

**FIFTEENTH ANNUAL REPORT OF THE
FEDERAL RESERVE BANK OF ATLANTA**

1929



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ATLANTA, GEORGIA

DIRECTORS AND OFFICERS
FOR 1930
FEDERAL RESERVE BANK OF ATLANTA

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H. LANE YOUNG, Atlanta, Ga.	J. A. McCRARY, Decatur, Ga.
	LUKE LEA, Nashville, Tenn.

Member of Federal Advisory Council:

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C. R. CAMP, <i>Assistant Cashier</i>	
P. L. T. BEAVERS, <i>Assistant Cashier</i>	
S. P. SCHUESSLER, <i>Assistant Cashier</i>	
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A. P. BUSH, Mobile, Ala.

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J. A. WALKER, *Assistant Manager*
W. H. BLACK, *Cashier*
F. C. VASTERLING, *Assistant Cashier*
W. E. MILLER, *Assistant Auditor*

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L. W. STARR, *Assistant Cashier*

SAVANNAH AGENCY

J. H. BOWDEN, *Manager*

Jas. A. GOETHE, *Assistant Manager*

HAVANA AGENCY

L. L. MAGRUDER, *Manager*

H. C. FRAZER, *Assistant Manager*

LETTER OF TRANSMITTAL

Atlanta, Ga., February 12, 1930.

Sirs:

I have the honor to submit herewith the Fifteenth Annual Report of the Federal Reserve Bank of Atlanta, covering the year 1929.

Respectfully,

OSCAR NEWTON,

*Chairman of the Board and
Federal Reserve Agent*

Federal Reserve Board,
Washington, D. C.

GENERAL BUSINESS CONDITIONS

Increases in crop values, in the production of pig iron and coal, and in the volume of wholesale trade, and declines in building and construction activity and in retail trade in 1929 as compared with the year before are shown in some of the important indices of business in the sixth district. Production of bituminous coal in Alabama in 1929 was 0.4 per cent, and in Tennessee 2.5 per cent larger than in 1928, but in both states it was less than for 1927, or 1926. Output of pig iron in Alabama was 6.2 per cent larger in 1929 than in 1928, but was smaller than for the two years before 1928.

Building and construction activity as measured by building permit statistics for twenty reporting cities in the district, and in contract awards for the district as a whole, was at a lower level during 1929 than in any other recent year. Total value of permits for these twenty cities declined 33.1 per cent in 1929 compared with 1928, and was smaller than for any other year since 1921. Contract awards in the district during 1929 declined only slightly from 1928, but were smaller than for other years since 1923.

Retail distribution of merchandise as measured by sales figures reported monthly to the Federal Reserve Bank by 42 department stores in 22 cities of the district declined 2.4 per cent in 1929 compared with the year before, and was also smaller than in 1927, or 1926. Volume of wholesale trade in eight lines averaged 1.6 per cent greater than in 1928, but was 3 per cent less than in 1927 and 15.3 per cent less than in 1926. Commercial failures in the district were fewer in number, and smaller in liabilities, than in 1928, or 1927, but larger than in 1926.

According to estimates by the United States Department of Agriculture, the value of principal crops raised in 1929 was greater than in 1928 in Alabama, Georgia, Louisiana, Mississippi and Tennessee, but slightly smaller in Florida. For the six states combined the total for 1929 shows increases of 10.4 per cent over 1928, 8.6 per cent over 1927, and 27.1 per cent over 1926. The value of the cotton crop, including seed, in 1929 was 12.9 per cent greater than in 1928 in these six states.

Savings deposits of 74 reporting banks at the close of 1929 averaged 7.7 per cent less than a year earlier. Demand deposits of all member banks in December, 1929, were smaller than at the same time of any year since 1923, and time deposits in December were the smallest for that month since 1924. Debits to individual accounts by clearing house banks in 26 cities of the district increased 3.7 per cent in 1929 over the year before, and were also greater than for other recent years. Figures for 15 of these cities which have reported for a number of years indicate a steady upward trend from 1921 to 1926, but a slightly declining tendency in 1927 and 1928. Totals for 1929, however, are slightly larger than for 1926, and are greater than for any other recent year.

	(000 omitted)			
	1929	1928	1927	1926
Value of Principal Crops (1).....	\$ 1,185,164	\$ 1,073,090	\$ 1,091,206	\$ 932,584
Building Permits, 20 cities.....	\$ 72,322	\$ 108,075	\$ 114,914	\$ 176,296
Contracts awarded, district.....	\$ 328,595	\$ 329,833	\$ 380,773	\$ 518,219
Commercial Failures, Number (2).....	1,205	1,547	1,574	1,028
Liabilities.....	\$ 25,145	\$ 32,898	\$ 29,222	\$ 23,413
Retail Trade—Sales of 42 Department Stores.....	\$ 71,356	\$ 73,112	\$ 72,475	\$ 71,568
Wholesale Trade—Sales of 107 Firms.....	\$ 122,656	\$ 120,729	\$ 126,416	\$ 144,836
Debits to Individual Accounts (3).....	\$15,713,342	\$15,152,479	\$15,422,373	\$15,137,583
Deposits of All Member Banks (4):				
Demand.....	\$ 550,424	\$ 593,643	\$ 622,434	\$ 631,243
Time.....	\$ 427,978	\$ 463,047	\$ 465,326	\$ 437,329
Bituminous Coal Production—Tons:				
Alabama.....	17,690	17,621	19,766	21,001
Tennessee.....	5,750	5,611	5,783	5,789
Pig Iron Production—Alabama—Tons.....	2,693	2,540	2,777	2,944
Active furnaces, Alabama (5).....	16½	17	19¾	23

- (1) Total for six states: Alabama, Florida, Louisiana, Mississippi and Tennessee.
- (2) Actual number of failures—000 not omitted.
- (3) Debits for 1929, 1928 and 1927 are for 26 cities—1926 for 24 cities.
- (4) December of each year.
- (5) Average of monthly figures.

RESULTS OF OPERATION OF THE FEDERAL RESERVE BANK

Comparative Balance Sheets—The total resources and liabilities of the Federal Reserve Bank of Atlanta at the close of business on December 31, 1929, were larger by \$11,961,000 than at the close of 1928, but were smaller than at the end of other years since 1924. Total resources and liabilities at the end of 1929 were \$250,843,000, compared with \$238,882,000 a year earlier. Total cash reserves at the close of 1929 amounted to \$153,517,000, and were \$25,808,000 greater than at the close of 1928. Bills discounted for member banks at the end of the year totaled \$29,347,000, smaller by \$11,673,000 than at the same time a year earlier. Holdings of bills bought in the open market on December 31, 1929, were \$19,196,000, compared with \$32,002,000 at the end of 1928, and holdings of United States Government securities amounted to \$9,945,000, compared with \$7,255,000 a year earlier. Total bills and securities at the end of the year were thus \$58,488,000, and were smaller by \$21,789,000 than at the close of 1928. Federal Reserve notes in actual circulation at the close of the year totaled \$143,084,000, showing an increase of \$8,118,000 over those outstanding a year earlier, and total deposits were slightly larger than at that time. On page 13 of this report are shown comparative balance sheets of the Federal Reserve Bank of Atlanta at the close of each of the past four years.

Earnings and Expenses—A table presented on page 14 of this report sets forth in detail the various items of income and expenditures, followed by profit and loss statements showing the disposition of earnings of the Federal Reserve Bank for the past four years.

Total earnings for the year 1929 amounted to \$4,116,049, an increase of \$537,893 over the preceding year, and were greater than for any year since 1921. Partly because the discount rate was higher during most of the year than it was in 1928, earnings on discounted bills show an increase for 1929 of \$561,448 over the preceding year and were greater than for any year since 1921. Income from bills bought in the open market was greater than for 1928 or 1927, but earnings from the smaller average holdings of United States securities were less than for any year since 1924.

The cost of current operations during 1929, including the expenses incident to the preparation of Federal Reserve currency, and the cost of the redemption of unfit notes, increased \$260,105, or 20.8 per cent, over the total for 1928. Omitting the cost of Federal Reserve currency, however, the other current expenses of the bank increased only \$80,522, or 6.6 per cent, over those in 1928.

The cost of preparing Federal Reserve currency during 1928 was abnormally low because of the pending introduction in July, 1929, of the new-size notes and a consequent reduction of stock, and cost of printing the old-sized Federal Reserve notes. In 1929 it was necessary to prepare new-size currency in volume not only to meet the replacement and current demands of the banks beginning with its introduction on July 10, but also to establish a reserve supply. Thus there was a large proportionate increase in 1929 in the cost of Federal Reserve currency over the year before, and this is largely responsible for the large increase in total expenses.

Current net earnings for 1929 amounted to \$2,602,810, compared with \$2,325,022, for 1928, and were larger than for any other year since 1921. After deductions for depreciation on bank premises and on furniture and equipment, reserves for probable losses, self-insurance and other deductions, net earnings available for dividends, surplus and franchise tax amounted to \$1,428,518. In accordance with requirements of the Federal Reserve Act, dividends were paid at the end of June and December at the rate of 6 per cent per annum, amounting to \$321,696, to member banks. There was carried to surplus \$303,032, and a franchise tax of \$803,790 was paid to the United States Government.

MOVEMENT OF PRINCIPAL ASSET AND LIABILITY ITEMS

Total Bills and Securities—Because of larger holdings of purchased bills, total bills and securities held by the bank were greater on the second weekly report date in January than on any other report date during the year. From a total of 95.3 millions on January 9, there was a decline up to the middle of March due partly to a decrease in discounts, and partly to a decline in holdings of bills bought in the open market which continued at a relatively low level until the middle of August. Accompanying similar movements in the volume of discounted bills, total bills and securities increased from 64 millions on March 20 to 88.6 millions on June 5, but declined sharply to 62.8 millions on June 26, and increased irregularly to 92.7 millions on November 6, declining during the remaining weeks of the year to 58.5 millions on December 31, lower than for any other report date since April, 1928.

Bills Discounted for Member Banks—The total of bills discounted for member banks in the sixth district declined up to the middle of March, but increased during the spring to the highest level of the year, at 77 millions, on June 5. Discounts declined sharply in June, but increased to 76 millions on September 4, after which there followed an irregular decline to 29.3 millions on December 31, the lowest level since April, 1928.

Bills Bought in the Open Market—Holdings of purchased bills which had increased in the last three months of 1928, declined between January and early August, increased from then until October 23, and declined during the balance of the year.

United States Securities—Holdings of United States securities have been in relatively small volume during the past two years, but were increased somewhat in the latter part of the year.

Cash Reserves—After declining during the first four weeks of the year, cash reserves increased during February and early March as holdings of bills and securities declined; reserves declined in April and May as these holdings increased and from early June reserves increased irregularly to the highest point of the year on the last day of the year.

Member Bank Reserve Deposits—Total member bank reserve deposits were larger on January 2, at 68 millions, and smaller on December 24, at 59.8 millions, than on other report dates of the year. These deposits fluctuated within a rather narrow range, but averaged higher during the first half of the year than during the latter half.

Federal Reserve Notes in Actual Circulation—The volume of Federal Reserve notes in actual circulation showed the usual January decline as currency returned to the bank following the holidays, increased in February, and declined gradually to the lowest level for the year at 125.5 millions on June 26. The new small-size currency was introduced on July 10, and there followed a rise in notes outstanding to the highest level of the year, at 159.3 millions, on September 4, after which there were decreases shown for nearly all of the remaining report dates of the year.

Reserve Position—The ratio of total cash reserves to combined deposit and Federal Reserve note liability increased from the beginning of the year to the middle of March, but decreased from then until the first week in June. The last three weeks of June witnessed a rather sharp rise, and beginning in July there was a gradual decline which continued, with some fluctuations, until November 6. The trend was definitely upward from then until the close of the year.

On page 15 of this report will be found a table showing monthly averages of daily figures for the principal asset and liability items during 1929.

VOLUME OF DISCOUNTS AND PURCHASES OF BILLS AND SECURITIES

The total volume of discount and open market operations of the Federal Reserve Bank of Atlanta during the year 1929 was \$1,504,135,000, a decrease of 0.2 per cent compared with the total of \$1,507,545,000 for 1928. In these

totals are included bills discounted for member banks and for Federal Intermediate Credit Banks, bills and securities purchased in the open market and from other Federal Reserve Banks, and other discount and open market transactions. Bills discounted in 1929 totaled \$1,349,145,000 compared with \$1,326,634,000 during 1928; bills bought in the open market amounted to \$104,804,000 compared with \$96,854,000 in 1928, and United States securities purchased in the open market and from other Federal Reserve Banks during 1929 totaled \$49,071,000 compared with \$60,687,000 in 1928. The monthly average number of member banks accommodated by the discount of paper in 1929 was 214, compared with 190 in 1928.

VOLUME OF OPERATIONS IN PRINCIPAL DEPARTMENTS

During 1929 there were filed with the Federal Reserve Bank of Atlanta 12,255 applications for the rediscount or discount of paper, an increase of 19.5 per cent over the preceding year, and greater than for any other year since 1923.

There were accepted for rediscount or discount in 1929, 75,189 notes, amounting to \$1,349,145,000, an increase of 24.3 per cent in number and of 1.7 per cent in amount over 1928. The number of notes discounted was larger than for any other year since 1923, and their value was the largest for any year since 1921.

Bills purchased in the open market during 1929 numbered 6,931 and amounted to \$104,804,000, a decrease of 25.2 per cent in number, but an increase of 8.2 per cent in value over purchases in 1928.

During 1929, 133,934,704 pieces of currency amounting to \$583,131,000 were received and counted, an increase of 9.5 per cent in number and of 8.7 per cent in amount over the year before. Coin received and counted during 1929 numbered 62,926,922 and amounted to \$8,923,000, showing increases of 3.2 per cent in number and 8.2 per cent in amount over the year before.

Checks handled during 1929 numbered 32,305,000 amounting to \$12,182,513,000, an increase of 2.9 per cent in number and an increase of 1.7 per cent in amount compared with those handled during 1928.

The number of government security coupons and other collection items handled in 1929 was 616,066, and the amount \$175,602,000, a decrease of 24.7 per cent in number, but an increase of 3.7 per cent in amount, compared with those handled in 1928.

Transactions in United States securities by the Fiscal Agency Department during 1929, involving issues, redemptions and exchanges, numbered 53,311 and amounted to \$137,713,000, a decrease of 68.5 per cent in number and of 41.8 per cent in amount, compared with transactions in 1928.

Transfers of funds during 1929 numbered 97,924, and amounted to \$2,477,543,000, showing increases of 14.6 per cent in number and of 7.9 per cent in amount, compared with the previous year.

OPERATION OF THE FEDERAL RESERVE CLEARING SYSTEM

Transit Operations—During the year 1929 the Federal Reserve Bank of Atlanta handled 30,500,000 items (exclusive of duplications on account of items handled by both the parent bank and one or more of its branches) amounting to \$11,927,337,000. These figures show increases of 1,021,000, or 3.5 per cent, in the number of items handled, and of \$226,086,000, or 1.9 per cent, in the amount, compared with figures for 1928. Increases in number occurred in all classes of items handled which include those drawn on member and par-remitting non-member banks in the sixth district, items drawn on the Federal Reserve Bank and its branches, items forwarded to other Federal Reserve Banks and their branches, and items drawn on the United States Treasurer.

Clearings and Transfers through the Gold Settlement Fund—Each Federal Reserve Bank maintains with the Treasurer of the United States a Gold Settlement Fund for the purpose of settling current transactions between Federal Reserve Districts. Total payments by the Federal Reserve Bank of Atlanta to other Federal Reserve Banks through the Gold Settlement Fund during 1929, for clearings and transfers of funds, amounted to \$4,463,964,000, an increase of \$193,205,000 over 1928 payments. Receipts from other Federal Reserve Banks through the Gold Settlement Fund during 1929 amounted to \$4,476,384,000, an increase of \$240,447,000 over receipts in 1928. There was a net gain in gold for the year of \$12,420,000, as compared with a net loss in 1928 amounting to \$34,822,000. The net gain to the Federal Reserve Bank of Atlanta in ownership of gold since the establishment in 1915 of the Gold Settlement Fund amounted at the close of the year 1929 to \$200,654,000.

MOVEMENT OF MEMBERSHIP

At the beginning of the year 1929, there were 377 national banks and 76 state bank members of the Federal Reserve System in the sixth district, a total of 453 members. During the year there were 12 new national banks organized in the district, but due to mergers, withdrawals, suspensions and other changes, there was a net loss of 11 in the number of national banks, and a net loss of 14 in the number of state bank members, so that the number of member banks was smaller by 25 at the end of the year than at the beginning. The table shows these figures in detail, and indicates the causes of the changes in membership which occurred during 1929.

	<i>National</i>	<i>State</i>	<i>Total</i>
Active member banks on January 1, 1929	377	76	453
New national banks organized	+ 12		+ 12
Resumption following suspension	+ 1	+ 1	+ 2
Merger of state bank members		— 2	— 2
Absorption of member by non-member		— 1	— 1
Conversion of member to non-member	— 1		— 1
Merger of national banks	— 4		— 4
Suspensions and insolvency	— 16	— 7	— 23
Absorption of state member bank by national bank		— 2	— 2
Voluntary liquidation	— 3		— 3
Voluntary withdrawal of state member bank		— 3	— 3
Active member banks on December 31, 1929	366	62	428

BANK ORGANIZATION AND PERSONNEL

Mr. Oscar Newton, whose term as a Class C director expired December 31, 1929, was reappointed by the Federal Reserve Board for the three-year term ending December 31, 1932.

Mr. Leon C. Simon, whose term as a Class B director expired December 31, 1929, was re-elected by member banks in Group 1 for the three-year term ending December 31, 1932.

Mr. G. G. Ware, whose term as a Class A director expired December 31, 1929, was re-elected by member banks in Group 3 for the three-year term ending December 31, 1932.

Mr. Newton was reappointed by the Federal Reserve Board as Chairman of the Board of Directors and Federal Reserve Agent, and Mr. W. H. Kettig was reappointed Deputy Chairman, for the year 1930.

Mr. J. P. Butler, Jr., of New Orleans, Louisiana, was re-elected member of the Federal Advisory Council from the Sixth Federal Reserve District for the year 1930.

Mr. P. L. T. Beavers was elected an Assistant Cashier in charge of the Transit Department at the January, 1929, meeting of the Board of Directors, and at the same meeting Mr. S. P. Schuessler was elected an Assistant Cashier in charge of the Fiscal Agency Department.

At the January, 1930, meeting the Board of Directors re-elected all the officers, and at that meeting Mr. L. M. Clark was elected an Assistant Cashier.

The number of officers and employees of the Federal Reserve Bank of Atlanta, including its branches and agencies, on January 1, 1929, was 430, and on December 31, 1929, was 434.

DEMAND AND TIME DEPOSITS

All Member Banks in Sixth District

Net demand and time deposits have been reported monthly to the Federal Reserve Bank of Atlanta by all member banks in the sixth district since April, 1923. Except for declines in the summer of 1923 and 1924, which appear to have been seasonal, and other minor fluctuations, the general trend of net demand deposits rose sharply through November, 1925. Since then there has been a definite downward tendency, except for seasonal increases in the fall of each year, the low point for each year being much below that for the year before. Time deposits increased in 1923 and 1924, and sharply in 1925, fluctuating during 1926 at about the level reached in December, 1925, and rising slightly in 1927 and early in 1928 through July, since which time the trend has been downward. Figures in the table show, in millions of dollars, net demand and time deposits by months for the past four years.

<i>Demand</i>	1929	1928	1927	1926
January	\$594	\$635	\$636	\$760
February	597	625	637	757
March	601	621	618	727
April	585	612	615	697
May	569	607	601	668
June	549	597	587	650

July	539	578	575	640
August	524	557	580	633
September	537	551	600	634
October	543	561	607	635
November	545	570	611	619
December	550	594	622	631
<i>Time</i>				
January	\$454	\$465	\$443	\$439
February	458	461	451	439
March	459	466	453	441
April	449	467	456	446
May	459	472	463	446
June	466	472	460	444
July	462	475	461	441
August	445	472	457	444
September	443	467	458	439
October	436	469	465	442
November	433	467	466	438
December	428	463	465	437

MOVEMENT OF PRINCIPAL ASSET AND LIABILITY ITEMS OF WEEKLY REPORTING MEMBER BANKS IN SELECTED CITIES

The number of weekly reporting member banks in the sixth district was reduced by consolidations and mergers from thirty-one at the beginning of 1929 to twenty-eight in December.

Total loans and investments of these banks fluctuated between \$642,988,-000 on January 2, the high point for the year at \$652,532,000 on September 25, and the lowest total for the year at \$627,712,000 on December 4. Loans on securities were smaller at \$141,410,000 on January 2 than on any other weekly report date, increasing to the peak for the year at \$163,078,000 on October 9, and amounting at the close of the year to \$153,847,000. All other loans including those for agricultural, commercial and industrial purposes, declined from \$363,419,000 at the beginning of 1929 to \$346,523,000 on March 6, reached the highest level at \$372,856,000 on November 20, and closed the year at \$356,057,000. The largest total of investments in government and other securities was \$140,504,000 on June 26, and the smallest was \$119,232,-000 on December 4. Demand deposits of these banks were highest for the year, at \$344,631,000 on March 13, and lowest, at \$311,159,000, on August 28. Time deposits were greatest at midyear, when they amounted to \$246,379,000, and smallest at \$222,655,000, on December 11. Borrowings of these banks from the Federal Reserve Bank of Atlanta amounted to \$34,643,000 on January 2, and after increasing to \$51,712,000 on May 1, declined to \$28,660,000 on June 26. The following week recorded an increase of ten millions, however, and the high point for the year was \$52,985,000, on September 11. From this point borrowings by these banks declined and on December 31 amounted to \$20,126,000, the smallest total since April, 1928.

NOTE—More detailed statistics concerning the operations of the Federal Reserve Bank of Atlanta, and of member banks in the sixth district, are carried in the Annual Report which will be issued later by the Federal Reserve Board.

CONDITION OF FEDERAL RESERVE BANK OF ATLANTA

(IN THOUSANDS OF DOLLARS)

RESOURCES	Dec. 31, 1929	Dec. 31, 1928	Dec. 31, 1927	Dec. 31, 1926
Gold with Federal Reserve Agent.....	\$ 126,880	\$ 96,377	\$ 145,772	\$ 140,135
Gold redemption fund with United States Treasury	2,669	3,974	1,688	3,104
Gold held exclusively against F. R. Notes.....	\$ 129,549	\$ 100,351	\$ 147,460	\$ 143,239
Gold settlement fund with F. R. Board.....	5,604	12,856	11,791	21,707
Gold and gold certificates held by bank.....	4,438	5,139	8,078	4,311
Total gold reserve.....	\$ 139,591	\$ 118,346	\$ 167,329	\$ 169,257
Reserves other than gold.....	13,926	9,363	11,946	9,370
Total reserves.....	\$ 153,517	\$ 127,709	\$ 179,275	\$ 178,627
Non-reserve cash.....	5,559	4,178	4,371	4,476
Bills discounted:				
Secured by U. S. Government obligations.....	\$ 2,680	\$ 9,467	\$ 8,053	\$ 1,113
Other bills discounted.....	26,667	31,553	20,149	35,563
Total bills discounted.....	\$ 29,347	\$ 41,020	\$ 28,202	\$ 36,676
Bills bought in open market.....	19,196	32,002	2,238	23,172
U. S. Government securities:				
Bonds.....	\$ 1,173	\$ 1,564	\$ 5,971	\$ 352
Treasury notes.....	3,377	4,311	893	1,538
Certificates and bills.....	5,395	1,380	6,721
Total U. S. Government securities.....	\$ 9,945	\$ 7,255	\$ 13,585	\$ 1,890
Other securities.....	260
Total bills and securities.....	\$ 58,488	\$ 80,277	\$ 44,286	\$ 61,738
Uncollected items.....	\$ 26,748	\$ 22,454	\$ 26,545	\$ 30,385
Bank premises.....	2,658	2,744	2,823	2,864
All other resources.....	3,873	1,520	1,361	1,021
Total resources.....	\$ 250,843	\$ 238,882	\$ 258,662	\$ 279,111
LIABILITIES				
F. R. Notes in actual circulation.....	\$ 143,084	\$ 134,966	\$ 144,097	\$ 165,827
Deposits:				
Member bank-reserve account.....	62,895	63,385	73,243	66,742
Government.....	2,485	1,944	1,532	2,613
Foreign banks.....	219	273	190	1,126
Other deposits.....	164	140	170	932
Total deposits.....	\$ 65,763	\$ 65,742	\$ 75,135	\$ 71,413
Deferred availability items.....	\$ 23,907	\$ 21,361	\$ 23,981	\$ 26,847
Capital paid in.....	5,384	5,231	5,175	5,020
Surplus.....	10,857	10,554	9,996	9,632
All other liabilities.....	1,848	1,028	278	372
Total liabilities.....	\$ 250,843	\$ 238,882	\$ 258,662	\$ 279,111
Ratio of total reserves to deposit and Federal reserve note liabilities combined (per cent).....	73.5	63.6	81.8	75.3
Contingent liability on bills purchased for foreign correspondents.....	\$ 21,320	\$ 13,567	\$ 9,380	\$ 2,258

EARNINGS AND EXPENSES OF THE FEDERAL RESERVE BANK OF ATLANTA

EARNINGS	1929	1928	1927	1926
Discounted bills	\$3,091,399	\$2,529,951	\$1,254,629	\$1,705,117
Purchased bills	716,782	687,533	332,593	1,024,830
United States securities	171,667	245,502	290,218	228,280
Deficient reserve penalties	39,735	32,996	25,900	41,636
Miscellaneous	96,466	82,174	164,499	46,004
Total earnings	\$4,116,049	\$3,578,156	\$2,067,839	\$3,045,867

CURRENT EXPENSES

Salaries:				
Bank Officers	\$ 231,917	\$ 207,184	\$ 201,992	\$ 191,016
Clerical Staff	419,257	405,562	408,533	418,096
Special Officers	44,675	36,511	35,217	31,426
All Other	38,788	37,656	39,408	38,253
Governor's Conferences	280	398	282	255
Federal Reserve Agents' Conferences	102	67	136	129
Federal Advisory Council	1,438	1,089	945	892
Directors' Meetings	24,358	22,651	23,243	24,602
Traveling Expenses (1)	19,006	19,368	17,582	32,994
Assessments for Federal Reserve Board expenses	30,499	28,590	32,177	28,686
Legal Fees	8,186	11,323	9,144	9,728
Insurance (other than on currency and security shipments)	24,758	24,374	21,474	20,826
Insurance on currency and security shipments	42,624	35,600	33,167	47,398
Taxes on banking house	64,152	61,045	57,429	54,987
Light, heat and power	15,393	15,182	13,949	13,600
Repairs and alterations, banking house	8,501	18,891	7,013	4,234
Rent	5,379	6,120	5,626	9,485
Office and other supplies	26,317	21,659	20,482	23,556
Printing and stationery	29,511	30,321	29,354	31,565
Telephone	7,878	6,243	6,159	6,123
Telegraph	70,674	64,419	63,635	70,499
Postage	113,970	99,074	99,785	104,296
Expressage	42,505	36,918	31,692	33,437
Miscellaneous	36,219	35,620	36,966	32,767
Total exclusive of cost of currency	\$1,306,387	\$1,225,865	\$1,195,390	\$1,228,850
Federal reserve currency, including shipping charges:				
Original cost	\$ 199,393	\$ 19,914	\$ 59,861	\$ 148,763
Cost of redemption	7,459	7,355	8,905	11,555
Total current expenses	\$1,513,239	\$1,253,134	\$1,264,156	\$1,389,168

PROFIT AND LOSS ACCOUNT

Earnings	\$4,116,049	\$3,578,156	\$2,067,839	\$3,045,867
Current expenses	1,513,239	1,253,134	1,264,156	1,389,168
Current net earnings	\$2,602,810	\$2,325,022	\$ 803,683	\$1,656,699
Additions to current net earnings	\$ 5,360	\$ 5,462	\$ 956	\$ 12,794
Deductions from current net earnings:				
Bank premises—depreciation	\$ 85,828	\$ 85,673	\$ 85,008	\$ 151,341
Furniture and equipment	38,225	49,980	48,460	24,313
Reserve for probable losses	696,500	403,018	-----	261,663
All other	359,099	97,829	1,267	3,849
Total deductions	\$1,179,652	\$ 636,500	\$ 134,735	\$ 441,166

Net earnings available for dividends, surplus and franchise tax	\$1,428,518	\$1,693,985	\$ 669,904	\$1,228,327
Dividends paid	\$ 321,696	\$ 312,259	\$ 305,817	\$ 296,573
Transferred to surplus account	303,032	558,425	364,087	931,754
Franchise tax paid U. S. Government	803,790	823,301		

REIMBURSABLE FISCAL AGENCY
EXPENSES

Salaries	\$ 5,130	\$ 5,289	\$ 5,220	\$ 5,209
All Other	1,235	2,321	2,886	897
Total	\$ 6,365	\$ 7,610	\$ 8,106	\$ 6,106

(1) Other than those connected with governors' and agents' conferences and meetings of directors and of the advisory council.

FEDERAL RESERVE BANK OF ATLANTA—1929

Monthly averages of daily figures—in millions

HOLDINGS OF BILLS AND SECURITIES								
	<i>Bills Discounted</i>	<i>Bills Bought</i>	<i>U. S. Securities</i>	<i>Total Bills and Securities</i>	<i>Cash Reserves</i>	<i>F. R. Note Circulation</i>	<i>Member Bank Reserve Deposits</i>	<i>Reserve Ratio</i>
Jan.	59	28	5	92	114	130	67	57.2
Feb.	56	21	4	81	126	130	68	63.3
March	52	13	4	68	146	138	68	70.4
April	64	9	4	77	133	135	66	65.6
May	73	8	3	85	120	133	65	60.5
June	66	8	4	77	125	129	63	64.1
July	69	6	3	78	133	141	62	64.8
Aug.	75	6	3	84	135	153	60	62.7
Sept.	70	13	3	86	139	157	61	62.4
Oct.	58	23	4	85	142	155	62	57.0
Nov.	59	23	8	91	133	154	61	61.2
Dec.	43	19	9	71	149	148	63	70.1

VOLUME OF OPERATIONS IN PRINCIPAL DEPARTMENTS

FEDERAL RESERVE BANK OF ATLANTA

<i>Number of Pieces Handled</i>	1929	1928	1927	1926
Bills discounted:				
Applications	12,255	10,259	7,110	9,111
Notes discounted	75,189	60,473	47,155	59,674
Bills purchased in open market for own account..	6,931	9,268	5,828	8,030
Currency received and counted	133,934,704	122,279,626	121,378,000	130,465,000
Coin received and counted..	62,926,922	60,994,041	61,760,000	63,931,000
Checks handled	32,305,000	31,384,000	31,904,000	31,575,000
Collection items handled:				
U. S. Gov't coupons paid..	452,395	663,108	827,000	903,000
All other	163,671	154,739	158,000	156,000
U. S. securities—issues, redemptions and exchanges by Fiscal Agency department	53,311	169,416	138,000	103,000
Transfers of funds.....	97,924	85,470	76,000	74,000
 <i>Amounts Handled</i> 				
Bills discounted	\$ 1,349,145,000	\$ 1,326,634,000	\$ 667,521,000	\$ 810,592,000
Bills purchased in open market for own account..	104,804,000	96,854,000	63,315,000	99,201,000
Currency received and counted	583,131,000	536,362,000	538,462,000	652,774,000
Coin received and counted..	8,923,000	8,249,000	8,250,000	9,105,000
Checks handled	12,182,513,000	11,975,832,000	12,360,424,000	13,673,722,000
Collection items handled:				
U. S. Gov't coupons paid	6,371,000	6,074,000	6,737,000	8,020,000
All other	169,231,000	163,213,000	166,884,000	186,561,000
U. S. securities—issues, redemptions and exchanges by Fiscal Agency department	137,713,000	236,759,000	173,076,000	61,563,000
Transfers of funds	2,477,543,000	2,296,725,000	2,281,756,000	2,249,153,000