	--	--	--	--	4
Provision of space	22,603	619	--	1,347	5,035	1,379	414	2,881	2,046	26	16	11	91
Rental of furniture and equipment	2,994	--	--	211	254	385	96	374	317	4	69	90	1,194
Printing and stationery and office and other supplies	10,361	544	1,720	586	743	442	490	495	334	1,058	331	167	3,446
Telephone and telegraph	6,158	397	886	208	189	357	21	712	253	413	162	219	2,341
Postage and expressage	2,119	160	126	257	134	11	209	180	312	10	208	187	325
Miscellaneous expenses	7,268	4	(b)3,677	258	3	176	75	220	434	(c)2,183	18	19	201
Total expenses	553,730	16,863	102,887	36,682	40,445	32,290	23,435	41,662	26,370	43,799	19,876	28,949	140,472
Current net earnings	157,545	44,255	24,431	65,641	7,238	78,590	10,047	7,622	-3,237	13,471	1,944	16,151	-108,608
Add: Recoveries of losses previously charged to current net earnings	--	--	--	--	--	--	--	--	--	--	--	--	--
Deduct: Credits to reserve for losses	--	--	--	--	--	--	--	--	--	--	--	--	--
Losses charged off (other than those charged to reserves)	--	--	--	--	--	--	--	--	--	--	--	--	--
Net earnings	157,545	44,255	24,431	65,641	7,238	78,590	10,047	7,622	-3,237	13,471	1,944	16,151	-108,608

FINANCIAL RESULTS OF OPERATIONS UNDER SECTION 13b OF THE FEDERAL RESERVE ACT FOR THE FIRST HALF OF 1935

B-1091a

Memoranda	System	Boston	New York	Phila- delphia	Cleve- land	Rich- mond	Atlanta	Chicago	St. Louis	Minn- eapolis	Kansas City	Dallas	San Francisco
(In thousands of dollars)													
Expenses paid by applicants	30	8	4	—	6	—	2	10	—	—	—	—	—
Average daily amount of Industrial advances outstanding	22,067	2,068	3,545	3,551	1,305	3,393	1,064	1,663	507	1,919	838	1,549	665
Average daily amount of Commitments to make Industrial advances outstanding	15,617	2,398	6,160	(a)430	1,307	931	720	393	1,463	40	236	112	1,427
Average daily amount of funds received from Secretary of Treasury	15,511	1,912	3,023	2,058	997	2,049	754	1,272	501	992	589	711	653
Amount of funds received from the Secretary of the Treasury as of June 30, 1935	20,934	2,167	6,586	2,099	1,016	2,919	757	1,418	548	1,008	779	939	698

(a) Other than those of Industrial Advisory Committee members.

(b) Includes: Credit Reports, \$584; Stenographic, \$2,700.

(c) Includes: Dun and Bradstreet, \$663; Temple Brissman & Co., \$750; Credit Service - Audit of Insurance policies, \$238; Stenographic, \$446.

(d) With commitment fee on only \$45,076.