


FEDERAL RESERVE BANK OF MINNEAPOLIS

January 10, 1941.

TO THE STOCKHOLDERS OF THE
FEDERAL RESERVE BANK OF MINNEAPOLIS:

We are pleased to present a comparative statement of condition of the Federal Reserve Bank of Minneapolis at the close of business December 31, 1940, and December 31, 1939, together with comparison of earnings and expenses and volume of operations in principal departments of the bank, and other pertinent data for the years 1940 and 1939.

Respectfully submitted,


J. N. Peyton
President.

STATEMENT OF CONDITION

ASSETS

	Dec. 31, 1940	Dec. 31, 1939
Gold Certificates on Hand and Due from U. S. Treasury.....	\$311,096,117.47	\$258,566,127.10
Redemption Fund—F. R. Notes.....	331,923.27	219,218.21
Other Cash	6,576,020.77	9,267,700.13
Total Reserves	\$318,004,061.51	\$268,053,045.44
Bills Discounted:		
Secured by U. S. Government Obligations, Direct and		
Guaranteed	\$ 109,250.00	\$ 50,000.00
Other Bills Discounted.....	107,281.08	215,837.19
Total Bills Discounted.....	\$ 216,531.08	\$ 265,837.19
Industrial Advances	\$ 218,577.11	\$ 742,802.12
U. S. Government Securities, Direct and Guaranteed:		
Bonds	\$ 36,611,000.00	\$ 36,677,000.00
Notes	25,636,500.00	30,764,000.00
Total U. S. Government Securities, Direct and		
Guaranteed	\$ 62,247,500.00	\$ 67,441,000.00
Total Bills and Securities.....	\$ 62,682,608.19	\$ 68,449,639.31
Due from Foreign Banks.....	459.65	480.53
F. R. Notes of Other Banks.....	1,513,500.00	1,316,500.00
Uncollected Items	19,555,657.42	20,794,963.50
Bank Premises	1,367,008.01	1,395,854.45
Other Assets	1,395,171.19	1,622,275.24
Total Assets	\$404,518,465.97	\$361,632,758.47

LIABILITIES

Federal Reserve Notes in Actual Circulation.....	\$158,709,015.00	\$141,427,335.00
Deposits:		
Member Bank—Reserve Account.....	\$174,476,119.29	\$154,787,739.93
U. S. Treasurer—General Account.....	22,856,979.54	24,451,701.64
Foreign Bank	17,048,559.62	9,346,174.34
Other Deposits	5,376,777.54	6,105,600.19
Total Deposits	\$219,758,435.99	\$194,691,216.10
Deferred Availability Items.....	\$ 16,343,592.98	\$ 16,361,873.70
Other Liabilities	81,540.18	86,653.27
Total Liabilities	\$394,892,584.15	\$352,567,078.07

CAPITAL ACCOUNTS

Capital Paid In.....	\$ 2,974,500.00	\$ 2,931,150.00
Surplus (Section 7).....	3,152,420.27	3,152,420.27
Surplus (Section 13b).....	1,000,298.87	1,000,683.96
Other Capital Accounts.....	2,498,662.68	1,981,426.17
Total Liabilities and Capital Accounts.....	\$404,518,465.97	\$361,632,758.47

EARNINGS AND EXPENSES

	1940	1939
Earnings from:		
Discounted Bills	\$ 2,755.97	\$ 1,643.97
Purchased Bills		11.08
United States Government Securities.....	1,237,338.58	1,069,781.82
Industrial Advances	15,264.51	50,206.13
Commitments to make Industrial Advances.....	573.39	1,294.52
All Other	9,570.48	11,662.12
Total Current Earnings.....	\$ 1,265,502.93	\$ 1,134,599.64
Expenses:		
Net Operating Expenses.....	\$ 912,702.80	\$ 901,074.05
Assessment for Expenses of Board of Governors of the Federal Reserve System.....	38,397.55	36,796.66
Federal Reserve Currency:		
Original Cost	28,214.89	30,751.78
Cost of Redemption.....	5,619.03	6,116.56
Total Current Expenses.....	\$ 984,934.27	\$ 974,739.05
Current Net Earnings.....	\$ 280,568.66	\$ 159,860.59
Additions to Current Net Earnings:		
Profits on Sales of U. S. Government Securities.....	\$ 363,420.92	\$ 139,647.90
All Other	53,782.23	7,579.28
Total	\$ 417,203.15	\$ 147,227.18
Deductions from Current Net Earnings:		
Losses and Reserves for Losses on Industrial Advances..	\$ 499.00	\$ 33,000.00
Special Reserves and Charge-Offs on Bank Premises....		100,000.00
All Other	3,020.81	654.82
Total	\$ 3,519.81	\$ 133,654.82
Net Additions to Current Net Earnings.....	\$ 413,683.34	\$ 13,572.36
Net Earnings	\$ 694,252.00	\$ 173,432.95
Dividend Paid	\$ 177,400.58	\$ 174,905.39
Transferred to Surplus (Section 13b).....	— 385.09	— 479.02
Transferred to Surplus (Section 7).....	517,236.51	— 993.42

SURPLUS ACCOUNT (SECTION 7)

Balance at Close of Previous Year.....	\$ 3,152,420.27	\$ 3,153,413.69
Transferred from Profits of Year.....	517,236.51	— 993.42
Transferred to Reserves for Contingencies.....	517,236.51	
Balance at Close of Year.....	\$ 3,152,420.27	\$ 3,152,420.27

SURPLUS ACCOUNT (SECTION 13b)

Balance at Close of Previous Year.....	\$ 1,000,683.96	\$ 1,001,162.98
Transferred from Profits of Year.....	— 385.09	— 479.02
Balance at Close of Year.....	\$ 1,000,298.87	\$ 1,000,683.96

VOLUME OF OPERATIONS IN PRINCIPAL DEPARTMENTS

	1940		1939	
	Number	Amount (In Thousands)	Number	Amount (In Thousands)
Loans and Discounts:				
Bills Discounted:				
Applications	109	2,391	77	1,142
Notes Discounted	181	580	99	99
Advances Made	73	1,728	69	1,037
Industrial Advances:				
Advances Made	43	403	25	300
Commitments to Make Industrial Advances	34	143	23	151
Currency and Coin:				
Currency Received and Counted.....	43,614,208	188,644	40,373,251	179,720
Coin Received and Counted.....	32,509,169	3,631	32,534,940	3,626
Check Collection:				
U. S. Government Checks.....	3,460,693	467,127	3,188,622	452,846
Work Relief Checks.....	2,396,000	68,489	2,853,855	80,499
Other Checks	29,879,253	5,363,619	28,535,138	4,967,932
Noncash Collection:				
City Collections—Grain Drafts.....	689,479	154,159	715,385	139,028
Other City Collections.....	40,166	87,265	42,955	122,714
Country Collections	74,130	52,886	80,179	61,566
Coupon (except Government) and Country Security Collections	33,659	34,366	39,184	28,349
United States Government Coupons Paid:				
Coupons from U. S. Government Direct Obligations	328,295	9,287	340,868	9,924
Coupons from Issues of Other U. S. Gov- ernment Agencies	178,070	2,444	242,421	2,841
Issues, Redemptions and Exchanges by Fiscal Agency Department:				
U. S. Government Direct Obligations.....	152,061	239,450	136,048	274,177
Other U. S. Government Agencies.....	13,281	9,956	36,883	50,423
Transfers of Funds.....	28,929	2,208,411	28,202	1,985,824
Safekeeping—Member Banks:				
Amount of Securities Held in Custody for Member Banks on Last Day of Year....		288,280		312,262
Number of Coupons Cut from Securities Held for Member Banks.....	213,602		226,686	
Purchase and Sale of Securities for Account of Banks Located in the Ninth Federal Re- serve District	5,030	165,125	7,018	170,887

PERSONNEL December 31, 1940

	Head Office	Helena Branch	Total
Number of Officers and Employees at End of Year:			
Officers	10	3	13
Employees	407	35	442

**MEMBER BANKS
NINTH FEDERAL RESERVE DISTRICT**

	1940	1939
Number of Member Banks at end of Year:		
National Banks	372	387
State Banks	88	81
	460	468

Changes during the Year 1940:

New National Banks Organized.....	1	
State Banks Admitted to Membership.....	9	
	10	
National Banks Consolidated with Other National Banks....	1	
National Banks Succeeded by Nonmember State Banks.....	7	
National Banks Absorbed by Other National Banks.....	2	
National Banks Absorbed by Nonmember State Banks.....	3	
National Banks Absorbed by Member State Banks.....	2	
National Banks Liquidated.....	1	
State Member Banks Withdrawn.....	2	
	18	
Net Decrease in Number of Member Banks.....	8	

State Banks which became Members during the Year 1940:

- The Bark River State Bank, Bark River, Michigan
- The State Savings Bank of Manistique, Manistique, Michigan
- The Citizens State Bank of Ontonagon, Ontonagon, Michigan
- State Bank of Hawley, Hawley, Minnesota
- State Bank of Sleepy Eye, Sleepy Eye, Minnesota
- Merchants Bank of Winona, Winona, Minnesota
- Custer County Bank, Custer City, South Dakota, Custer, South Dakota
- Union Savings Bank, Sioux Falls, South Dakota
- The Kraft State Bank, Menomonie, Wisconsin

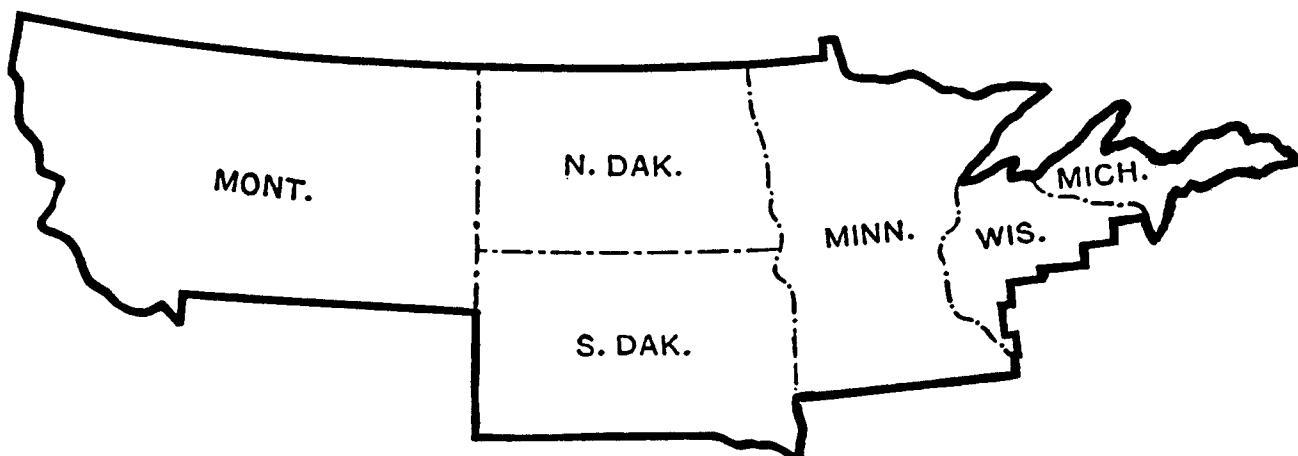
Number of Member Banks in each State or part of State, in the Ninth Federal Reserve District at end of Year 1940:

	National Banks	State Banks	Total
Michigan	26	14	40
Minnesota	188	21	209
Montana	42	25	67
North Dakota	45	0	45
South Dakota	40	23	63
Wisconsin	31	5	36
	372	88	460

DESCRIPTION OF NINTH FEDERAL RESERVE DISTRICT

	Land Area (Square Miles)	1940 Population (Preliminary)
Michigan (northern peninsula).....	16,691	321,000
Counties of—		
Alger	Keweenaw	
Baraga	Luce	
Chippewa	Mackinac	
Delta	Marquette	
Dickinson	Menominee	
Gogebic	Ontonagon	
Houghton	Schoolcraft	
Iron		
Minnesota	80,858	2,786,000
Montana	146,131	554,000
North Dakota	70,183	640,000
South Dakota	76,868	641,000
Wisconsin (northern part).....	23,273	577,000
Counties of—		
Ashland	Lincoln	
Barron	Oneida	
Bayfield	Pepin	
Buffalo	Pierce	
Burnett	Polk	
Chippewa	Price	
Douglas	Rusk	
Dunn	St. Croix	
Eau Claire	Sawyer	
Florence	Taylor	
Forest	Trempealeau	
Iron	Vilas	
La Crosse	Washburn	
Total	414,004	5,519,000

NINTH FEDERAL RESERVE DISTRICT



DIRECTORS

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Dean and Director, Department of Agriculture
University of Minnesota, St. Paul, Minnesota
Chairman of the Board and Federal Reserve Agent

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St. Paul, Minnesota
Deputy Chairman

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West Publishing Company
St. Paul, Minnesota

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Iron Mountain, Michigan

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Minneapolis, Minnesota

ALBERT P. FUNK, President
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La Crosse, Wisconsin

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First National Bank
Oakes, North Dakota

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Pierre National Bank
Pierre, South Dakota

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Helena, Montana

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First National Bank & Trust Co.
Minneapolis, Minnesota

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Western Life Insurance Company
Helena, Montana

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Farmers National Bank
Chinook, Montana

H. D. MYRICK,
Square Butte, Montana

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Deer Lodge Bank and Trust Co.
Deer Lodge, Montana

R. E. TOWLE, *Managing Director*

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C. J. LARSON, *Assistant Cashier*

A. A. HOERR, *Cashier*