

1933

311,01-1  
October 10, 1933

Mr. Morrill

Claims of Reserve Banks for reimbursement of expenses in connection with banking holiday, etc.

Mr.

*Handwritten initials*

Attached hereto are letters from the Federal Reserve bank of New York, dated September 6, and from Atlanta, dated July 27, also letters from the 10 other Reserve Banks in response to the Board's telegram of September 30, with reference to claims for reimbursement in connection with licensing of banks, etc.

Following is a summary of the replies to the Board's telegram of September 30:

Boston. Claims aggregating \$18,481.68 for expenses incurred in March pending; claims for expenses subsequent to March not yet submitted. Claims aggregating \$229.02 covering shipping charges on gold and gold certificates shipped by nonmembers, either direct or through a Boston correspondent, prior to April 5 have been disallowed.

Philadelphia. Telegraph service "on and after March 9" allowed in amount of \$2,943.69. All other claims aggregating \$6,194.25 disallowed.

Cleveland. Telegraph costs "in March and April" amounting to \$431.02 allowed; all other claims aggregating \$4,278.65 disallowed.

Richmond. Claims allowed: telegraph costs "after March 9," \$415.62; telephone tolls "after March 9," \$1,322.15; postage, \$1,547.22; office and other supplies \$9.99; Total, \$3,295.01. All other claims aggregating \$14,425.81 disallowed. "It also appears that the Comptroller's office has not allowed any item of expense unless it was incurred after March 9, 1933, the date of the Emergency Banking Act."

Mr. Morrill - #2

Chicago. Claims allowed: transportation charges on gold coin and gold certificates, \$2,274.72; telegraphic charges, \$26.92; total, \$2,301.64. Claims disallowed \$1,984.47; claims pending, \$61,784.11.

St. Louis. Claims disallowed \$981.63. No statement furnished of claims allowed, if any. Claims disallowed were all incurred prior to March 9.

Minneapolis. Claims allowed, telegraphic charges, \$3,500. Bank absorbed some expenses, such as for circulars and supper money. Apparently no claims disallowed, except bill of approximately \$3,000 covering part of shipping charges on gold coin and gold certificates received. Bank is chiefly concerned about such shipping charges and those on currency shipped to others than member banks in exchange for gold and gold certificates.

Kansas City. Claims allowed: telegraph, \$3,870.89; telephone, \$553.45; postage \$839.34; total, \$5,263.68. Claims disallowed, \$9549.22. Bank states total additional expense incurred on account of the banking holiday was approximately \$132,000 for which reimbursement was requested in amount of \$14,812.90 only.

Dallas. Claims submitted totaled \$3,218.91. Bank received advice that vouchers could not be passed as submitted with suggestion that claim be resubmitted covering cost of telegrams only.

San Francisco. Claims allowed: Telegraph costs on and after March 9, \$4,382.90; telephone tolls on and after March 9, \$1,961.75; total, \$6,344.65. Claims disallowed, \$14,880.22.

Mr. Morrill - #3

The New York bank in its letter of September 6 states that of a voucher totaling \$51,619.59, copy of which is inclosed, only \$2,499.45, representing telegraph costs after March 9, was allowed, also that only out-of-pocket expenses were included in the claim, all questionable items of expense being absorbed by the Reserve bank.

Atlanta, in its letters (2) of July 27, states that a claim of \$2,820.48 covering shipping charges on gold coin, gold certificates and other currency shipped in exchange therefor was disallowed, and incloses revised voucher in amount of \$3,207.29 for period from March 9 to April 4 inclusive, also that claim in the amount of \$3,287.42 covering expenses incident to the licensing of banks was disallowed except for \$515.98 representing telephone and telegraph costs incurred on and after March 9. Copies of vouchers are attached, the only item out of the ordinary apparently being a charge of \$1,305.89 for services of the bank's general counsel who is employed on a retainer fee basis. The above-mentioned amount apparently includes fees of \$900 for services at Atlanta and \$300 for services in Washington and traveling expenses in the amount of \$105.89.

*S. S. Murrill*  
 ATTORNEY GENERAL

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47