

FIFTEENTH ANNUAL REPORT
of the
FEDERAL RESERVE AGENT
of the
NINTH FEDERAL
RESERVE DISTRICT
to the
FEDERAL RESERVE BOARD



Covering the Calendar Year
—1929—

Federal Reserve Bank of Minneapolis,
Office of the Federal Reserve Agent,
Minneapolis, Minn., February 19, 1930.

To Governor R. A. Young,
Federal Reserve Board,
Washington, D. C.

Sir:

In conformity with our custom, I have the honor to submit herewith the Fifteenth Annual Report of the Federal Reserve Agent of the Federal Reserve Bank of Minneapolis, relating to operations during the twelve months which ended December 31, 1929.

Respectfully submitted,

J. R. MITCHELL,
Federal Reserve Agent.

REPORT
OF THE
FEDERAL RESERVE AGENT
AT MINNEAPOLIS
1929

**BUSINESS, AGRICULTURAL AND BANKING
CONDITIONS**

A. Business

In the Ninth Federal Reserve District the year 1929 was characterized by a larger volume of business during the first three quarters than in the same quarters of 1928, and by a reduced volume of business during the fourth quarter. In spite of the shrinkage in business activity during the fourth quarter, new high records were made by the year's totals of debits to individual accounts, country check clearings, life insurance sales, iron ore shipments, copper production and dairy income. Wholesale hardware sales were the largest since 1920 and freight carloadings were the largest since 1923. Business failures were fewer than in any year since 1920 and bank failures and farmer bankruptcies were fewer than in any year since 1922.

Conditions varied considerably in various parts of the district. In Minneapolis and in the mining and lumber territories, increases in debits to individual accounts were larger than in the other areas, although there were a few cities in nearly every portion of the district which reported marked increases over 1928. The demand for iron ore and copper increased the output of minerals greatly until the national shrinkage in business activity began in the second half of 1929. The dairying and beef and pork producing areas in southern Minnesota and South Dakota and St. Paul and South St. Paul also experienced increases in debits to individual accounts. The wheat raising areas and the Great Lakes ports reported about the same volume of individual debits in 1929 as a year ago, owing to the partial crop failure of 1929 and the small export demand for grains.

Retail trade, as evidenced by department store sales, furniture sales and sales of securities in the larger cities and by lumber sales in the rural portion of the district, was smaller in 1929 than in 1928, but life insurance sales increased. Wholesale trade in hardware and grocery lines was larger in 1929 than in 1928, but wholesale shoe and agricultural implement business was in slightly smaller volume. Stocks of merchandise at the close of 1929 were smaller in most wholesale lines and at city department stores but larger at country lumber yards than a year ago. A larger amount of accounts and notes receivable was held by retailers at the close of 1929 than a year ago, but wholesale accounts and notes receivable were about equal to last year's totals.

Other industries exhibited mixed trends. Flour production at Minneapolis during 1929 was the smallest in several years. The volume of linseed products shipments was smaller than in the preceding year.

The volume of building showed mixed trends with commercial and industrial building and public works and utilities in larger volume than in the preceding year and residential building in smaller volume.

B. Agriculture

Farm income from cash crops, dairy products, hogs and wool combined was 10 per cent smaller in 1929 than in 1928, and also smaller than in any other year since 1923. Decreases in farm income occurred in wheat, rye, flax and wool. Increases in income occurred in potatoes, dairy products and hogs. Prices of wheat, corn, flax, potatoes, eggs and hogs were higher in December, 1929, than a year earlier. Prices of oats, rye, butter, milk, hens, veal calves, lambs, ewes and wool were lower than a year ago. Prices of barley and butcher cattle were at approximately the same level in December, 1929, as in the same month in the preceding year.

Crops were not as large in 1929 as in 1928, with the exception of corn. The wheat and rye crops were the smallest in three years. The flax crop was the smallest since 1922, and the potato crop was the smallest since 1916.

The acreage in crops has been steadily increasing in the Northwest. The 1929 acreage in eight leading crops was 56,574,000 acres, representing an increase of 900,000 acres over the preceding year's acreage, and an increase of more than 8 million acres over the 1919 figures, which represented the peak of the war and immediate post-war expansion in agricultural activities. This increase in acreage has been chiefly in flax, corn, barley and tame hay. Decreases, as compared with 1919, in acreage have occurred in wheat and rye and the acreage of potatoes and oats has shown little change. The increase in barley acreage is especially noteworthy since it has been larger than the increases in the acreage of other feed crops and represents a growing recognition of the value of barley as a feed grain in the area north of the corn belt. The amount of barley consumed in Minnesota, North Dakota, South Dakota and Montana, including its use as seed, has increased from 54 million bushels in the 1922 crop year to 99 million bushels in the 1928 crop year.

The acreage of leguminous hay crops including alfalfa, clover, sweet clover, mixed clover and timothy and annual legumes has increased from 2,917,000 acres in 1922 to 4,617,000 acres in 1929. This is a larger increase than the increase in total tame hay acreage and indicates that leguminous hay crops comprise most of the additions to hay acreage and are also supplanting part of the acreage of other hay crops.

The course of wheat marketings differed in 1929 from the usual seasonal trend. Twice as much wheat as usual had

been held on farms until the close of the 1928 marketing season. The 1929 crop was early and there was a 50 per cent increase in the number of combine harvesters used in the wheat fields as compared with the preceding year. All of these circumstances contributed to make an exceptionally heavy movement of wheat in July and August. The peak of wheat marketing in 1929 occurred in August, although the peak in past years has never been reached earlier than in September. In the last four months of the year, wheat marketings dwindled as was expected after the early rush of wheat to market, and by the end of December only a normal percentage of wheat available for marketing had been received at Minneapolis and the Head-of-the-Lakes. Export demand for the wheat crop of the Northwest did not develop in its usual volume and elevators at Minneapolis and Duluth-Superior were filled nearly to capacity at the close of the year.

Butter production was larger in 1929 than in 1928, both in the Northwest and throughout the United States. In the last half of the year, production exceeded consumption by more than the seasonal amount, and stocks of dairy products became somewhat burdensome. This situation caused an unseasonal decline in butter prices in October, November and December. On January 1, 1930, the number of dairy cows and heifers in the four states was larger than a year earlier.

The number of swine on farms on January 1, 1930 was the smallest since January 1, 1926, partly because of early marketings. The number of beef cattle on farms in the district on January 1, 1930 was larger than on any comparative date since January 1, 1926. The number of sheep on farms also showed a further increase during 1929.

The farm real estate situation improved during 1929. Decreases occurred in farmer bankruptcies in Minnesota and South Dakota, which were only partly offset by increases in North Dakota and Montana. Forced sales of land during the year ending March 15, 1929 were sharply reduced in North Dakota, South Dakota and Montana as compared with other recent years. There was very little change in the number of forced sales in Minnesota, but the land situation in this respect has not been as serious in most parts of Minnesota as in the other northwestern states. The number of voluntary sales of farm land has improved for four years in Montana, but has shown little change in the other northwestern states. Farm land prices increased in Montana during the year ending March 1, 1929 and showed a very small decrease in Minnesota, North Dakota and South Dakota. The real estate holdings of country banks were reduced during 1929.

C. Banking

The banks of the district experienced a reduction of 44 million dollars in deposits during the year ending October 4, 1929, and on that date they held \$1,678,205,000 of deposits. The loans of all banks in the district were increased 35 million dollars during the year and their holdings of investments were reduced 11 million dollars.

Country banks experienced a loss of 36 million dollars, or 3 per cent, of their deposits during the year ending October 4, 1929. Further losses apparently were sustained during the closing months of the year for country member bank deposits during December were 5 per cent smaller than in December 1928. The loans of country banks decreased 1 per cent during the year ending October 4, and their investment holdings increased 2 per cent. Further improvement in the average size of country banks in the district occurred during the year. Average holdings of deposits per country bank increased from \$502,000 on October 3, 1928 to \$519,000 on October 4, 1929.

Bank failures during the year 1929 were 84 in number, which was the smallest total since 1922. The total number of banks operating in the district was reduced by 146, owing to consolidations and voluntary liquidations as well as failures.

City member banks experienced the usual seasonal decline in deposits to a low point for the year in May. There followed a more rapid increase than usual in the deposits of these banks during the summer and early fall months, but the customary sharp increase in deposits in October and November did not develop. However, there was not as sharp a decrease in deposits during the last half of November and the month of December as in the past three years, and deposits of city member banks at the close of 1929 were only 7 million dollars (less than 2 per cent) smaller than a year earlier. The deficiency in deposits, as compared with the preceding year, was chiefly in deposits due to country banks which did not experience the usual autumn increase.

The loans to customers of city member banks rose from the low point of the year at the end of January to a peak at the end of October, which was followed by a gradual decrease to the close of the year. At the end of the year, loans to customers by these banks were considerably larger than a year earlier. Other invested funds of these city banks, including holdings of securities, brokers' loans, acceptances and commercial paper, decreased steadily throughout 1929, with the exception of a minor peak at the close of May when the spring real estate tax payments caused a sharp increase in deposits for a few days.

Interest rates charged by Minneapolis banks on prime loans increased from $5\frac{3}{4}$ -6 per cent in January 1929 to $6\frac{1}{2}$ per cent in November and then decreased to an average of 6 per cent in December.

OPERATIONS OF MINNEAPOLIS FEDERAL RESERVE BANK IN 1929

A. General Survey

The earning assets of the bank fluctuated between a low point of $28\frac{1}{2}$ million dollars, reached on December 24, and a high point of 61 million dollars, reached on October 2, as indicated by the weekly published balance sheets of the bank. Discounts and rediscounts were small at the beginning of the

year, but rose rapidly after mid-year to a peak of 43 million dollars on October 23, after which they decreased to 7½ million dollars on December 24.

Loans to member banks in the larger cities of the district represented the major portion of the discounted bill holdings of this bank during most of the year. This condition was especially marked in the early fall when the grain which had been held over from the 1928 crop and the grain from the 1929 crop which reached the market earlier than usual this year required financing. City member banks in this district made large loans on grain in terminal warehouses throughout the fall months. Country member banks borrowed slightly more this fall at the peak of their seasonal requirements than in other recent years, but their borrowings showed their usual seasonal reduction in the last few weeks of the year. In the spring wheat belt, the peak of borrowing requirements from the Federal Reserve Bank was reached early in July, although the usual peak of credit strain occurs in the latter part of August. This unusually early passing of the peak of borrowings by these banks was due to the sale of held-over grain and the early marketing of the 1929 crop.

Federal reserve notes in circulation declined during January to \$59,970,000 on January 30. The highest amount of Federal reserve notes in circulation was reported on July 10, when the first issue of Federal reserve notes of the new size in all of the smaller denominations was made. This peak of Federal reserve notes in circulation was very temporary and was practically eliminated during the next three weeks. Following this period, the usual seasonal increase in currency circulation began in the fall, reaching a peak on October 23 of \$68,348,000. There was a gradual decline during the closing weeks of the year in the amount of Federal reserve notes in circulation, with the exception of the usual increase in circulation during the week before Christmas.

Member banks reserve deposits reached a low point for the year on February 20 and a high point on November 6. The cash reserves of this bank were at their lowest level on October 23, but expanded rapidly after that date to a high point for the year on December 24.

The net effect of these changes upon our balance sheet for the year ending December 31, 1929, as compared with December 31, 1928, was as follows: Cash reserves increased 7 million dollars; bills discounted increased nearly 6 million dollars; total earning assets decreased 5 million dollars; Federal reserve notes in circulation increased more than 1½ million dollars; member bank reserve deposits increased nearly 1 million dollars; the ratio of total cash reserves to deposits and Federal reserve note liabilities combined increased from 71.6 per cent to 75.4 per cent.

This bank did not borrow from nor lend to any other Federal reserve bank during 1929.

The discount rate of the bank remained at 4½ per cent

from April 25, 1928 to May 14, 1929, when it was increased to 5 per cent. This latter rate remained in force throughout the remainder of the year.

B. Earnings and Expenses

The gross earnings of this bank during 1929 were \$1,926,000, as compared with \$1,710,000 in 1928. Current expenses during 1929 were \$1,022,000, as compared with \$1,000,000 in 1928. The increase in current expenses was caused by increased cost of Federal reserve notes on account of the issuance of a new series of smaller size bills. The current net earnings during 1929 were \$904,000, as compared with \$710,000 in 1928. Miscellaneous additions to current net earnings in 1929 amounted to \$22,000, and deductions from current net earnings amounted to \$131,000, leaving final net earnings available for dividends, surplus and franchise tax of \$795,000, as compared with \$615,000 in 1928. In 1929, dividends totaling \$184,030 were declared at the rate of 6 per cent per annum on our paid-in capital stock, and paid to member banks. There was transferred to surplus account \$61,073. The remainder amounting to \$549,659, was paid to the United States Government as a franchise tax.

C. Departmental Statistics of Volume Including the Helena Branch

The Transit, or Check Collection Department, handled 24,275,000 items during 1929, amounting to \$4,711,582,000, as compared with 24,874,000 items during 1928, amounting to \$4,591,766,000.

The Collection Department received 269,000 items during 1929, amounting to \$143,247,000, as compared with 296,000 items during 1928, amounting to \$146,219,000.

The Currency Department received and counted 42,565,000 bills, amounting to \$228,825,000 in 1929, as compared with 39,464,000 bills, amounting to \$208,262,000 in 1928. This department also received and counted 13,027,000 coins, amounting to \$4,716,000 in 1929, as compared with 10,056,000 coins, amounting to \$4,036,000 in 1928.

The Vault Custody Department in its service of safekeeping of securities, handled 80,589 bonds during 1929, as compared with 103,414 bonds in 1928. This department cut and forwarded to the owners of the securities, or turned over to other departments for collection or credit, 169,304 coupons during 1929, as compared with 158,618 coupons during 1928. On December 31, this department was holding for member banks \$133,000,000 of securities for safekeeping or pledged against government deposits, or as collateral to bills payable, as compared with \$144,000,000 a year earlier.

Transfers of funds made for member banks, including those made for the 5 per cent Redemption Fund, numbered 71,000, totaling \$3,088,089,000 during 1929, as compared with 69,000, totaling \$2,957,404,000 during 1928.

The Discount Department served 249 member banks during 1929. In 1928, 224 member banks were served. During 1929, 11,238 notes were discounted, amounting to \$1,035,247,000, as compared with 23,773 notes, amounting to \$625,358,000 in 1928.

Of the discounted and rediscounted notes held by this bank on December 31 of the last three years, the geographical distribution was as follows:

	(000's omitted)		
	1929	1928	1927
Minneapolis and St. Paul.....	\$ 7,910	\$1,935	\$ 89
Other Minnesota	647	686	633
Montana	182	213	21
North Dakota	435	348	318
South Dakota	551	446	640
Wisconsin	128	199	88
Michigan	324	168	116
Federal Intermediate Credit Bank of St. Paul	0	500	0
Total	\$10,177	\$4,495	\$1,905

Bills drawn in dollars and foreign currencies which were purchased by this bank in the open market for its own account during 1929 amounted to \$34,439,000, as compared with \$69,343,000 in 1928. Bills purchased from other Federal Reserve Banks during 1929 amounted to \$2,502,000, as compared with \$25,309,000 in 1928.

FISCAL AGENCY FUNCTIONS

Issues, redemptions or receipts for exchange of various United States Government securities, including Treasury Savings securities redeemed at this office, which were handled by the Fiscal Agency operated by us for the United States Government, numbered 58,028 pieces and amounted to \$128,941,796, as compared with 224,045 pieces amounting to \$149,551,218 in 1928. The decrease in these figures is largely accounted for by the fact that there was no large redemption of maturing securities during 1929 such as occurred in the preceding year when the Third Liberty Loan Bonds became due and of which 148,217 pieces amounting to \$37,580,200 were received either in exchange for other issues or for payment.

This Agency also handled during 1929, 4,005 orders for the purchase of Government securities and 8,686 resales of Government securities totaling \$92,861,130. In addition, either delivery or payment, or both was handled for banks and trust companies on 735 transactions in Government securities amounting to \$55,881,900. There were also 362 transactions of miscellaneous general market securities aggregating \$1,483,600. Altogether, of these various transactions, there were 13,788 totalling \$150,226,630, as compared with 13,716 totaling \$138,917,871 in 1928.

Delivery of 34,676 pieces totaling \$91,413,800 was made on purchase and resale transactions for other than our own account. In addition, on exchange transactions, such as de-

nominal exchange, the exchange of coupon for registered securities, etc., 40,138 pieces were delivered amounting to \$38,610,100. The total number of pieces delivered was 74,814 amounting to \$130,023,900, in comparison with 74,570 pieces totaling \$129,796,663 during the preceding year.

There were four offerings of United States Treasury Certificates of Indebtedness during 1929, as compared with ten offerings in 1928. In such operations, 2,427 individual subscriptions contained in 1,495 different applications were received. The amount allotted on these subscriptions was \$31,074,500.

In July, the Treasury Department offered to purchase the 3½ per cent Treasury notes of Series A-1930-32 direct from individual holders at a price of \$98 and accrued interest for each \$100 face amount. In accordance with this offer, 25 purchases amounting to \$591,400 were made for the Government.

The September offering of Treasury certificates was the first offering with the new tax exemption provision to the effect that the certificates would be fully exempt, both as to principal and interest, from all taxation, except estate and inheritance taxes. Heretofore the interest on such certificates had been exempt from the normal income tax, but from surtaxes only to a limited extent. In addition to the cash subscriptions to this offering, 32 applications submitting \$1,069,000 of the 3½ per cent Treasury notes maturing in 1932 and callable in 1930 were accepted in payment of the new certificates at a price of \$98 for each \$100 face amount of the certificates.

During the latter part of November, the Treasury Department announced its intention of issuing a new form of Government security. This was the Treasury bill, sold on a discount basis to the highest bidders and payable at maturity without interest. For the initial offering of these bills on December 10 with a 90-day maturity, 23 tenders for \$510,000 were received by this Agency. Bids ranged from 99.219 equivalent to an interest rate of 3⅛ per cent to 98.75 or a rate of 5 per cent. Of these, two bids totaling \$75,000 at 99.219 were accepted.

The Fiscal Agency operated by us for the Government redeemed 578,275 Government and Federal Land Bank coupons amounting to \$10,546,000 during 1929, as compared with 809,698 coupons amounting to \$10,126,000 during 1928.

ACTIVITIES OF THE FEDERAL RESERVE AGENT'S OFFICE

A. Federal Reserve Note Issues

A new series of paper currency of all kinds and denominations consisting of smaller sized bills was adopted in the United States in 1929. Issues of bills of the new series began on July 10. At the close of 1929, the replacement of old-size Federal Reserve notes in this district by new-size bills had been about half accomplished. Of the outstanding Federal

reserve notes of this Bank on December 31, 1929, \$37,652,000 were of the new series and \$36,267,570 were of the old series.

On December 31, 1929, the amount of notes outstanding was \$73,919,570, and the Federal Reserve Agent held \$50,312,000 of new and fit-for-use notes. Of this total outstanding (\$73,919,570) there was "in circulation" \$66,855,445; and the amount of notes held by our paying tellers here and in the Branch Office at Helena combined and the amount of mutilated Federal reserve notes forwarded for redemption totaled \$7,064,125.

During 1929, the Federal Reserve Agent and his assistants received \$91,260,000 of new Federal reserve notes from the Comptroller of the Currency at Washington and \$17,277,000 of fit-for-use notes from our paying tellers. The issues of new and fit-for-use notes totaled \$73,754,000, as compared with \$40,015,000 during the preceding year, the increase being largely due to the issuance of the new series of small sized bills. The amount of Federal reserve notes outstanding with this Federal Reserve Bank increased from \$72,577,520 to \$73,919,570 between December 31, 1928 and December 31, 1929.

As collateral security for the Federal reserve notes outstanding with the Federal Reserve Bank, there was held by the Agent on December 31, 1929 \$66,157,000 in gold coin and gold certificates in vault or on deposit with the Federal Reserve Board, \$9,900,000 in discounts and rediscounts and \$6,611,000 in purchased bills, compared with \$47,920,520 in gold, \$4,216,000 in discounts and rediscounts and \$21,792,000 in purchased bills on December 31, 1928.

B. Membership

At the close of the year, there were 683 member banks operating in this district, as compared with 719 member banks at the beginning of the year. There was a net loss of 30 national banks and 6 state banks. The total membership (banks in operation only) at the close of 1929 was divided into 633 national banks and 50 state banks. The new members are:

Name of Bank	Town	No. of Shares Subscribed
First National Bank in.....	Amboy, Minn.	23
National Bank of.....	Benson, Minn.	42
First National Bank in.....	Deer Creek, Minn.....	17
Minnesota National Bank of.....	East Grand Forks, Minn.....	36
American National Bank in.....	Little Falls, Minn.....	75
First National Bank in.....	Moorhead, Minn.	90
Northfield National Bank & Trust Co. of.....	Northfield, Minn.	90
The Pipestone National Bank....	Pipestone, Minn.	60
Security National Bank & Trust Co. of.....	Red Wing, Minn.	90
Security National Bank of.....	Willmar, Minn.	75
National Park Bank in.....	Livingston, Mont.	120
Dakota National Bank & Trust Co. of.....	Bismarck, N. Dak.....	90

First National Bank in.....	Cooperstown, N. Dak.....	36
Merchants National Bank & Trust Co. of	Fargo, N. Dak.	180
First National Bank in.....	Glen Ullin, N. Dak.....	21
Red River National Bank & Trust Co. of	Grand Forks, N. Dak.....	150
National Bank & Trust Co. of....	Jamestown, N. Dak.	75
American National Bank & Trust Co. of	Valley City, N. Dak.....	75
National Bank of.....	Valley City, N. Dak.....	75
First National Bank in.....	Arlington, S. Dak.....	18
The Farmers National Bank of..	Fairfax, S. Dak.	18
Farmers & Merchants National Bank in	Milbank, S. Dak.	45
First National Bank in.....	Mt. Vernon, S. Dak.....	18
First National Bank & Trust Co. of	Vermilion, S. Dak.....	90

NUMBER OF BANKS IN OPERATION IN THE NINTH FEDERAL RESERVE DISTRICT

December 31, 1928 and December 31, 1929

	National		State Members		Non-Members		Total	
	1928	1929	1928	1929	1928	1929	1928	1929
Michigan	39	39	8	7	31	31	78	77
Minnesota	278	266	13	10	816	778	1,107	1,054
Montana	70	67	22	21	109	107	201	195
North Dakota..	133	122	1	0	342	293	476	415
South Dakota..	96	92	9	9	303	283	408	384
Wisconsin	47	47	3	3	194	191	244	241
Ninth Federal Reserve Dist...	663	633	56	50	1,795	1,683	2,514	2,366

C. Examination of Banks

During 1929, 52 credit investigations, examinations and special visits were made by the Federal Reserve Agent's Examiners. In the examination work this year, the examiners and their assistants traveled in the aggregate 17,432 miles.

In addition to the information obtained from the Federal Reserve Examiners, 1,352 reports of examination of national banks were received from the Chief National Bank Examiner of this district, and 67 reports of examination of state member banks were received from the various state banking departments. There were four calls for reports of condition of national banks and four calls for state member banks during the year. Also two semi-annual statements of earnings and dividends were required from all member banks. Reports of condition and of earnings and dividends, totaling approximately 4,200 were received, verified and filed.

D. Applications for Fiduciary Powers

National banks have continued to apply for trust powers under Section 11-K of the Federal Reserve Act. Applications received and approved by the Federal Reserve Board during 1929 include the following:

Name of Bank	Location	Date Approved	Capital	Powers
First & American Nat'l Bk.	Duluth, Minn.	5- 3-29	\$3,000,000	Full
First National Bank	Hastings, Minn.	12-10-29	50,000	Full
First National Bank	Mankato, Minn.	10-31-29	250,000	Full
Northfield Nat'l Bk. & Tr. Co.	Northfield, Minn.	6-14-29	100,000	Full
First National Bank	Proctor, Minn.	8- 6-29	50,000	Full
Security Nat'l Bk. & Tr. Co.	Red Wing, Minn.	11-25-29	100,000	Full
American National Bank	St. Paul, Minn.	5-23-29	500,000	Full
First National Bank	St. Paul, Minn.	10- 1-29	6,000,000	Full
Dakota Nat'l Bk. & Tr. Co.	Bismarck, N. Dak.	11-26-29	100,000	Full
Merchants Nat'l Bk. & Tr. Co.	Fargo, N. Dak.	4-29-29	250,900	Full
First National Bank	Grand Forks, N. Dak.	10- 1-29	400,000	Full
Red River Nat'l Bk. & Tr. Co.	Grand Forks, N. Dak.	7-18-29	200,000	Full
James River Nat'l Bank	Jamestown, N. Dak.	10-31-29	100,000	Additional
National Bk. & Tr. Co.	Jamestown, N. Dak.	6-20-29	100,000	Full
American Nat'l Bk. & Tr. Co.	Valley City, N. Dak.	10-15-29	100,000	Full
National Bank of	Valley City, N. Dak.	8-22-29	100,000	Full
Aberdeen Nat'l Bk. & Tr. Co.	Aberdeen, S. Dak.	11-21-29	100,000	Additional
First National Bank in	Arlington, S. Dak.	9- 4-29	25,000	Limited
First Nat'l Bk. & Tr. Co.	Chamberlain, S. Dak.	9- 3-29	25,000	Full
(Charter not yet issued)				
National Bank of Huron	Huron, S. Dak.	2-27-29	150,000	Full
First Nat'l Bk. & Tr. Co.	Vermillion, S. Dak.	6-12-29	100,000	Full
First Nat'l Bk. & Tr. Co.	Yankton, S. Dak.	11- 6-29	50,000	Additional

CHANGES IN PERSONNEL

At the January meeting of the Board, the directors re-elected the officers of both the bank and its Helena branch. Notices were presented from the Federal Reserve Board of the redesignation of Mr. J. R. Mitchell as Chairman of the Board of Directors and redesignation of Mr. Curtis L. Mosher and Mr. F. M. Bailey as Assistant Federal Reserve Agents, together with the naming of Mr. O. S. Powell to act in certain matters for the Federal Reserve Agent. Mr. Mosher was re-elected Secretary of the Board of Directors and Mr. B. V. Moore, Secretary of the bank. The Federal Reserve Board also forwarded notice of the reappointment of Mr. Geo. W. McCormick as Class C director and Mr. C. J. Kelly as director of the Helena Branch, and of the redesignation of Mr. Homer P. Clark as Deputy Chairman. The directors elected Mr. Theo. Wold as member of the Federal Advisory Council from the Ninth Federal Reserve District for the year 1929.

On May 1st Mr. B. V. Moore resigned as Deputy Governor of the bank and Mr. Harry I. Ziemer was elected Deputy Governor of junior rank. Mr. Harry Yaeger was elected Secretary of the bank, succeeding Mr. Moore.

On October 11th the directors were notified of the resignation of Mr. R. O. Kaufman as director of the Helena branch and elected Mr. S. McKennan of Helena as his successor.

At the regular fall elections, Mr. J. C. Bassett was re-elected Class A director and Mr. Norman B. Holter reelected Class B director for three year terms beginning January 1, 1930. Late in the year the sudden death of Mr. Paul N. Myers, Class B director, necessitated the calling of a special election to fill the vacancy on the board thus created.

The complete staff of the Federal Reserve Bank of Minneapolis and its Helena Branch, including officers, employees and building employees, but excluding temporary help, numbered 289 persons on December 31, 1929, as compared with 314 at the close of the previous year.

*Resources and Liabilities of the Federal Reserve Bank
of Minneapolis*

(In Thousands of Dollars)

	RESOURCES		
	Dec. 31, 1929	Dec. 31, 1928	Dec. 31, 1927
Gold with Federal Reserve Agent.....	\$ 66,157	\$ 47,920	\$ 49,729
Gold redemption fund with United States Treasury	3,970	2,342	1,423
Gold held exclusively against Federal reserve notes..	\$ 70,127	\$ 50,262	\$ 51,152
Gold settlement fund with Federal Reserve Board...	18,085	29,646	16,830
Gold and gold certificates held by bank.....	4,254	5,742	5,052
Total gold reserves.....	\$ 92,466	\$ 85,650	\$ 73,034
Reserves other than gold	2,731	2,510	4,029
Total reserves	\$ 95,197	\$ 88,160	\$ 77,063
Non-reserve cash	2,467	1,892	1,223
Bills discounted:			
Secured by United States Government obligations	3,552	2,232	329
Other bills discounted.....	6,625	2,263	1,576
Total bills discounted.....	\$ 10,177	\$ 4,495	\$ 1,905
Bills bought in open market.....	6,636	21,819	18,319
United States Government securities:			
Bonds	5,996	4,519	11,678
Treasury notes	5,693	4,619	4,411
Certificates and bills.....	5,184	1,770	7,811
Total United States Government securities....	\$ 16,873	\$ 10,908	\$ 23,900
Other securities	121	1,635	620
Total bills and securities.....	\$ 33,807	\$ 38,857	\$ 44,744
Uncollected items	14,791	15,830	15,162
Bank premises	2,018	2,110	2,202
All other resources.....	559	842	1,791
Total resources	\$ 148,839	\$ 147,191	\$ 142,185
	LIABILITIES		
Federal reserve notes in actual circulation.....	\$ 66,855	\$ 65,274	\$ 61,224
Deposits:			
Member bank reserve account.....	56,862	56,067	54,836
Government	2,129	1,336	1,874
Foreign bank	140	176	139
Other deposits	267	332	274
Total deposits	\$ 59,398	\$ 57,911	\$ 57,123
Deferred availability items.....	11,535	13,079	13,010
Capital paid in.....	3,091	3,009	3,009
Surplus	7,143	7,082	7,039
All other liabilities.....	817	836	780
Total liabilities	\$ 148,839	\$ 147,191	\$ 142,185
Ratio of total reserves to deposit and Federal reserve note liabilities combined (per cent).....	75.4	71.6	65.1
Contingent liability on bills purchased for foreign correspondents	\$ 13,667	\$ 8,722	\$ 6,863

Earnings and Expenses of Federal Reserve Bank of Minneapolis

EARNINGS

	1929	1928	1927
Discounted bills	\$1,047,771	\$ 490,752	\$ 192,216
Purchased bills	310,209	609,535	360,293
U. S. Securities.....	388,604	512,433	707,599
Deficient reserve penalties.....	12,475	7,763	13,404
Miscellaneous	166,972	89,821	116,519
Total earnings	\$1,926,031	\$1,710,304	\$1,390,031
Current expenses	1,022,009	1,000,474	1,048,746
Current net earnings.....	\$ 904,022	\$ 709,830	\$ 341,285
Additions to current net earnings.....	22,137	331,879	48,509
Deductions from current net earnings:			
Bank premises—depreciation	91,982	91,982	71,982
Furniture and equipment.....	24,733	32,026	10,784
All Other	14,682	302,997	10,951
Total deductions	\$ 131,397	\$ 427,005	\$ 93,717
Net earnings available for dividends, surplus and franchise tax	794,762	614,704	296,077
Distribution of net earnings:			
Dividends paid	184,030	181,203	180,726
Transferred to surplus account.....	61,073	43,350	11,535
Franchise tax paid U. S. Government.....	549,659	390,151	103,816

CURRENT EXPENSES

Salaries:			
Bank officers	\$117,783	\$117,503	\$129,360
Special officers and watchmen.....	31,325	29,962	23,624
Clerical staff	346,319	350,452	357,849
All other	57,964	65,635	79,065
Governors' conferences	567	687	444
Federal Reserve Agent's conferences.....	320	587	210
Federal Advisory Council	1,396	1,150	1,112
Directors' meetings	6,564	6,793	7,446
Traveling expenses*	14,716	20,146	28,058
Assessment for Federal Reserve Board expenses.....	19,433	18,931	23,137
Legal fees	17,077	27,839	27,494
Insurance (other than on currency and security shipments)	30,755	30,899	29,102
Taxes on banking house.....	77,128	86,306	85,643
Repairs and alterations, banking house.....	7,097	7,656	9,391
Light, heat and power	17,967	17,370	19,562
Rent		90	
Telephone	5,494	5,120	5,304
Telegraph	18,421	17,817	19,972
Postage	63,011	63,880	61,876
Expressage	11,048	8,399	8,415
Insurance on currency and security shipments.....	14,809	14,163	13,391
Printing and stationery	18,601	19,370	25,322
Office and other supplies	18,504	19,403	19,901
All other expenses	43,323	47,814	32,468
Total exclusive of cost of currency.....	\$ 939,622	\$ 977,972	\$1,013,146
Federal reserve currency (including shipping charges):			
Original cost	\$ 79,642	\$ 20,992	\$ 34,117
Cost of redemption	2,745	1,510	1,483
Total current expenses	\$1,022,009	\$1,000,474	\$1,048,746

REIMBURSABLE EXPENSES OF FISCAL AGENCY DEPARTMENT

Salaries	\$ 13,607	\$ 13,640	\$ 13,038
All other expenses	3,795	6,212	6,911
Total	\$ 17,402	\$ 19,852	\$ 19,949

*Other than those connected with governors' and agents' conferences and meetings of the directors and of the Advisory Council.

**DIRECTORS AND OFFICERS
FEDERAL RESERVE BANK OF MINNEAPOLIS
JANUARY 1, 1930**

DIRECTORS

Class A										
KARL J. FARUP	-	-	-	-	1930	-	-	-	-	Park River, N. Dak.
PAUL J. LEEMAN	-	-	-	-	1931	-	-	-	-	Minneapolis, Minn.
J. C. BASSETT	-	-	-	-	1932	-	-	-	-	Aberdeen, S. Dak.
Class B										
JOHN S. OWEN	-	-	-	-	1930	-	-	-	-	Eau Claire, Wis.
W. O. WASHBURN*	-	-	-	-	1931	-	-	-	-	St. Paul, Minn.
N. B. HOLTER	-	-	-	-	1932	-	-	-	-	Helena, Mont.
Class C										
HOMER P. CLARK	-	-	-	-	1930	-	-	-	-	St. Paul, Minn.
GEO. W. McCORMICK	-	-	-	-	1931	-	-	-	-	Menominee, Mich.
J. R. MITCHELL	-	-	-	-	1932	-	-	-	-	Minneapolis, Minn.

*Elected January 16, 1930.

OFFICERS

J. R. MITCHELL, Chairman and Federal Reserve Agent	SIGURD UELAND, Assistant Counsel
HOMER P. CLARK, Deputy Chairman	W. B. GEERY - - - Governor
CURTIS L. MOSHER, Secretary, Board of Directors and Assistant Federal Reserve Agent	HARRY YAEGER - - Deputy Governor
FRED M. BAILEY, Assistant Federal Reserve Agent	HARRY I. ZIEMER - - Deputy Governor
OLIVER S. POWELL, Statistician	FRANK C. DUNLOP - - Controller
ANDREAS UELAND, Legal Counsel.	GRAY WARREN - - - Cashier
	L. E. RAST - - - Asst. Cashier
	H. C. CORE - - - Asst. Cashier
	A. R. LARSON - - - Asst. Cashier

MEMBER OF FEDERAL ADVISORY COUNCIL

GEORGE H. PRINCE, Chairman, First National Bank,
St. Paul, Minnesota.

HELENA BRANCH—(MONTANA)

DIRECTORS

R. E. TOWLE	-	-	-	-	1930	-	-	-	-	Helena, Mont.
S. McKENNAN	-	-	-	-	1930	-	-	-	-	Helena, Mont.
C. J. KELLY	-	-	-	-	1930	-	-	-	-	Butte, Mont.
T. A. MARLOW	-	-	-	-	1931	-	-	-	-	Helena, Mont.
HENRY SIEBEN	-	-	-	-	1931	-	-	-	-	Helena, Mont.

OFFICERS

R. E. TOWLE	-	-	Managing Director	A. A. HOERR	-	-	Asst. Cashier
H. L. ZIMMERMAN	-	-	Cashier	T. B. WEIR	-	-	Legal Counsel