

**FEDERAL RESERVE BANK  
OF CLEVELAND**

*Twenty-ninth Annual Statement*

*Cleveland 1, Ohio, January 7, 1944*

*To the Stockholders of  
Federal Reserve Bank of Cleveland:*

*For your information there are submitted herein comparative statements of condition for December 31, 1943, and December 31, 1942, and of earnings and expenses for the years 1943 and 1942. There are also included statements of the distribution of net earnings for the two years.*

*The past year has added to the many problems of banks, and we are proud of the way in which they have accepted these added responsibilities. The magnificent effort made by officers and employees of banks in the various War Loan drives, the participation of banks in the tax withholding program, and the important part they have played in ration banking, make a glorious chapter in American banking history.*

*This bank is especially appreciative of the fine cooperation which the banks of this district have shown.*



*President*

## COMPARATIVE STATEMENT OF CONDITION

ASSETS	Dec. 31, 1943	Dec. 31, 1942
<b>Cash reserves held by this bank against deposits and note circulation:</b>		
Gold certificates (lodged with the Treasurer of the United States) deposited for account of the Federal Reserve Agent as collateral against Federal Reserve notes issued to this bank.....	\$ 955,000,000.00	\$1,180,000,000.00
Redemption fund in the hands of the Treasurer of the United States for use in redeeming such Federal Reserve notes of this bank as are presented to the Treasury for redemption .....	31,000,000.00	1,140,222.67
Gold certificates (lodged with the Treasurer of the United States) in the Interdistrict Settlement Fund for the purpose of settling transactions between Federal Reserve banks.....	440,309,130.82	534,832,513.70
Other cash.....	<u>24,477,196.53</u>	<u>43,579,838.05</u>
<b>Total cash reserves.....</b>	<b>1,450,786,327.35</b>	<b>1,759,552,574.42</b>
 <b>Bills and Securities:</b>		
Bills discounted:		
Secured by United States Government securities, direct and guaranteed.....	265,000.00	190,000.00
Otherwise secured or unsecured.....	—0—	270,971.45
Industrial advances—working capital loans.....	390,342.05	819,846.43
United States Government securities.....	<u>1,180,153,000.00</u>	<u>509,453,500.00</u>
<b>Total bills and securities.....</b>	<b>1,180,808,342.05</b>	<b>510,734,317.88</b>
 <b>Miscellaneous Assets:</b>		
Federal Reserve notes of other banks.....	5,060,500.00	2,869,000.00
Checks and other cash items in process of collection.....	249,226,826.39	200,909,306.01
Bank premises, less reserves.....	4,213,794.51	4,326,270.42
All other miscellaneous assets.....	<u>8,308,138.83</u>	<u>8,482,708.99</u>
<b>Total miscellaneous assets.....</b>	<b>266,809,259.73</b>	<b>216,587,285.42</b>
<b>Total Assets.....</b>	<b><u>\$2,898,403,929.13</u></b>	<b><u>\$2,486,874,177.72</u></b>

## COMPARATIVE STATEMENT OF CONDITION

LIABILITIES	Dec. 31, 1943	Dec. 31, 1942
<b>Federal Reserve notes in circulation:</b>		
Federal Reserve notes in actual circulation, payable on demand. These notes are secured in full by gold certificates, discounted paper, or United States Government securities.....	\$1,495,779,825.00	\$1,133,506,500.00
<b>Deposits:</b>		
Reserve deposits maintained by member banks as legal reserves against the deposits of their customers.....	1,003,594,638.08	918,239,742.65
United States Government deposits carried at this bank for current requirements of the Treasury.....	75,109,379.07	132,278,945.07
Other deposits.....	<u>128,877,875.51</u>	<u>141,992,071.45</u>
Total deposits.....	1,207,581,892.66	1,192,510,759.17
<b>Miscellaneous Liabilities:</b>		
Deferred items, composed mostly of uncollected checks on banks in all parts of the country. Such items are credited as deposits after the average time needed to collect them elapses.....	154,351,520.28	125,478,131.99
All other miscellaneous liabilities.....	<u>521,449.31</u>	<u>162,755.93</u>
Total miscellaneous liabilities.....	154,872,969.59	125,640,887.92
<b>Capital and Surplus:</b>		
Capital paid in, which is 50% of amount subscribed and which represents 3% of the capital and surplus of member banks.....	15,572,550.00	14,878,350.00
<b>Surplus:</b>		
(Section 7)—That portion of accumulated net earnings which this bank is legally permitted to retain.....	16,025,696.51	14,766,685.26
(Section 13b)—Net amount paid by the Secretary of the Treasury to further the making of working capital loans.....	1,007,126.09	1,007,126.09
Reserves for contingencies.....	<u>7,563,869.28</u>	<u>4,563,869.28</u>
<b>Total Liabilities.....</b>	<u><u>\$2,898,403,929.13</u></u>	<u><u>\$2,486,874,177.72</u></u>
Commitments to make industrial advances.....	\$ 100,000.00	\$ 387,086.87

## COMPARISON OF EARNINGS AND EXPENSES

For the years 1943 and 1942

	1943	1942
<b>Current Earnings:</b>		
Discounted bills.....	\$ 4,101.17	\$ 3,073.92
Industrial advances.....	28,383.78	19,800.12
Commitments to make industrial advances.....	2,273.92	6,279.32
United States Government securities.....	6,643,854.33	4,872,023.65
All other.....	71,970.59	73,854.49
Total current earnings.....	6,750,583.79	4,975,031.50
<b>Total Operating Expenses</b> (including normal depreciation on bank premises).....		
	7,143,045.63	5,036,390.38
Less reimbursements for certain Fiscal Agency and other expenses.....	3,617,994.70	1,976,744.91
Net Operating Expenses.....	3,525,050.93	3,059,645.47
Assessments for expenses of Board of Governors.....	223,201.32	160,273.46
Cost of Federal Reserve currency.....	444,145.03	387,044.64
Total current expenses.....	4,192,397.28	3,606,963.57
<b>Current Net Earnings</b> .....	2,558,186.51	1,368,067.93
<b>Additions to Current Net Earnings:</b>		
Profits on sales of United States Government securities.....	3,537,441.55	333,825.68
All other.....	1,013.59	3,545.64
Total additions.....	3,538,455.14	337,371.32
<b>Deductions from Current Net Earnings:</b>		
Retirement System (interest base and increased benefits adjustments)	803,689.34	381,490.00
All other.....	111,177.95	7,481.55
Total deductions.....	914,867.29	388,971.55
Net deductions.....		51,600.23
Net additions.....	2,623,587.85	
<b>Net Earnings</b> .....	\$ 5,181,774.36	\$ 1,316,467.70

### DISTRIBUTION OF NET EARNINGS

Paid United States Treasurer (Section 13b).....	\$ 599.31	\$ 6,847.76
Dividends paid.....	922,163.80	888,549.72
Reserves for Contingencies.....	3,000,000.00	-0-
Surplus (Section 7).....	1,259,011.25	421,070.22
<b>Total</b> .....	\$ 5,181,774.36	\$ 1,316,467.70

**FEDERAL RESERVE BANK OF CLEVELAND**  
**DIRECTORS AND OFFICERS—1944**

**DIRECTORS**

G. C. BRAINARD, Chairman  
R. E. KLAGES, Deputy Chairman

Term  
Expires

**CLASS A**

F. F. BROOKS, President, First National Bank at Pittsburgh, Pittsburgh, Pa.....	1944
B. R. CONNER, President, The First National Bank of Ada, Ada, Ohio.....	1945
H. B. McDOWELL, President, The McDowell National Bank of Sharon, Sharon, Pa.....	1946

**CLASS B**

G. D. CRABBS, Chairman of the Board, The Philip Carey Manufacturing Co., Cincinnati, Ohio.....	1944
T. E. MILLSOP, President, The Weirton Steel Co., Weirton, W. Va.....	1945
R. P. WRIGHT, Secretary-Treasurer, The Reed Manufacturing Co., Erie, Pa.....	1946

**CLASS C**

A. Z. BAKER, President and General Manager, The Cleveland Union Stock Yards Co., Cleveland, Ohio....	1944
R. E. KLAGES, President, The Columbus Auto Parts Co., Columbus, Ohio.....	1945
G. C. BRAINARD, President, The General Fireproofing Co., Youngstown, Ohio.....	1946

**OFFICERS**

M. J. FLEMING, President

R. B. HAYS..... First Vice President	W. D. FULTON..... Assistant Vice President
W. H. FLETCHER..... Vice President	H. E. J. SMITH..... Assistant Vice President
J. W. KOSSIN..... Vice President	C. J. BOLTHOUSE..... Assistant Cashier
A. H. LANING..... Vice President and Cashier	W. L. FINDEISEN..... Assistant Cashier
B. J. LAZAR..... Vice President	C. HARRELL..... Assistant Cashier
K. H. MacKENZIE..... Vice President	M. MORRISON..... Assistant Cashier
W. F. TAYLOR..... Vice President	R. R. CLOUSE..... Secretary
E. A. CARTER..... Assistant Vice President	F. V. GRAYSON..... Auditor

**MEMBER, FEDERAL ADVISORY COUNCIL**

B. G. HUNTINGTON, President, The Huntington National Bank of Columbus, Columbus, Ohio

**COUNSEL**

SQUIRE, SANDERS & DEMPSEY  
Cleveland, Ohio

**INDUSTRIAL ADVISORY COMMITTEE**

W. W. WITHINGTON, Vice President  
The American Fork & Hoe Company,  
Cleveland, Ohio

H. R. NEFF, President  
The George S. Rider Company,  
Cleveland, Ohio

D. C. SWANDER, President  
The Columbian Vise and Mfg. Company,  
Cleveland, Ohio

H. P. LADDS, President  
The National Screw and Manufacturing Company,  
Cleveland, Ohio

C. F. HOOD, President  
The American Steel and Wire Company of New Jersey,  
Cleveland, Ohio

## FEDERAL RESERVE BANK OF CLEVELAND

### DIRECTORS AND OFFICERS—1944

(Continued)

#### CINCINNATI BRANCH OF FEDERAL RESERVE BANK OF CLEVELAND

##### DIRECTORS

	Term Expires
BUCKNER WOODFORD, Vice President and Cashier, Bourbon-Agricultural Bank & Trust Co., Paris, Ky.....	1945
FREDERICK V. GEIER, President, The Cincinnati Milling Machine Company, Cincinnati, Ohio.....	1945
J. G. GUTTING, President, The Second National Bank of Cincinnati, Cincinnati, Ohio.....	1944
FRANCIS H. BIRD (Chairman), Professor of Commerce, College of Engineering and Commerce, University of Cincinnati, Cincinnati, Ohio.....	1945
FRANK A. BROWN, (Farmer), R. F. D. No. 1, Chillicothe, Ohio.....	1944

##### OFFICERS

B. J. LAZAR.....	Vice President
H. N. OTT.....	Cashier
R. G. JOHNSON.....	Assistant Cashier
P. J. GEERS.....	Assistant Cashier
SALMON BROWN.....	Assistant Cashier

#### PITTSBURGH BRANCH OF FEDERAL RESERVE BANK OF CLEVELAND

##### DIRECTORS

CLARANACE STANLEY, President, The Union Trust Company of Pittsburgh, Pittsburgh, Pa.....	1945
ARCHIE J. McFARLAND, President, Wheeling Steel Corporation, Wheeling, W. Va.....	1945
E. B. HARSHAW, Vice President and Cashier, The Grove City National Bank, Grove City, Pa.....	1944
ROBERT E. DOHERTY, (Chairman), President, Carnegie Institute of Technology, Pittsburgh, Pa.....	1945
W. C. ARTHUR, President, Talon, Inc., Meadville, Pa.....	1944

##### OFFICERS

J. W. KOSSIN.....	Vice President
A. G. FOSTER.....	Cashier
J. A. SCHMIDT.....	Assistant Cashier
R. J. STEINBRINK.....	Assistant Cashier
W. H. NOLTE.....	Assistant Cashier

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#### NUMBER OF BANKS IN OPERATION IN FOURTH DISTRICT, DECEMBER 31, 1943

	State	National	Total
Kentucky.....	7	51	58
Ohio—Cincinnati territory.....	23	91	114
Ohio—Cleveland territory.....	150	150	300
Pennsylvania.....	30	193	223
West Virginia.....	4	8	12
	214	493	707

### MEMBER BANKS ADMITTED DURING 1943

The Andover Bank, Andover, Ohio  
The Chardon Savings Bank Company, Chardon, Ohio  
The State Bank of Defiance Company, Defiance, Ohio  
The Farmers State Savings Bank, Delta, Ohio  
The Lorain County Savings & Trust Company, Elyria, Ohio  
The Farmers State Bank Company, Fayette, Ohio  
The Loramie Banking Company, Fort Loramie, Ohio  
The Commercial Bank and Savings Company, Fostoria, Ohio  
Barclay-Westmoreland Trust Company, Greensburg, Pennsylvania  
Farmers and Merchants Trust Company, Greenville, Pennsylvania  
The Hamler State Bank, Hamler, Ohio  
The Holgate State Bank, Holgate, Ohio  
The Liberty State Savings Bank, Liberty Center, Ohio  
The Lindsey Banking Company, Lindsey, Ohio  
The Fahey Banking Company, Marion, Ohio  
The Farmers State Bank of McClure, Ohio, McClure, Ohio  
The Mogadore Savings Bank, Mogadore, Ohio  
\*The First National Bank of Nelsonville, Nelsonville, Ohio  
The Hardy Banking Company, North Baltimore, Ohio  
The Rossford Savings Bank, Rossford, Ohio  
The Seville State Bank, Seville, Ohio  
The Miners & Merchants Bank, Smithfield, Ohio  
The Farmers Savings Bank Company, Stony Ridge, Ohio  
The Farmers State Bank of Stryker, Stryker, Ohio  
The Farmers Bank, Sunbury, Ohio  
The Peoples State Bank, Wauseon, Ohio

During the calendar year 1943 twenty-six banks have been admitted to membership in the Federal Reserve System. In all, forty-four Fourth District banks have become members since the bombing of Pearl Harbor.

\*Conversion of State nonmember bank.