

FIRST ANNUAL REPORT

OF

M. B. WELLBORN

CHAIRMAN OF THE BOARD AND FEDERAL
RESERVE AGENT

FEDERAL RESERVE BANK

OF ATLANTA

(DISTRICT No. 6)

TO THE

FEDERAL RESERVE BOARD

WASHINGTON, D. C.



DECEMBER 31, 1915

CASHIER'S FILE
G. O.

OFFICERS AND DIRECTORS
FEDERAL RESERVE BANK
OF ATLANTA

DISTRICT NO. 6

DIRECTORS :

CLASS "A"

*Llewellyn P. Hillyer, Macon, Ga.	December 31, 1915
Frank W. Foote, Hattiesburg, Miss.	December 31, 1916
Warren H. Toole, Winder, Ga.	December 31, 1917

CLASS "B"

* John A. McCrary, Decatur, Ga.	December 31, 1915
W. H. Hartford, Nashville, Tenn.	December 31, 1916
Paul H. Saunders, New Orleans, La.	December 31, 1917

CLASS "C"

† Edw. T. Brown, Atlanta, Ga.	December 31, 1915
W. H. Kettig, Birmingham, Ala.	December 31, 1916
M. B. Wellborn, Anniston, Ala.	December 31, 1917

* (Subsequently re-elected for three years).

† (Subsequently re-appointed for three years).

OFFICERS :

M. B. WELLBORN, - . - Chairman of the Board and
Federal Reserve Agent.

JOS. A. McCORD, - . . Governor

W. H. TOOLE, . . . Secretary.

J. B. PIKE, . . . Cashier

JOE. M. SLATTERY, . . Assistant to Federal Res.
Agent and Deputy -Sec'y.

M. W. BELL, . . . Assistant Cashier

W. S. GRAVES . . . Auditor

Member Advisory Council :

CHAS. A. LYERLY, Chattanooga, Tenn.

General Counsel :

HOLLINS N. RANDOLPH, Atlanta, Ga.

THE following Telegrams were among the many of congratulation and felicitation received on the day of formal opening of the Federal Reserve Bank of Atlanta :

Washington, D. C., Nov. 16th, 1914

M. B. WELLBORN,
Chairman of the Board of Directors,
Federal Reserve Bank of Atlanta,
Atlanta, Ga.

Please present to Governor McCord and your Board of Directors my felicitations and the assurance of my earnest desire at all times to do what may be within my power to help the Federal Reserve Bank of Atlanta fulfill in the highest measure the fondest hopes entertained for it by the Federal Administration, the Bank's own officers and the public.

(Signed) **JOHN SKELTON WILLIAMS,**
Comptroller of the Currency

Washington, D. C., Nov. 16th, 1914

Federal Reserve Bank of Atlanta,
Atlanta, Georgia.

The Comptroller of the Currency at the close of business on November 14th, having executed the Certificate authorizing the Federal Reserve Bank of Atlanta to commence business, I have this morning signed the announcement to be mailed to all member banks of the establishment of your bank and this will be your authority to place in the mail copies of the announcement sent you for this purpose.

(Signed) **W. G. McADOO,**
Secretary of the Treasury

FIRST ANNUAL REPORT
TO THE
FEDERAL RESERVE BOARD
FROM
DISTRICT NO. 6---ATLANTA

M. B. WELLBORN,
CHAIRMAN AND FEDERAL RESERVE AGENT

OFFICE OF FEDERAL RESERVE AGENT

As chairman of the board of directors and Federal Reserve Agent since the opening of the bank, on November 16, 1914, my entire time has been devoted to the duties of my office. I have been assisted in the general routine work of the office by Mr. Joe M. Slattery, Assistant to Federal Reserve Agent.

In addition to receiving collateral incident to the issuance of Federal Reserve notes, work is occasioned by deposits of gold to reduce liability for outstanding circulation; and on account of the large amount of agricultural paper handled, with cotton receipts attached, there is a daily transaction in substitution of collateral, necessitated by the sales of cotton and withdrawal of cotton receipts pledged.

The total note issue of our bank up to this date, December 31, 1915, amounts to \$18,950,000, and by comparison with the issue of other Federal Reserve Banks it is second in amount, and stands first in amount, taking into consideration the proportion of our capital stock to that of other Federal Reserve Banks. This proportionately large issue of our bank is due to the fact that a great deal of currency is required for use in moving the cotton crop, which currency prior to the establishment of the Federal Reserve Bank was obtained by the member banks from reserve cities. Our bank being within a short distance of each member bank, the difference in the cost of shipping, either by mail or express, constitutes quite a saving in expense and also a great convenience, since the banks are able to get the currency in much less time.

Against the issue of Federal Reserve notes I am holding \$4,751,245.69 in collateral, being commercial paper rediscounted by the member banks with the

Federal Reserve Bank of Atlanta. In addition to this collateral the Federal Reserve Board holds to the credit of the Federal Reserve Agent at Atlanta \$14,200,000 in gold transferred from the gold settlement fund.

EARLY ORGANIZATION OF THE BANK.

At the organization of the bank, owing to the depression throughout the United States due to the European war, business within the sixth Federal reserve district was almost paralyzed; the cotton crop was in process of marketing, and Europe, no longer a purchaser, had previously absorbed more than one-half of this product. The banks and merchants were, of course, unable to make their usual collections, and business was in a chaotic state. The decision of the Federal Reserve Board to have the Federal Reserve Banks open for business on November 16, 1914, greatly restored confidence, so that by the time the Federal Reserve Bank of Atlanta opened; the member banks did not find it necessary to offer us rediscounts to any great extent. In addition thereto, the member banks in our district had obtained Aldrich-Vreeland emergency currency to the extent of \$22,000,00, and had taken advantage of the lower rates offered by the banks in the large financial centers, as the result of the establishment of the Federal reserve system.

The physical organization of the Federal Reserve Bank was similar to that of any other pioneer movement, and consisted simply in working out the details as they presented themselves. The \$22,000,000 of Aldrich-Vreeland currency obtained by the member banks of this district had served to tide over the credit necessities of the district for several months prior to the opening of our bank. The difficulties experienced in the early operation of the Federal Reserve Bank were due largely to lack of a thorough knowledge of the intent and meaning of the Federal Reserve Act and of the class of paper eligible for rediscount. The solution of these problems involved much correspondence with the member banks. Another question involved was the difficulty in obtaining uniform warehouse receipts and insurance sufficiently specific to identify the product pledged. This problem has been practically solved.

At points of concentration where the movement of cotton is too rapid to permit of the deposit of receipts with this bank, custodians have been appointed, under adequate bond, to hold and exchange the securities supporting paper rediscounted with this bank. The prevailing custom of loans to cotton merchants on demand paper gave rise to the necessity of rebating on paper withdrawn before maturity, in order to allow the unhampered sale of the commodity previously pledged.

The effect of the work of the Federal Reserve Bank has been to reduce the rates of rediscount; to give the member banks the assurance of a place of rediscount at reasonable rates, and the knowledge that they could obtain currency when needed. It has stabilized the value of the commodities of the district; the quality of loans by member banks is much improved; bankers are requiring better paper—paper that will be liquidated at maturity—with a view to eligibility at the Federal Reserve Bank.

Of the member banks in the district 49 are borrowing from their correspondents and have not applied for rediscount with this bank. To these banks I addressed the following letter:

"In analyzing the credit needs and conditions of member banks in this district we notice from your last report of condition to the comptroller that you are using outside funds.

"Inasmuch as you have never availed yourselves of the rediscount facilities of the Federal Reserve Bank of Atlanta, we are anxious to ascertain if there be any specific reason for your not allowing this institution to serve you in this capacity.

"We are desirous of having the thorough co-operation of the member banks, and would be glad to have a frank expression from you along this line."

With one exception, nearly all of the banks to whom the above letter was addressed express no dissatisfaction with the Federal Reserve Bank. Some state they prefer to borrow in New York, as heretofore, believing it involves less trouble, while others say they can obtain a lower rate in New York than they can with us, the one exception stating that the Federal Reserve Bank should, in their opinion, accept paper of any character when offered by a member bank.

INTERNAL ORGANIZATION OF THE BANK.

A complete set of by-laws was adopted by our board of directors at its first meeting, a copy of which is hereto attached. By referring to the powers and duties of the executive committee, it will be noted that the management or administration of the bank is largely left with this committee. The said committee is composed of the governor, who is chairman of the committee, the Federal Reserve Agent, and one director. The directors serve in monthly rotation, being selected by the board of directors at its regular monthly meetings. Thus the governor of the bank and the Federal Reserve Agent are in continuous service on this committee. This plan works admirably, and the whole committee is in thorough touch with the workings of the bank. The executive committee meets daily for the consideration of all discounts offered by member

banks. When the director serving on the committee lives some distance out of town and is unable to attend the daily meetings of the executive committee, he usually selects a director who lives in Atlanta, or very close by, to act in his stead.

The official staff of the bank is composed of the following:

	Salary.
Governor	\$9,000
Secretary (acts only at board meetings).....	¹ 25
Deputy secretary ²	
Cashier	3,600
Assistant cashier	2,500
Manager credit bureau	2,400
Auditor	2,400
Discount clerk	1,800

The discount clerk has a staff of clerks with salaries ranging from \$480 to \$1,200 per annum.

Including this staff of clerks and officers, the total number of employees is 27. Our bank having to handle so large a number of rediscounts, the force is constantly at work, frequently into the night, during the autumn and winter seasons.

DEPUTY FEDERAL RESERVE AGENT.

When it is necessary for the Federal Reserve Agent in Atlanta to be absent from the city for a week or more, he so advises the deputy Federal Reserve Agent, in writing, requesting him to serve in the interim as Federal Reserve Agent. For such service he is allowed the same compensation, per diem, as that received by the Federal Reserve Agent.

Other than this, the deputy Federal Reserve Agent in Atlanta has no specific duties, and receives no compensation, except the duties and compensation of a regular director, serving as a member of the board of directors and as a member of the executive committee.

DEPUTY GOVERNOR.

At the time of the organization of this bank a deputy governor was elected to serve without compensation, but in view of the ruling of the Federal Reserve Board as to the ineligibility of member bank officials serving as deputy governor of this bank, our board of directors, at their meeting on June 11, 1915, in accepting the resignation of the deputy governor, voted not to select a deputy governor (an active deputy governor being unnecessary); and further voted that the director serving on the executive committee, each month, be designated gov-

¹ Per month. ² The deputy secretary receives a salary of \$2,400.00 per annum as Assistant to the Federal Reserve Agent.

ernor pro tempore and to act as governor during the absence of the governor of the bank. For such services, as governor, he receives the same compensation allowed the governor.

BOARD OF DIRECTORS.

The board of directors meet once a month, and during the first year of the board's existence it was found necessary to remain in session two consecutive days at each meeting; but beginning with the second year a session of one day's duration has been found sufficient. While the class A and class B directors are in closer touch with the viewpoint and affairs of the member banks, the class C directors are no less attentive to the welfare of the banking interests of the district, and, their positions being appointive, probably act with a little more independence than the other directors.

EXECUTIVE COMMITTEE.

LOANS AND DISCOUNTS.

In the early days of the operation of our bank it was feared that some difficulty would be experienced in handling the rediscounts offered by member banks—a fear relieved by experience. The executive committee, in handling the offerings of constantly borrowing banks, are as considerate of them as is consistent with safety and prudence; but notes are frequently returned for various reasons, the most prominent of which are:

- I. Ineligibility.
- II. A too distant maturity.
- III. Continued renewal.
- IV. Poor mercantile ratings, or other unfavorable information.
- V. A too liberal line of credit extended to customer.

The Federal Reserve Bank of Atlanta has, since its opening, discounted 22,252 pieces of paper amounting to \$35,013,287.67. This large volume of discounts necessarily requires close and steady work, as our executive committee examines carefully each day the condition of the borrowing banks, and each piece of paper offered for rediscount; also the volume of the member bank's transactions with the Federal Reserve Bank of Atlanta, including the average balance maintained, date of the first offering, maximum accommodation extended, date of liquidation, if any, maximum accommodation subsequently extended, amount outstanding, proportion of paper secured by collateral, and pending maturities.

This bank has not deemed it wise, except at its

New Orleans branch, to engage in open market operations to any great extent, as we have had, at all times, a fairly full line of discounts, this being, in our opinion, the primary object of the law—to first accommodate the member banks in extending to them rediscounting privileges. It is our intention, however, to go into the open market for business whenever our loanable funds are idle, in order to take care of current expenses and make our own rates effective when it becomes necessary.

DIVISION OF WORK—GOVERNOR AND FEDERAL RESERVE AGENT.

The division of work in this bank between the governor and the Federal Reserve Agent is rather evenly balanced, both giving their entire time to the business of the institution. While it is generally understood that the operation of the bank is under the management of the governor, still, in practice, this is not exclusively true. The by-laws of the bank provide, under article 2, section 2, paragraph H, that to the executive committee is delegated the power "in general to conduct the business of the bank, subject to the supervision and control of the board of directors." As chairman of the board of directors, I am necessarily a regular member of the executive committee and am, therefore, called upon to participate in the joint management of the bank. These duties, in addition to attending to the correspondence with the Federal Reserve Board, and having custody of the Federal Reserve notes and collateral deposited with me to secure the issuance thereof, add largely to the contemplated duties of the Federal Reserve Agent. The duties of the Federal Reserve Agent at Atlanta have been further increased by the establishment of the branch bank in New Orleans. Relations existing between the governor and Federal Reserve Agent are most pleasant and agreeable.

POWERS OF TRUSTEE, EXECUTOR, ADMINISTRATOR, AND REGISTRAR OF STOCKS AND BONDS.

In recommending that permission be granted to applying member banks to act as trustee, executor, administrator, and registrar of stocks and bonds, we have adopted the plan of presenting such applications to the board of directors at its regular monthly meetings. As chairman of the board of directors, I obtain as a preliminary all the information available from the chief bank examiner for the district and other sources and present same to the board of directors with the application. If acted upon favorably, the application is forwarded to your board, accompanied by such information as we have obtained, with the recommendation that it be granted.

CLEARING SYSTEM.

Our bank has earnestly endeavored to co-operate with the Federal Reserve Board in putting into effect the voluntary clearing system proposed by your Board, but the result has not been satisfactory.

The system was inaugurated on April 10, 1915, membership was voluntary, and items were received only from those banks which agreed to permit their accounts to be charged with checks on themselves, subject to final payment. The system began operation with 67 members, 15 joining later, and 9 withdrawing, leaving a present membership of 73, of which 21 are located in reserve cities.

The number of items handled daily has averaged 440, of which 207 have been on banks in the district outside of Atlanta, 204 on banks in Atlanta, and 29 on banks in other Federal reserve districts. The principal objections raised by the member banks are: (1) They can not anticipate the drawings, hence the difficulty of maintaining their reserves when checks are charged to their accounts; (2) they object to giving up exchange charges, which it has been their custom to make; (3) owing to the limited number of points covered, none being outside the district other than Federal reserve cities, the volume of items they send in for credit must, of necessity, be small; (4) since the Federal Reserve Banks will not accept their checks on nonmember banks, which are in the majority in this district, balances must be maintained with reserve correspondents, in order to have such items collected.

The effect of the system has not been to reduce exchange charges, either by the banks themselves or by the two country clearing houses in the district, Atlanta and Nashville. The charges in this district run from \$1.50 to \$2 per \$1,000, the average being \$1.63 per \$1,000 for the entire district.

The Federal Reserve Bank of Atlanta receives from its members, at par, subject to deferred credit, exchange on points outside of the district. It also makes transfers, by mail, outside the district without cost, and pays checks on itself coming from other districts, without charge, provided the volume of exchange deposited by any member bank during the current month equals the amount of the transfers made for that bank and incoming checks from other Federal Reserve Banks. The charge on the difference, if any, is based on the cost of shipping currency to the gold fund to cover, provided such shipments have to be made. We have not endeavored to make a profit on our exchange transactions, believing we should give this service to our members

without cost, provided we can so do without loss to ourselves.

ATTITUDE OF STATE BANKS.

A canvass of the attitude of the State bankers toward the Federal Reserve System develops the fact that while every thoughtful State banker fully realizes that the system to which he has in no way contributed has been indirectly of great benefit to his institution, he is hesitant about joining a system of which his ideas are more or less vague. He is familiar with the limitations of the State laws under which he operates, but unfamiliar with the National Bank and Federal Reserve Acts and in many cases exaggerates the extent of their requirements. The State banks are accustomed to transact business at fixed rates of interest and are not in sympathy with any movement which may tend to decrease their profits through changes in interest rates, and, further, it will no doubt be difficult to engage the attention of the majority of State bankers so long as the period of easy money continues.

BUSINESS CONDITIONS OF THE SIXTH FEDERAL RESERVE DISTRICT.

At the time of the inauguration of the Federal Reserve System the general business conditions of the district were undergoing a most demoralizing depression, and especially was this true in agricultural lines. The South had produced the largest cotton crop in its history and a correspondingly small grain crop; the cotton exchanges were closed, exports cut off, causing a depreciation in value until the market price was below the cost of production and trade in our main staple almost at a standstill.

The establishment of the Federal Reserve Bank and its public announcement that it intended to lend all the assistance within its power to aid the producers was the strongest factor in dispelling the gloom and doubt. In this work the Federal Reserve Bank had the hearty co-operation of the member banks of the district.

The unusual conditions caused a holding back of the 1914 crop and the marketing of it in the late winter and spring of 1914-15, thereby necessitating the most rigid economy, especially among the agricultural element of our population. Such conditions brought most forcefully to the mind of the Southern farmer the imperative need of crop diversification, with the result that the 1915 crops showed an increase of approximately 70,000,000 bushels in corn, wheat, and oats, with an increase in the rice crop of approximately 5,000,000 bushels, with more cattle and hogs than any previous season, and for the first time the cotton crop of the South may be classed

to some extent as a "surplus-money crop." The decrease of approximately 5,000,000 bales in the 1915 crop and the establishment of a 3 per cent commodity rate to member banks for money loaned to the farmers at 6 per cent were the strong elements in causing and maintaining the favorable prices of cotton, and the commodity rate has been especially effective in the holding and marketing of the crop.

The tobacco growers of both Tennessee and Florida were compelled to carry over a greater portion of their 1914 crop on account of difficulty in delivery and high ocean rates, and to the producers of this commodity the Federal Reserve Bank has rendered valuable aid in assisting them to hold their crop for a more favorable market.

The iron industry has received a strong impetus within the past few months and the movement in this and kindred industries is stronger than for several years past. Activity is general throughout the district, covering a multiplicity of lines, and business conditions appear exceedingly bright.

ESTABLISHMENT OF A BRANCH OF THE FEDERAL RESERVE BANK OF ATLANTA AT NEW ORLEANS, LA.

The policy of the board of directors of this bank was not favorable to the establishment of branch banks until we had thoroughly developed the business of the parent bank. In view of the commercial importance of New Orleans and its distance from Atlanta (approximately 500 miles) the board of directors decided to recommend to the Federal Reserve Board the establishment of a branch at New Orleans, to be known as the New Orleans Branch of the Federal Reserve Bank of Atlanta.

The branch bank was opened for business on September 10, 1915. Its territory comprises that part of the sixth district in the States of Louisiana and Mississippi, and the banks in the Counties of Mobile and Baldwin, Alabama. The expenses of the branch bank at New Orleans for the first year's operation are guaranteed by the member banks in the city of New Orleans.

A duplicate of the accounting system of the Atlanta bank is used in the New Orleans branch, and the auditor of the Federal Reserve Bank of Atlanta and the examiners for the Federal Reserve Board make periodical examinations of its accounts. Daily reports are made to the Federal Reserve Bank of Atlanta, with copies to the Federal Reserve Board. On Friday of each week the statements of the branch are telegraphed to Atlanta and incorporated in the weekly statement of the Federal Reserve Bank of Atlanta.

As Federal Reserve Agent, I appointed a "representative of the Federal Reserve Agent, at New Orleans," to represent me in transactions involving the issuance of Federal reserve notes, which action was approved by the board of directors of the New Orleans branch and the Federal Reserve Board.

Upon my request to the Board, the Comptroller of the Currency deposits Federal reserve notes with the Assistant United States Treasurer at New Orleans, subject to the order of the Comptroller of the Currency. Upon notice from my representative at New Orleans that collateral has been deposited, an order for Federal reserve notes is forwarded to the Federal Reserve Board and transmitted to the Assistant United States Treasurer at New Orleans, who delivers the Federal reserve notes to the manager of the New Orleans branch. My representative handles only the collateral and records incident to the transactions.

CREDIT NEEDS OF THE DISTRICT.

The ability of the Federal Reserve Bank and of the southern banking organizations to move the cotton crop and to properly finance the preparation of cattle for the market has demonstrated that the long anticipated relief from seasonal financial pressure has been realized. The great progress in diversification of crops for the past two seasons clearly indicates the willing response to broadening effort, this response being limited only by the great need of an adequate supply of capital to prepare for and finance the improvements necessary to profitably grow and market crops which have heretofore been grown to a limited extent only.

Iron and steel industries have no lack of funds for current needs, including the movement of their products and to finance reasonable extensions and for improvements. The naval-stores industry has suffered severely for the whole season for lack of necessary funds. This is a peculiar industry in that the greater part of operating capital is expended in labor; therefore, while the result can be accurately forecast, this expenditure is not represented by tangible assets which can be made the basis for financial negotiations. The industry is sadly in need of some kind of coalition and organization that would tend to stabilize prices and promote confidence in financial circles. The rapidly diminishing area adaptable to the production of these articles and the increasing foreign and domestic normal demand indicate that this industry should be conserved if this country is to receive the returns to which it is entitled from what has been and is still a natural and valuable asset. The lumber industry is in better

financial position, and for the immediate future appears to be in a fair position so far as the sale of the product is concerned, but has suffered severely for a period running back to the depression in 1907, during which time billions of feet of valuable timber have been manufactured and sold without profit. Any comprehensive plan of conserving the wealth of our natural resources should by all means include some feasible plan of finance which would enable manufacturers to keep their timber supply inactive during periods of slack demand and low prices, rather than to follow the present system of exhausting this valuable asset to cover carrying charges. The prominent distinction between such industries and agriculture and mining is that agricultural products are produced seasonally, and new mineral deposits are constantly discovered, adding to the already tremendous known quantity of that source of wealth, with the fair assurance that yet undiscovered mines will place the probability of exhaustion far remote; while on the other hand the timber area is known, the amount fairly accurately determined, and the end of an important industry foreseen. All of which clearly points to the necessity of careful study of the wasting of this resource through press of necessity occasioned by lack of capital and credit.

The immediate and crying need of the district is financial encouragement for new enterprises. Money is plentiful for established demand, but any attempt to promote new activity or even to re-establish lines of effort which have been idle through the past depressions meets with little or no encouragement. Although everywhere are seen the essentials of prosperity, there appears to be a strong undercurrent of uneasiness and disbelief in its solidity or permanency. Under these conditions substantial progress is, of course, impossible. What stimulus is necessary to a resumption of normal and progressive enterprise is not apparent unless it be the allaying of uncertainty regarding the outcome of the European war and of an unanalyzed, yet ever present fear of the remote possibility that our own Nation may become involved therein.

EARNINGS OF NATIONAL BANKS OF SIXTH DISTRICT.

A resume of the earnings of the national banks of this district presents a most interesting subject which the general public has had little opportunity to examine and about which an almost universal mistaken idea exists. That the net earnings of the banks of the district fall short of the returns accruing to other lines employing a similar capital and energy has, of course, been well known to those whose life work has been along this line of activity. But in the mind of the general public there exists

an impression so greatly at variance with the facts that a wide publicity and a clearer understanding of the comparatively meager profits realized would no doubt do much to create a closer and more sympathetic relation between the banks of the district and their customers. Moreover, in view of the fundamental and sweeping changes in our financial structure contemplated and effected by the Federal Reserve Act, a clearer and more appreciative general understanding of the difficulties attendant upon the operations of the banking business is highly desirable, if not almost essential, to the purpose of securing the full measure of co-operation necessary to effect the broad and salutary reforms for which this system was designed.

The following tabulated analysis of earnings is arranged in groups according to invested capital (i. e., capital, surplus, and undivided profits):

Invested capital:	Net earnings.
Less than \$50,000.....	per cent.. 6.13
\$50,000 to \$100,000.....	do.... 7.6
\$100,000 to \$200,000.....	do.... 8.5
\$200,000 to \$300,000.....	do.... 7.9
\$300,000 to \$500,000.....	do.... 6.3
\$500,000 to \$1,000,000	do.... 6.36
Over \$1,000,000.....	do.... 7.63

I might add, in conclusion, that the policy of the bank has been to issue as many Federal reserve notes as possible and to put up gold with the Federal Reserve Agent to reduce outstanding liability. In this manner the Federal Reserve Bank has been able to accumulate gold, which the officers of the bank believe is the correct policy to pursue. It is thought highly desirable that ultimately our bank have on hand only gold and gold certificates and put Federal reserve notes out for circulation into the channels of commerce.

Respectfully submitted,

M. B. WELLBORN,

Chairman of the Board and Federal Reserve Agent.
Atlanta, Ga., December 31, 1915.

STATEMENT OF OPERATIONS
OF
FEDERAL RESERVE BANK OF ATLANTA
(INCLUDING NEW ORLEANS BRANCH)
TO DEC. 31, 1915

EARNINGS

Earned discount on Bills Discounted-members	\$230,020.43	
Earned Discount on Bills Purchased.....	88.63	
Earned Interest on Investments (Warrants)	1,541.13	
Earned Commissions	201.45	
Earned from other sources.....	4,608.73	
TOTAL EARNINGS		\$236,460.37

EXPENSES

Organization Expenses (including our proportion of expenses of Federal Reserve Board at Washington from their organization to June 30th 1915, \$8,342.05)	\$ 23,597.22	
Current expenses, cost of operation (including our proportion of expenses of Federal Reserve Board at Washington from June 30, 1915 to Dec 31, 1915, \$4,831.60; also office of Federal Reserve Agent and Chairman of the Board)	\$103,440.30	
Cost of manuf're of Federal Res. Notes used (\$18,950,000.00)	\$ 24,573.70	
Depreciation charged off cost of furniture and equipment (33 1/3 per cent.)	\$ 2,316.76	
TOTAL EXPENSES		\$153,927.98
NET PROFITS		\$ 82,532.39

In addition to the above our books also show an income from	
Unearned discount	\$ 35,170.82
Unearned interest on investments	\$ 850.32
TOTAL	\$ 36,021.14

The average maturity date of our discounts is Feb. 16th:	
Total amount of bills discounted for member banks to date.....	\$35,013,287.67
Total amount of bills discounted paid to date	26,938,994.42
Total amount of bills now under discount	8,074,293.25

Total number of banks accommodated.....	248
Total number of banks in district.....	386
Total number of notes discounted.....	22,252

Atlanta, Ga., January 3rd, 1916

The foregoing is a correct statement as shown by the books of this bank at the close of business Dec. 31st, 1915.

JOS. A. McCORD, Governor

112.54	150	
225-	300	
75-	100	
6125 for 2000		
equivalent to		
50 @ 1.25		62.50
150 @ .75		112.50

