



1972

ANNUAL REPORT

FEDERAL RESERVE BANK OF ATLANTA

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FEDERAL RESERVE BANK OF ATLANTA

FIFTY-EIGHTH ANNUAL STATEMENT AND REPORT

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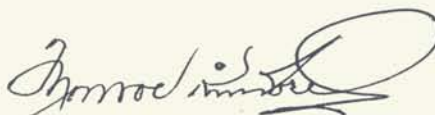
1972

January 2, 1973

TO ALL BANKS IN THE SIXTH
FEDERAL RESERVE DISTRICT:

Comparative statements of condition of this bank as of December 31, 1972 and 1971, together with comparative statements of earnings and expenses for those years, are presented in this report. Complete lists of all directors and officers and an organization chart of the Atlanta office are provided.

Also presented are highlights of the bank's operations in 1972. It was an unusually eventful year, one which offered us a number of opportunities to participate in the continuing progress of the banking industry.



Monroe Kimbrel
President

HIGHLIGHTS of OPERATIONS

IMPROVING THE PAYMENTS MECHANISM

COPE — COMMITTEE ON PAPERLESS ENTRIES

COPE Designs Major Changes in the Payments Mechanism: In 1972 the Committee on Paperless Entries (COPE), composed of representatives of five Atlanta commercial banks and this Reserve Bank, reached a decisive milestone in the venture designed to create an electronic payments system for the Atlanta area. On March 31, the Atlanta Payments Project team published a 1,300 page, six volume report entitled "Research on Improvements of the Payments Mechanism: Phase III, General Systems Design and Analysis of an Electronic Funds Transfer System." This report, which contains plans for a new payments system that could substitute computer-generated electronic records for 30% of all checks processed in the Atlanta area, was promptly endorsed by the members of COPE. In a joint statement, the Citizens and Southern National Bank, First National Bank of Atlanta, Trust Company Bank, National Bank of Georgia, and Fulton National Bank agreed to underwrite development and implementation of an electronic funds transfer system for the Atlanta area.

The system consists of two distinct parts: electronic bill payment and direct deposit of payroll. Electronic bill payment, called "Bill Check", will

allow a customer to pay his routine bills, such as those from department stores or utilities, by indicating the amount he wishes to pay on a portion of the bill, signing it, detaching it, and mailing it back to the firm. The firm will use this authorization to produce a computer-generated electronic entry for the banking system. Direct deposit of payroll will allow a firm to generate electronic entries instead of paychecks, automatically causing funds to be deposited in employees' checking accounts before banks open on payday.

The Atlanta Reserve Bank will operate the clearinghouse to enable banks to transmit funds electronically for bill payment and payroll crediting. The system is expected to be in operation by 1973.

A second system, which is now being studied by the five commercial banks, is point of sale funds transfer (POS). This system would allow merchants and consumers to settle financial transactions at the point of sale, either on a cash or credit basis. The point of sale system initially will be owned and managed by the five participating commercial banks. By mid-1973 the five banks are expected to reach a decision regarding implementation of the system in Atlanta.

REGIONAL CHECK PROCESSING CENTERS

RCPC's Provide Some Immediate Solutions to Payments Problems: While the COPE team is at work on long-range solutions to problems of funds transfer, our Check Collection Department staffs have been working hard to provide some immediate improvements by means of Regional

Check Processing Centers (RCPC's). RCPC's are now operational in all Sixth District Offices, with benefits of earlier presentment and collection of checks, earlier return of unpaid checks, reduction in check handling, and later deposit deadlines. The method of implementation employed by each

Office has varied, depending upon anticipated volume, geographical size of its Regional Zone, and available transportation.

Miami: The pilot operation in the Sixth District was undertaken with the establishment of the Miami Office Zone as an RCPC on October 18, 1971. Full operational status for the Miami RCPC came with the acceptance of deposits from other Federal Reserve Banks and direct sending member banks on July 1, 1972. Of the 209 Zone banks, 174, or 85%, deposit checks with the Center, which processes an average daily check volume of approximately 1.1 million items.

Atlanta: In the Atlanta Zone RCPC, the 257 banks were placed in five groups for implementing conveniently located relay stations and inbound transportation to the RCPC. The 7 p.m. receipt deadline and the last phase of inbound transportation for the RCPC banks were inaugurated November 13, 1972. On December 1, 1972, the deposit deadline at the Atlanta Center was extended to 12:01 a.m. for banks within the region.

Birmingham: Operations at the Birmingham RCPC were initiated on September 21, 1972. Initially, 136 banks, or 50% of the banks in the RCPC,

received the new service. Checks drawn on these banks represented 60% of the Birmingham Branch's country check volume. On January 2, 1973, additional banks were provided with RCPC service, increasing the Regional volume to 74% of the Birmingham Branch country check volume.

Jacksonville: At the Jacksonville Branch, two phases of a four phase conversion to RCPC service were begun on November 1, 1972. These two phases incorporated 171, or 47%, of the banks in the Jacksonville Branch Zone. Checks drawn on these banks represent 54% of the Jacksonville Branch country volume. Fifty banks are presently depositing items directly with the Jacksonville Center or through relay stations.

Nashville: The Nashville RCPC also began operation on September 21, 1972, and now serves 146, or 70%, of the Nashville Zone banks. Checks drawn on these banks represent 43% of the Nashville Branch country check volume.

New Orleans: The New Orleans Branch began the first portion of a three phase implementation of its RCPC on November 30, 1972. Phase I serves 84 banks, representing 33% of New Orleans Branch country banks.

IMPROVED COMMUNICATIONS FACILITIES AND ACCOUNTING SERVICES

Wire Transfer of Funds Is Easier and Faster for Member Banks: During 1972, the Atlanta Reserve Bank completed the second phase of modernizing the communications facilities serving member banks for wire transfers of funds. The modernization began in 1970, when the Federal Reserve System installed a new communications network between each of the Reserve Banks, the Board of Governors, and certain offices of the U. S. Treasury Department. A logical next step was to extend this improvement in communications to member banks whose transfer activity warranted the installation of individual terminals. Western Union M-35 terminals have now been installed at each Sixth District Office and at selected member banks.

For a message to be transmitted over the Federal Reserve communications system, it is necessary to input the message in the form of punched

paper tape. Member banks had been creating messages to the Reserve Bank which had to be converted into tape at the Reserve Bank. Member banks now produce punched paper tape automatically on their own M-35 terminals whenever messages to the Reserve Bank are created.

The installation of this equipment has transformed the teletype operations into a punched paper tape relay operation. At the end of 1972, 28 member banks had installed M-35 equipment on line with one of the Sixth District Offices. Approximately 75% of the funds transferred are handled over the M-35 system. Additional banks will be tied into this system in future months.

Better Procedures for Handling Federal Reserve Bank Stock Decrease Risk and Storage Problems: During 1972 the Accounting Department initiated a book-entry system for Advice of Holdings of

Federal Reserve Stock. This system replaced the issuance of individual formal stock certificates when any change in member bank holdings of this Bank's stock occurred. The chief advantage

to the member bank is that safekeeping problems associated with the Advice of Holdings are eliminated. Duplicates of advices are furnished to member banks promptly upon request.

BETTER PROCEDURES FOR HANDLING SECURITIES

"Book-Entry" Procedure Cuts Time, Space, and Risk: During 1972, our Fiscal Agency Departments moved ahead with plans for the expansion of book-entry procedures for handling Government securities. To date, the book-entry procedure has been limited to Treasury securities held in safekeeping, as pledged collateral or in Trading Accounts where the member bank acts as a securities dealer. During the coming year, the program will be extended to include securities held by our member banks for their customers, and for securities held in trust accounts.

Over the past year, necessary regulations and operating procedures have been developed to serve as a basis for extension of the program. These regulations covering the expanded book-entry system will be published soon in an Atlanta Reserve Bank operating circular. We expect that each member bank will have the option of main-

taining several separate book-entry accounts, each containing investment, trading, customer, and trust securities, or a single account for all these securities. The new account or accounts would be an extension of our book-entry services which now encompass collateral accounts for advances, Treasury Tax and Loan accounts, or other specific pledge accounts for which this Bank presently acts as custodian.

Additionally, it is expected that United States Government agencies will be issuing separate regulations in the near future which will permit the application of the book-entry procedure to most of their obligations. In this connection, studies are now in progress within the Federal Reserve System to develop operating procedures which will provide for the transfer of eligible agency securities over the Federal Reserve wire system and for the maintenance of such securities in book-entry form at the Federal Reserve Banks.

STREAMLINING THE REPORTING PROCESS

The Reserve System's Bank Report Reform Project Will Cut Through Red Tape for Banks: To deal directly with the burden of reporting, the quality of data reported, flexibility in the flow of information, and the role of agency reports in bank information system design, the Federal Reserve System has undertaken a Report Reform Project.

Following the recommendations of a steering committee composed of commercial bankers and Federal banking authorities, the Federal Reserve System adopted the Bank Report Reform Project. Early in 1971, a staff was assigned and directed to implement a specific operational project recommended by the committee.

The main objective of the project is to develop a coded classification structure to include all bank data items now being requested of banks by various banking agencies.

This classification structure will be geared to a precise definition for each unit or element of

bank data which will be consistent and translatable from one report to another. Each defined unit or element will be assigned a number (code) identifying each line in each report required by the agencies. For those banks interested in adapting their information systems for preparation of banking agency reports, requests for information would be in terms of coded elements instead of the report forms now used. Other banks would continue to submit, to the proper agency, the traditional report forms. The latter group of reporters would have, however, the benefit of the definitional framework developed in conjunction with the project.

The new classification structure is being reviewed by Reserve Banks and other agencies prior to submission to the banking community for reactions and suggestions. We hope to submit the project material to commercial banks in August 1973, and to start implementation procedures in 1974.

MAJOR CHANGES IN REGULATIONS

Reserve Requirements and Check Collection Procedures Are Revised: Effective November 9, 1972, the Board of Governors of the Federal Reserve System amended its Regulation D, Reserves of Member Banks, and Regulation J, Collection of Checks and Other Items by Federal Reserve Banks.

The changes in Regulation D have modernized the system of reserve requirements in light of banking patterns that have evolved over the last 25 years. In addition to generally lowering reserve requirements, the amendment for the first time

bases member bank reserve requirements on the amount of deposits, rather than on the location of the bank. Prior to this amendment, member banks were divided into two classes—Reserve City and country—for the purpose of computing reserve requirements on demand deposits. Over the years, this system based on bank location resulted in inequities to some member banks, prompting the Board to restructure Regulation D.

Regulation J was modified to speed up the presentment and collection of checks and the earlier return of unpaid checks.

HOLDING COMPANY ACTIVITY

Substantial Increases in Holding Company Applications Were Recorded in 1972: Bank holding company expansion in both banking and nonbanking activities has shown a tremendous upsurge in the Sixth District. The Federal Reserve Bank of Atlanta, acting for the Sixth Federal Reserve District, received and processed 105 applications by bank holding companies to acquire either existing banks or de novo banks during 1972. This represents a 54% increase over the previous year. With respect to applications related to

nonbanking activities, expansion through de novo entry has been the most prevalent method, primarily because of fewer obstacles in procedures. During 1972, the Reserve Bank entertained 81 de novo applications related to nonbank activities, an unusual 575% increase over the previous year. Coupled with this is the increased activity by bank holding companies to acquire nonbank activities through "going concerns." The Reserve Bank processed 11 applications in this category submitted during the last six months of 1972.

FEDERAL
RESERVE
AGENT
John C.
Wilson

AUDITING
COMMITTEE

FEDERAL RESERVE BANK OF ATLANTA



Charles T. Taylor
Senior Vice President –
Research



Brown R. Rawlings
Senior Vice President

C. O. P. E.
LIAISON
OFFICER



H. C. Schiering
General Auditor



Robert E. Heck
Vice President



Harry Brandt
Vice President –
Research



Robert P. Forrestal
Vice President &
General Counsel

LABOR RELATIONS
OFFICER

EQUAL EMPLOYMENT
OPPORTUNITY OFFICER



Clifford Saxon
A. V. P.



Terry Smith
A. V. P.



R. A. Dill
A. V. P.



Charles East
A. V. P.



William Cox
A. V. P.



John Leimone
A. V. P.



John Branscomb
A. V. P.



George Hibbert
Asst. General
Counsel



Jack Sicard
A. V. P.



Ronnie Caldwell
A. V. P.



James G. Phelps
A. V. P.



Delmar Harrison
A. V. P.

F. R.
Note Issues
Custody of
Collateral to
F. R. Notes
F. R. Agent's
Representative
Branches

Audit
Head Office
and
Branches

Supervision
and
Regulation

Research
and
Statistics

Loans
Discounts
Credits
Acceptances
Regulation V
Loans

Legal
Insurance

Personnel
Infirmary
Cafeteria

Data
Processing

Planning

Check
Collection
Noncash
Collection
Postal
Money Orders
Post Office
Deposits

BOARD OF DIRECTORS

John C. Wilson, Chairman;
H. G. Pattillo, Deputy Chairman;
Owen Cooper; A. L. Ellis;
F. Evans Farwell; George W. Jenkins;
Jack P. Keith; Hoskins A. Shadow;
Sam I. Yarnell



Monroe Kimbrel
President



Kyle K. Fossum
First Vice President



Arthur H. Kantner
Senior Vice President



J. E. McCorvey
Senior Vice President

BRANCH BOARDS OF DIRECTORS

BRANCH OPERATIONS

SPECIAL PROJECTS



B. H. Hargett
Vice President



R. A. Sanders
Vice President



Pierre M. Viguerie
Vice President



F. J. Craven, Jr.
A. V. P.



B. C. Wade
A. V. P.



George Moseley
A. V. P.



Mason Ford
A. V. P.



J. B. Forbes
A. V. P.



Eric Hingst
A. V. P.



Ronald Robinson
A. V. P.



Hiram Honea
A. V. P.



W. W. Lawrence
A. V. P.



K. J. Kearney
A. V. P.



B. E. Howard
A. V. P.



Ely Matteri
A. V. P.

Fiscal Agency
Securities

General Service
Purchasing &
Supplies
Printing
Mail
Housekeeping
Automobiles
Trucks
Parking

Emergency
Preparations

Special
Projects

Bank & Public
Services
Functional Cost
Analysis
Bank
Visitation

Accounting
Telegraph
Treasurer's
General Account
Commodity
Credit
Corporation

Currency
and
Coin
Food
Coupon
Processing

Protection

Engineering
Head Office
and
Branches

Budget
and
Cost Analyses

Federal Reserve Bank of Atlanta

DIRECTORS

CLASS A

*Term Expires
December 31*

Elected by Member Banks

A. L. Ellis, Chairman, First National Bank in Tarpon Springs, Tarpon Springs, Florida1973
Jack P. Keith, President, First National Bank, West Point, Georgia1974
Sam I. Yarnell, Chairman, American National Bank & Trust Company,
Chattanooga, Tennessee1975

CLASS B

Elected by Member Banks

Hoskins A. Shadow, President, Tennessee Valley Nursery, Inc., Winchester, Tennessee1973
Owen Cooper, President, Mississippi Chemical Corp. and
Coastal Chemical Corp., Yazoo City, Mississippi1974
George W. Jenkins, Chairman, Publix Super Markets, Inc., Lakeland, Florida1975

CLASS C

Appointed by the Board of Governors of the Federal Reserve System

John C. Wilson, (*Chairman*), President, Horne-Wilson, Inc., Atlanta, Georgia1973
H. G. Pattillo, (*Deputy Chairman*), President,
Pattillo Construction Company, Inc., Decatur, Georgia1974
F. Evans Farwell, President, Milliken and Farwell, Inc., New Orleans, Louisiana1975

FEDERAL ADVISORY COUNCIL MEMBER

Harry Hood Bassett

Chairman of the Board

The First National Bank of Miami

Miami, Florida

OFFICERS

January 1, 1973

Monroe Kimbrel, President

Kyle K. Fossum, First Vice President

Arthur H. Kantner, Senior Vice President

J. E. McCorvey, Senior Vice President

Brown R. Rawlings, Senior Vice President

Charles T. Taylor, Senior Vice President—Research

Harry Brandt, Vice President—Research

Robert E. Heck, Vice President

Robert P. Forrestal, Vice President and
General Counsel

Richard A. Sanders, Vice President

B. H. Hargett, Vice President

Harry C. Schiering, General Auditor

Pierre M. Viguerie, Vice President

John Branscomb, Assistant Vice President

Hiram J. Honea, Assistant Vice President

W. Ronnie Caldwell, Assistant Vice President

B. E. Howard, Assistant Vice President

William N. Cox, III, Assistant Vice President

Kenneth J. Kearney, Assistant Vice President

Francis J. Craven, Assistant Vice President

Wilbur W. Lawrence, Assistant Vice President

Richard A. Dill, Assistant Vice President

John E. Leimone, Assistant Vice President

Charles D. East, Assistant Vice President

Ely S. Matteri, Assistant Vice President

James B. Forbes, Assistant Vice President

George W. Moseley, Assistant Vice President

C. Mason Ford, Assistant Vice President

James G. Phelps, Assistant Vice President

Delmar Harrison, Assistant Vice President

Ronald Robinson, Assistant Vice President

George Hibbert, Assistant General Counsel

Clifford M. Saxon, Assistant Vice President

Eric B. Hingst, Assistant Vice President

Jack R. Sicard, Assistant Vice President

(also Secretary, Board of Directors)

H. Terry Smith, Assistant Vice President

Benjamin C. Wade, III, Assistant Vice President

Birmingham Branch

DIRECTORS

Term Expires

Appointed by the Board of Governors of the Federal Reserve System *December 31*

David Mathews, (*Chairman*), President, University of Alabama, University, Alabama1973
W. C. Bauer, President, South Central Bell Telephone Company, Birmingham, Alabama ...1974
Frederick G. Koenig, Jr., President, Alabama By-Products Corporation,
Birmingham, Alabama1975

Appointed by the Board of Directors, Federal Reserve Bank of Atlanta

Wallace D. Malone, Jr., President and Chairman of the Board, The First
National Bank of Dothan, Dothan, Alabama1973
C. Logan Taylor, Chairman of the Board, The First State Bank of Oxford, Oxford, Alabama ..1973
W. Eugene Morgan, President, The First National Bank, Huntsville, Alabama1974
John T. Oliver, Jr., President, First National Bank, Jasper, Alabama1975

OFFICERS

January 1, 1973



Dan L. Hendley, Vice President



James D. Shi,
Assistant Vice President



William A. Waller, Jr.,
Assistant Vice President



John D. Swanson,
Assistant Vice President

Jacksonville Branch

DIRECTORS

Term Expires

Appointed by the Board of Governors of the Federal Reserve System *December 31*

Henry Cragg, (*Chairman*), Vice President,

The Coca-Cola Company Foods Division, Winter Park, Florida1973

Gert H. W. Schmidt, President, TeleVision 12 of Jacksonville, Jacksonville, Florida1974

James E. Lyons, President, Lyons Industrial Corporation, Winter Haven, Florida1975

Appointed by the Board of Directors, Federal Reserve Bank of Atlanta

Malcolm C. Brown, President and Chairman of the Board, Florida First National

Bank at Brent, Pensacola, Florida1973

A. Clewis Howell, Chairman, Marine Bank & Trust Company, Tampa, Florida1973

Guy W. Botts, Vice Chairman, Barnett Bank of Jacksonville, N.A., Jacksonville, Florida1974

Michael J. Franco, Chairman, City National Bank of Miami, Miami, Florida1975

OFFICERS

January 1, 1973



E. C. Rainey, Senior Vice President



Vestus L. Crow,
Assistant Vice President



Richard L. Berry,
Assistant Vice President



S. J. Stacklin, Jr.,
Assistant Vice President



Cecil L. Williams,
Assistant Vice President

Miami Office

OFFICERS

January 1, 1973



W. M. Davis, Vice President



Robert G. Dole,
Assistant Vice President



Robert E. Lee,
Assistant Vice President



Jessie T. Watson,
Assistant Vice President

Nashville Branch

DIRECTORS

*Term Expires
December 31*

Appointed by the Board of Governors of the Federal Reserve System

James W. Long, (*Chairman*), Farmer, Springfield, Tennessee 1973
Edward J. Boling, President, The University of Tennessee, Knoxville, Tennessee 1974
John C. Tune, Partner, Butler, McHugh, Butler, Tune, and Watts, Nashville, Tennessee 1975

Appointed by the Board of Directors, Federal Reserve Bank of Atlanta

Dan B. Andrews, President, First National Bank, Dickson, Tennessee 1973
Edward G. Nelson, President, Commerce Union Bank, Nashville, Tennessee 1973
W. Bryan Woodard, President, Kingsport National Bank, Kingsport, Tennessee 1974
Robert E. Curry, President, First National Bank, Pulaski, Tennessee 1975

OFFICERS

January 1, 1973



Jeffrey J. Wells, Vice President



William W. Dykes,
Assistant Vice President



W. Ralph Thurman,
Assistant Vice President



A. D. Sands,
Assistant Vice President

New Orleans Branch

DIRECTORS

Term Expires

December 31

Appointed by the Board of Governors of the Federal Reserve System

Broadus N. Butler, President, Dillard University, New Orleans, Louisiana	1973
Fred Adams, Jr., (<i>Chairman</i>), President, Cal-Maine Foods, Inc., Jackson, Mississippi	1974
Edwin J. Caplan, President, Caplan's Men's Shops, Inc., Alexandria, Louisiana	1975

Appointed by the Board of Directors, Federal Reserve Bank of Atlanta

Thomas A. Flanagan, Jr., President, Lakeside National Bank of Lake Charles, Lake Charles, Louisiana	1973
Lawrence A. Merrigan, President, The Bank of New Orleans & Trust Company, New Orleans, Louisiana	1973
Archie R. McDonnell, President, The Citizens National Bank, Meridian, Mississippi	1974
Ernest F. Ladd, Jr., Chairman, Merchants National Bank, Mobile, Alabama	1975

OFFICERS

January 1, 1973



Jack Guynn, Vice President



H. C. DeBlonde,
Assistant Vice President



R. M. Junca,
Assistant Vice President



E. Channing Workman,
Assistant Vice President

STATEMENT OF CONDITION

ASSETS

	December 31, 1972	December 31, 1971
Gold Certificates	\$ 646,601,696	\$ 374,111,197
Special Drawing Rights Certificate Account	22,000,000	22,000,000
Federal Reserve Notes of Other Banks	166,371,849	205,488,208
Other Cash	40,060,022	31,662,937
Subtotal	875,033,567	633,262,342
Discounts and Advances	94,750,000	-0-
Federal Agency Obligations - Bought Outright	71,978,000	26,602,000
U. S. Government Securities	3,831,649,000	3,784,343,000
Total Loans and Securities	3,998,377,000	3,810,945,000
Other Assets:		
Cash Items in Process of Collection	927,777,438	1,528,178,778
Bank Premises (Net)	15,309,205	16,090,016
All Other	56,323,639	42,983,488
Total Other Assets	999,410,282	1,587,252,282
TOTAL ASSETS	<u>\$5,872,820,849</u>	<u>\$6,031,459,624</u>

LIABILITIES

Federal Reserve Notes	\$3,191,173,802	\$2,809,021,186
Deposits:		
Member Bank Reserve Accounts	1,682,393,094	1,725,413,719
Due to Other F.R. Banks - Collected Funds	-0-	41,234,123
U. S. Treasurer - General Account	144,484,901	139,404,702
Foreign	19,720,000	18,760,000
Other	20,336,073	15,533,228
Total Deposits	1,866,934,068	1,940,345,772
Other Liabilities:		
Deferred Availability Cash Items	671,337,492	1,149,744,430
All Other	32,736,387	31,592,236
Total Other Liabilities	704,073,879	1,181,336,666
TOTAL LIABILITIES	<u>\$5,762,181,749</u>	<u>\$5,930,703,624</u>

CAPITAL ACCOUNTS

Capital Paid In	\$ 55,319,550	\$ 50,378,000
Surplus	55,319,550	50,378,000
Total Capital Accounts	110,639,100	100,756,000
TOTAL LIABILITIES AND CAPITAL ACCOUNTS	<u>\$5,872,820,849</u>	<u>\$6,031,459,624</u>

EARNINGS AND EXPENSES

	1972	1971
Total Current Earnings	\$202,756,774	\$186,565,085
Net Expenses	35,482,427	29,688,367
Current Net Earnings	\$167,274,347	\$156,876,718
Additions to Current Net Earnings:		
Profit on Sales of U. S. Government Securities (Net)	153,507	5,071,922
All Other	113,898	16,400
Total Additions	267,405	5,088,322
Deductions from Current Net Earnings:		
Loss on Foreign Exchange Transactions (Net) ...	3,524,755	548,161
All Other	2,354	55,749
Total Deductions	3,527,109	603,910
Net Additions (+) Deductions (-)	-3,259,704	+4,484,412
Net Earnings Before Payment to U. S. Treasury	\$164,014,643	\$161,361,130

DISTRIBUTION OF NET EARNINGS

Dividends Paid	\$ 3,174,260	\$ 2,951,631
Payments to U.S. Treasury (Interest on F. R. Notes) ..	155,898,833	154,897,299
Transferred to Surplus Account		
Net Additions (+) Deductions (-)	+4,941,550	+3,512,200
Total Earnings Distributed	\$164,014,643	\$161,361,130

SURPLUS ACCOUNTS

Surplus January 1	\$ 50,378,000	\$ 46,865,800
Transferred to Surplus - As Above	4,941,550	3,512,200
Surplus December 31	\$ 55,319,550	\$ 50,378,000

