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Federal Reserve Bank of Cleveland

1925

ELEVENTH ANNUAL REPORT
TO THE
FEDERAL RESERVE BOARD

ANNUAL REPORT

of the

Federal Reserve Agent

of the

Fourth Federal
Reserve District

to the

Federal Reserve Board

Covering Operations

for the

Calendar Year

1925

FEDERAL RESERVE BANK OF CLEVELAND

LETTER OF TRANSMITTAL

February 1, 1926.

SIR:

I have the honor to transmit to you herewith the eleventh annual report of the Federal Reserve Bank of Cleveland, covering operations for the calendar year 1925.

Respectfully,
GEORGE DECAMP,
Chairman of the Board.

HON. D. R. CRISSINGER, *Governor,*
Federal Reserve Board,
Washington, D. C.

Directors and Officers, 1926

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	G. H. WAGNER, Assistant Cashier
	D. B. CLOUSER, Assistant Cashier
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T. M. JONES, Assistant Federal Reserve Agent

ELEVENTH ANNUAL REPORT FEDERAL RESERVE BANK OF CLEVELAND

The activities of the Federal Reserve Bank of Cleveland in practically every department reflect the improvement in business during the year under review as compared with the year immediately preceding. Generally speaking, the disturbances in finance and business which followed the war and post-war booms have largely disappeared, so that during the past year the reserve banks have been able to operate more free from war-time restrictions than at any time since their influence in the field of business and finance has become a factor of any considerable importance.

The major economic and financial developments of the year have, however, been international rather than local in character. The action of several European nations in effecting stabilization of their exchanges and currencies removes one of the principal barriers which during and after the war had hindered or restricted international trade.

The free movement of gold tends to stabilize both interest rates and prices. Its normal movement is from points where money rates are lower to points where they are higher, and, when no restrictions are applied to such movements, there is better adjustment of rates in the world's chief money markets.

The situation is entirely similar with respect to prices. When commodity prices in any nation rise above the world price level, the purchase of goods in foreign markets is encouraged, with a consequent outflow of gold. This exportation of the metal tends to reduce the volume of credit available and to lower prices. Conversely, when prices in any nation fall below the world level, foreign buying is attracted and gold flows to that country in settlement. These are the important factors that enter into price adjustments, and the free movement of gold thus has a bearing on credit and financial conditions throughout the major part of the world with which we have important trade relations.

Of particular interest, because of our large exports to Great Britain was the announcement by the British government of its return to the gold standard. In connection with the British program, the Federal Reserve System has played an important part through its arrangement with the Bank of England to sell to it on credit at any time within the next two years, if the exigencies of the situation require, a sum not exceeding 200 millions in gold. The details of the agreement have been given considerable publicity, so

that it is not deemed necessary to discuss them here; but, in the event that this credit is drawn upon, this bank will participate in its proportional share.

During the past year arrangements have been completed with the Bank of Poland to make to it loans secured by gold and with the National Bank of Belgium to buy from them prime commercial bills, to facilitate efforts being made to stabilize their currencies. In the event such loans are made or such bills bought, this bank will also participate.

From the standpoint of value to Fourth District business, these developments are to be regarded as highly satisfactory. Of the total volume of manufactured goods exported from the United States, a substantial part is produced in this district; hence, any development which will pave the way for a resumption of normal trade relations with countries which have in the past been large purchasers of our goods is much to be desired.

The funding of a large part of foreign governmental indebtedness to this country has also contributed to a return of confidence in international business relations.

RESULTS OF OPERATIONS

While the demand for Federal Reserve bank credit in this district has not approached that of 1920, the volume of bills discounted shows with minor fluctuations an almost constant increase throughout the year (after the seasonal decline which occurred in January), reaching a high point of 102 millions in mid-December—approximately 77 millions above the low point of the year.

Bills discounted for the year were substantially higher than in 1924, but the number of banks offering paper was just below that of last year, the figures being 483 and 485, respectively. An analysis of these loans, however, shows a decided increase in city bank borrowing.

Not only was the daily average of earning assets in excess of 16 million dollars over that of last year, but there was a distinct change in the character of the holdings. At the beginning of the year the bulk of our invested assets consisted of various government issues and a substantial percentage of open market bills. During the month of January, discounted bills and direct borrowings dropped 21 millions to a low point of 25 million.

Chart No. 1 shows in graphic form the trend for the past two years of our principal earning assets.

During the early months of the year, this bank sold in the open market a substantial part of its holdings of government securities and bankers' bills. Since the month of June, the volume of securities has remained practically unchanged, while that of bankers' acceptances has shown a constant decrease, by reason of maturing of such bills held.

During the first five months of the year, the reserve ratio of this bank showed a distinctly upward trend. The principal reason for

this is found in the large increase of gold reserves, which gained in that period nearly 75 million dollars. This gold came to us through a net gain in clearings and transfers from other Federal Reserve districts. From a high point of 80.4, the trend of the reserve ratio for the year was slightly downward, and on November 17, following a rather sharp increase in bills discounted, the discount rate was raised to 4 per cent. This was the first change in our rate since August 15, 1924.

Detailed statistics covering the activities of the Federal Reserve Bank of Cleveland may be found in the annual report of the Federal Reserve Board.

Comparison of various classes of rediscounts and loans—1925 and 1924.

(Amounts in thousands)

	1925	1924
Secured by U. S. Government obligations.....	\$2,426,270	\$1,021,567
Commercial and agricultural.....	724,609	317,742
Bankers' acceptances.....	5	-----
Trade acceptances.....	7,826	8,409
Demand and sight drafts.....	108	307
Total.....	\$3,158,818	\$1,348,025

MEMBER BANK CREDIT

Actually, neither the figures of the Federal Reserve Bank of Cleveland nor of its members present an accurate picture of credit conditions in this Federal Reserve district. This territory is essentially industrial in character, producing annually a very large percentage of the nation's output of manufactured goods. Many of the firms engaged in this production are among the largest in the country, whose credit requirements are far beyond the capacity of local banks to accommodate. Consequently, an important part of their financing is done in eastern money markets, and such transactions have no influence on credit conditions as reflected by the figures of banks in this district.

The figures of seventy-five reporting member banks in this district, which may be said to be fairly indicative of the general trend, show an increase of approximately 90 million dollars in total loans, discounts, and investments during the year. Loans and discounts alone have increased 137 million, while a decline in government securities held of approximately 55 million has occurred. Of the total increase in loans and discounts, a substantial part, approximately 93 million, is accounted for by an increase in collateral loans.

Demand deposits are practically unchanged, from the beginning of the year. As a matter of fact, throughout the entire year there has been a fluctuation of scarcely more than 50 million dollars. Time deposits continue to show a moderate, although consistent, gain, the increase for the year being approximately 50 million dollars.

As the year closes it is evident that the banks in the district are sound, being amply able to meet the usual requirements of industry, agriculture, and commerce.

EARNINGS AND EXPENSES OF MEMBER BANKS

Detailed statistics of earnings and expenses of member banks in this district show a gain of over 8% in gross income for the year ended June 30, 1925, as compared with the year ended June 30, 1924. Total expenses, including interest paid on deposits, increased about 7.7% and net earnings show a gain of 9.8%.

Losses on both loans and investments show a small decrease per \$100 of earning assets, and net addition to profits a small increase.

Interest paid on deposits accounts for slightly more than 50% of total expenses, and salaries and wages account for an additional 25% of this total. Salaries and wages also were slightly higher per \$100 of earning assets for the period ended June 30, 1925.

Elsewhere in this report will be found a graphic chart showing distribution of income and expenses for the year ended June 30, 1925. (Chart No. 3).

MOVEMENT OF MEMBERSHIP

Three banks from this district were admitted to membership in the Federal Reserve System during 1925, while withdrawals numbered twelve, a net loss of nine members. The total membership on December 31, 1925, was 863, of which 747 were national and 116 state banks, as compared with 753 and 119, respectively, a year ago.

Of the eight national banks withdrawing from the system two were declared insolvent and placed in the hands of receivers; three merged with other national banks, while the remaining three merged with state institutions which were already members. Three of the state banks lost to membership withdrew voluntarily, while two others merged to form a new state bank, which continued as a member of the system.

The new state bank and the two new national banks were admitted to membership with resources totaling \$2,600,000. Despite the loss of nine member banks, the amount of capital stock of this bank which was paid in by members increased from \$12,756,550 on December 31, 1924, to \$13,175,800 on December 31, 1925. Member bank reserve deposits have increased nearly 9 million in the same period.

Fourth District members

	Dec. 31, 1924	Withdrawn	Admitted	Dec. 31, 1925
National banks.....	753	8	2	747
State banks.....	119	4	1	116
Total membership.....	872	12	3	863

RELATIONS WITH MEMBER BANKS

The department of bank relations has continued to maintain cordial relations with our member banks through frequent personal

contacts. During the year under review the staff of this department made 1,758 visits to member banks and 266 visits to banks not members of the system.

In addition to the regular work of visiting member and non-member banks, representatives of this department were present at thirteen bank openings, seventeen group meetings, and six conventions. Addresses made by members of the official staff before banking and commercial organizations numbered forty. During the year there were 5,245 visitors shown through our building by members of this department, cooperating with the officers of the bank.

There were no changes in the personnel of the department during the year.

BANK EXAMINATION

The examination department has continued to enjoy cordial relations with the office of the Comptroller of the Currency and with the banking departments of the four states included in our territory. They have also continued to cooperate with the national bank examiners, and in conjunction with the examiners of the several states have conducted simultaneously all our credit investigations of state bank members. During the year this department conducted four credit investigations of national banks and fifty-seven of state bank and trust company members.

The work of this department has broadened considerably and now includes a number of special investigations not made heretofore. During 1925 members of the staff investigated three applications for national bank charters and the applications for membership of two state institutions. There also were made three special investigations on transit operations and one special visit concerning membership. Recommendations as to granting fiduciary powers to national banks were made in thirteen instances, and investigations with reference to twenty-five interlocking directorate applications made. Investigations and recommendations with respect to establishment of branches by state bank members, numbered fifteen for the year.

No changes have occurred in the personnel of the examining staff.

FEDERAL RESERVE NOTES

The volume of Federal Reserve notes in circulation during 1925 shows an almost continuous increase after the seasonal January decline. During the year the Federal Reserve Agent received from the Comptroller of the Currency \$175,940,000 in new notes, an amount considerably in excess of last year's figure of \$108,500,000. There were issued and reissued during the year notes to the amount of \$212,640,000 compared with similar issues in the previous year of \$132,900,000. Notes returned to the Federal Reserve Agent were about \$3,500,000 less than during 1924, while the amount of notes returned to the Treasurer of the United States for redemption and delivered to the Comptroller of the Currency for destruction was \$310,000 in excess of the preceding year.

The Federal Reserve banks now are practically the only agencies for the issuance of new currency other than national bank notes.

Similarly, a very large percentage of currency in circulation in this district when unfit for further circulation is redeemed through the Federal Reserve Bank of Cleveland, and in this connection it is of interest to note that there is canceled and sent to Washington for destruction by this bank approximately \$300,000 every working day. It might fairly be said that this represents, then, the amount of currency in circulation in this district which is worn out daily in the channels of industry and trade.

Total receipts and disbursements covering all money operations during 1925 totaled \$2,427,666,797, which was somewhat larger than the figure \$2,211,650,148 for last year. Currency operations with members and non-members also showed an increase over last year, the figures being \$1,653,167,713 in 1925 and \$1,588,718,868 in 1924. The tabulation below compares the principal operations of the money department for the past two years.

Chart No. 2 shows graphically the trend of Federal Reserve note circulation for the past two years.

Federal Reserve notes

	1925	1924
Outstanding December 31.....	\$262,836,865	\$230,608,675
In actual circulation December 31.....	232,614,585	198,515,485
New notes received from Comptroller.....	175,940,000	108,500,000
Notes issued and reissued to bank.....	212,640,000	132,900,000
Redeemed by Federal Reserve Agent.....	180,411,810	184,004,145
Returned for destruction.....	153,861,810	153,554,145

Currency operations—Total receipts and disbursements

	Receipts	Disbursements
Cleveland.....	\$478,643,914	\$463,846,596
Pittsburgh.....	545,823,779	532,221,693
Cincinnati.....	204,410,676	202,720,139
Total.....	\$1,228,878,369	\$1,198,788,428

Currency operations with members and non-members

	Receipts	Disbursements
Cleveland.....	\$293,790,222	\$289,127,791
Pittsburgh.....	400,342,419	409,380,101
Cincinnati.....	129,863,490	130,663,690
Total.....	\$823,996,131	\$829,171,582

CHECK COLLECTION AND CLEARING OPERATIONS

The number of items exclusive of duplications handled by the transit department of this bank and its branches during the year exceeded by nearly 1 million the number handled during 1924 or an increase of 1.2 per cent. The percentage increase in the amount represented, however, was considerably higher. The amount in 1925, exclusive of duplications, was \$26,363,252,000 as compared with \$23,574,504,000 in 1924, an increase of 11.8 per cent.

Of the 67,705,314 items handled 17,391,844 were drawn on banks in the cities of Cleveland, Cincinnati, and Pittsburgh; 45,582,540

were drawn on banks in the rest of the district; 2,467,571 on banks in other districts, and 2,263,359 on the Treasurer of the United States. The number of duplications, that is, items handled by both the main office and branches, was 1,181,365, amounting to \$289,159,275.

*Transit department check clearings
Cleveland*

	No. of Items	Amounts
On Cleveland banks.....	8,554,748	\$6,787,053,288.85
On other banks in District No. 4.....	19,808,239	2,313,963,057.19
On banks in other districts.....	690,813	124,858,556.44
On Treasurer of United States.....	888,260	81,768,331.67
Total.....	29,942,060	\$9,307,643,234.15
Items sent to Cincinnati and Pittsburgh branches.....	458,467	\$121,016,010.79

Cincinnati

On Cincinnati banks.....	3,331,705	\$4,813,733,061.38
On other banks in District No. 4.....	11,814,240	1,080,933,650.76
On banks in other districts.....	642,733	81,355,730.22
On Treasurer of United States.....	777,024	101,657,727.10
Total.....	16,565,702	\$6,077,680,169.46
Items sent to main office and Pittsburgh branch.....	222,886	\$54,842,818.78

Pittsburgh

On Pittsburgh banks.....	5,505,391	\$8,951,151,848.91
On other banks in District No. 4.....	13,960,061	1,420,813,707.92
On banks in other districts.....	1,134,025	535,804,035.96
On Treasurer of United States.....	598,075	70,159,003.56
Total.....	21,197,552	\$10,977,928,596.35
Items sent to main office and Cincinnati branch.....	500,012	113,300,445.34

Recapitulation

Total number of items handled.....	67,705,314	
Total amount of items handled.....		\$26,363,251,999.96
Items and amounts handled by both parent bank and branches and not duplicated in above figures.....	1,181,365	\$289,159,274.91

COLLECTION DEPARTMENT

During 1925 the collection department handled 380,960 non-cash items, amounting to \$476,804,985.20. This represents a decrease of 13.7 per cent from the 1924 figure in the number of items handled, and an increase of 11.6 per cent in amount over last year. Of this total 287,017 items, aggregating \$387,588,203.79, were paid through the three offices of the Federal Reserve Bank of Cleveland. Approximately 88 per cent of all items handled were collected. This is a larger percentage of items paid than in past years, when the average has been between 85 and 86 per cent.

Collecting banks made charges on 29,730 items, aggregating \$12,149,722.02, or at the rate of 95/100 of 1 per cent; 257,287 items, amounting to \$375,426,878.25, were collected without collection cost.

Member banks in this district have continued to take advantage of the direct routing plan and during the year forwarded to other

Federal Reserve banks over 60,000 items, aggregating over 75 million dollars, of which more than 52,000 items, aggregating in excess of 68 million dollars, were paid.

Collections

	No. of Items	Amount
Cleveland.....	335,253	\$390,413,722.68
Pittsburgh.....	17,293	44,849,051.39
Cincinnati.....	28,414	41,542,211.13
Total.....	380,960	\$476,804,985.20

FISCAL AGENCY OPERATIONS

Four series of Treasury certificates of indebtedness and an additional issue of the Treasury bonds of 1944 were offered for public subscription during 1925. Subscriptions received in this district aggregated \$261,146,200, upon which \$121,166,100 was allotted. We delivered 24,085 bonds and certificates upon allotment account.

Government coupons redeemed were 4,909,840 in number, aggregating in value \$60,068,446; 156,198 coupons, totaling \$4,765,985 in value, detached from Federal Land bank bonds, also were redeemed.

Government securities received for exchange consisted of 180,619 pieces in coupon form and 20,738 pieces in registered form, aggregating \$106,920,900. Against such receipts, deliveries were made of 51,121 coupon and 18,531 registered obligations. There were 20,193 separate exchange transactions.

Government obligations presented for redemption numbered 593,036, having a face value of \$99,214,290, there being 14,694 separate transactions. In addition, Federal Land bank and Federal Intermediate Credit bank bonds aggregating \$1,035,750, were redeemed.

On November 27, the Secretary of the Treasury invited holders of Third Liberty Loan bonds to submit proposals for the sale of such bonds directly to the Treasury, for the cumulative sinking fund, at prices not exceeding 101½. Pursuant thereto, we received 831 proposals for an aggregate face amount of \$13,439,700. All proposals naming a price of 101¼ or less were accepted. Of the proposals made in this district, 290 were accepted and payment made thereunder for \$3,168,000, face amount.

PERSONNEL

It is with deep regret that we record the passing away on October 22 of Mr. David Crawford Wills, who had served this bank as Chairman of the Board and Federal Reserve Agent from its organization until the date of his death, except for a brief period when he served as a member of the Federal Reserve Board. During his term of office, he had served this bank and this community with high distinction of character and intelligence.

The following minute is taken from the records of the meeting of the Board of Directors held on October 24 in a special session to do brief honor to his life and character:

"We stand before the memory of our dear friend. Our hearts echo again with the gaiety of his spirit, and by the sureness of his vision our minds are led anew. His unerring trust in the multitude renews our faith in man, and our hope of life is brightened by his trust in God. The heads that are bowed in grief shall be lifted up when all the brightness of his life is perceived. May the gentle Father of all comfort the bruised hearts within his home and let the richness of his life keep green within each memory of its priceless share in his golden friendship."

On December 19, the Federal Reserve Board announced the appointment of Mr. George DeCamp, Managing Director of the Pittsburgh branch of the Federal Reserve Bank of Cleveland, as Chairman of the Board and Federal Reserve Agent to fill the unexpired term of Mr. Wills. Mr. DeCamp has been identified with this institution for eight years, having organized the Pittsburgh branch and managed it continuously since its opening. He is well-known to the bankers throughout the district, having served for years prior to his connection with this bank as national bank examiner in territory which now is part of this Federal Reserve district.

In the election of directors which occurred in November, Mr. Chess Lamberton, of Franklin, Pennsylvania, and Mr. R. P. Wright, of Erie, Pennsylvania, were reelected Class A and Class B directors, respectively. Mr. L. B. Williams, of Cleveland, was reappointed Class C director and redesignated Deputy Chairman for the year 1926. At the Cincinnati branch, Mr. A. E. Anderson, of Cincinnati, Ohio, was appointed to succeed Hon. Judson Harmon, who retired under the rotation plan. Mr. E. S. Lee, of Covington, Kentucky, was reappointed. At the Pittsburgh branch, Mr. A. E. Braun, of Pittsburgh, Pennsylvania, was appointed to succeed Mr. C. D. Armstrong. Mr. C. W. Brown was reappointed.

The number of employees of this bank on December 31, 1925, was substantially the same as a year ago, the exact figures being 942 and 956, respectively.

GENERAL BUSINESS CONDITIONS

Throughout the Fourth District, as in other sections of the country, business was almost uniformly better during 1925 than 1924, certain industries experiencing their best year of the post-war period. In many lines, such as building, agricultural implement manufacturing, and the automobile and allied trades, the improvement was part of a nation-wide upswing; while the progress of others, notably coal and rubber, was considerably affected by special and peculiar circumstances.

As in 1924, the year 1925 opened with business at a high level, considering the season. There was some slackening of production

in basic industries in the spring months, but nothing like the drastic curtailment of the late spring and summer of 1924. As 1925 progressed, the features of the situation were the extraordinary activity in the automobile and building industries, which broke all records during the latter part of the year. The heavy demand of these two trades for materials led to a steady improvement in the important iron and steel industry, and favorably affected various other lines such as lumber, glass, and paint. Another noticeable element was the substantial recovery of industries dependent upon agriculture, such as agricultural implements and chemicals.

The general feeling of business men in this district seems to be better than for some time past, and several reasons might be mentioned as contributory causes. For one thing, relations between employer and employee have been good, no strike of importance having occurred in this district during 1925, with the exception of a strike in the bituminous coal fields called in the spring. Again, there have developed no unhealthy "boom" tendencies in commodity prices, such as have sometimes taken place in the past; the wholesale price level, in fact, has changed but little during 1925. Another factor is that of credit; although money rates have risen somewhat from their extremely low levels of 1924, they are still considerably lower than in 1923.

Turning to developments in some of the more important industries in the Fourth district, the iron and steel trade closes the year with operations at a high rate of capacity. Orders are plentiful, and the outlook for the first quarter of 1926 is good. Steel ingot production for 1925 ran above any previous year, even exceeding the war-year of 1917.

The rubber and tire industry in this district has been subject to peculiar conditions during 1925. A large part of the world's rubber supply is controlled by British interests, and exports of this rubber have been artificially controlled by the Stevenson Act. This was originally passed to help the British growers through the post-war slump, but as American tire manufacturers began to get back on their feet in 1924 and 1925, their demand for crude rubber ran ahead of the restricted supply, and as a result crude rubber prices ascended rapidly from about forty cents a pound at the opening of the year to \$1.20 in July, and they are still around the ninety-cent mark. This has been a disturbing factor, and has led to several increases in tire prices; but in spite of it, tire manufacturers have enjoyed a considerably greater volume of business than they did last year, and profits in most instances have also been greater.

The anthracite coal strike, called September 1, has reacted favorably on the soft coal industry in this district, due mainly to the use of soft coal and coke as substitutes for anthracite. An excess of productive capacity still continues, however, and it can hardly be said that conditions in the bituminous industry are entirely satisfactory.

Agricultural conditions in this district were better in 1925 than in 1924, on the whole. The Ohio corn crop was the best on record, as compared with a poor crop last year, and this fact more than overbalanced the lower prices received in 1925. The wheat crop was unsatisfactory, but several of the lesser crops compared favorably with those of 1924.

Retail trade in 1925, as measured by the sales of seventy department stores in this district, ran 2.1 per cent ahead of 1924, due to steady improvement in the latter part of the year. In the wholesale trades, the year's increase for drug firms was 4.2 per cent and for hardware 1.9 per cent. Groceries and dry goods declined 3.1 and 4.2, respectively, and shoes declined 0.6 per cent.

Principal assets and liabilities of Federal Reserve Bank of Cleveland by weeks
(In thousands of dollars)

1925	Total bills and securities	Bills discounted for member banks			Bills bought in open market	United States securities	Total cash reserves	Member bank reserve deposits	Total deposits	Federal Reserve notes in circulation	Reserve percentage
		Total	Bills secured by U. S. Government obligations	Other bills counted							
Jan. 7	\$143,735	\$45,765	\$31,001	\$14,764	\$41,314	\$55,954	\$241,126	\$176,633	\$170,211	\$103,460	64.7
14	123,874	29,422	16,962	12,460	39,750	54,000	258,895	173,749	177,158	189,308	70.6
21	114,189	24,942	13,137	11,805	39,313	48,714	253,926	170,115	172,064	180,897	72.9
28	117,771	32,809	22,643	10,166	37,963	45,779	264,202	179,858	182,102	182,859	72.3
Feb. 4	120,200	36,077	26,209	9,868	37,553	45,350	261,915	183,683	187,337	176,538	71.0
11	116,575	32,683	21,216	11,467	37,222	45,350	268,918	175,466	178,552	188,264	71.3
18	123,971	44,203	30,916	13,287	34,206	44,342	259,738	182,760	184,758	180,856	71.0
25	120,304	42,654	32,714	9,940	34,105	42,325	271,797	174,531	176,311	191,600	71.9
Mar. 4	121,329	45,830	35,370	10,460	31,966	42,325	263,585	172,577	178,061	187,616	72.1
11	125,293	50,617	37,083	13,534	30,604	42,865	270,696	178,278	181,501	194,174	72.1
18	118,832	49,027	36,869	12,158	30,249	38,348	273,216	184,900	186,603	188,459	72.8
25	108,577	37,007	25,038	11,969	30,913	39,449	275,080	163,306	167,413	193,442	76.2
Apr. 1	117,918	45,386	32,309	13,077	31,875	39,449	274,269	170,646	182,091	189,426	73.8
8	106,992	36,993	27,234	10,759	29,342	39,449	283,201	168,791	172,482	196,473	76.8
15	120,918	50,271	34,034	17,237	28,407	39,449	279,035	178,873	185,180	196,552	72.4
22	108,136	42,001	27,211	14,700	25,076	39,932	280,048	174,961	177,262	195,602	75.1
29	110,036	44,380	30,062	14,318	24,590	39,942	286,469	173,859	176,519	198,400	76.4
May 6	107,360	43,135	28,065	15,070	23,159	39,942	286,111	174,520	178,677	194,754	76.6
13	98,984	39,750	27,169	12,581	22,306	35,804	299,090	173,800	176,439	200,982	79.2
20	93,142	36,492	23,470	13,022	23,861	31,665	301,801	173,888	179,184	196,104	80.4
27	101,217	47,568	33,382	14,186	24,872	27,653	305,405	174,651	178,805	204,923	79.6
June 3	98,844	44,304	29,203	15,101	25,764	27,653	313,389	182,056	189,926	202,998	79.8
10	97,209	43,966	28,336	15,631	24,207	27,911	312,476	175,091	182,701	206,938	80.2
17	98,451	49,709	32,583	17,126	22,072	25,546	297,690	176,532	178,274	201,069	78.5
24	105,117	54,587	39,486	15,101	20,526	28,880	304,147	182,820	185,716	203,425	78.2

July	1	100,296	48,671	32,234	16,437	20,737	29,764	308,110	183,133	185,021	203,718	79.3
	8	94,922	42,217	27,755	14,462	21,717	29,864	300,456	168,521	170,858	208,432	79.2
	15	99,852	47,015	34,530	12,485	20,999	30,714	308,234	183,552	185,057	206,229	78.8
	22	96,908	46,852	30,433	16,419	18,218	30,714	308,069	182,651	184,233	203,028	79.6
	29	102,501	53,515	37,940	15,575	17,148	30,714	305,140	181,774	184,190	204,214	78.6
Aug.	5	101,321	52,089	34,735	17,354	17,395	30,714	301,569	177,273	179,975	203,744	78.6
	12	120,955	72,619	46,891	25,728	16,602	30,611	304,248	189,506	193,880	211,195	75.1
	19	105,225	55,865	31,387	24,478	17,608	30,628	306,677	181,034	185,183	210,236	77.6
	26	103,292	53,161	32,642	20,519	18,360	30,648	313,981	176,586	179,665	216,526	79.2
Sept.	2	104,672	55,213	32,889	22,324	18,008	30,648	312,992	179,019	182,123	216,304	78.6
	9	116,026	67,273	42,977	21,596	17,302	30,648	312,260	183,609	186,776	225,252	75.8
	16	119,276	69,431	38,876	20,569	18,072	30,646	297,635	177,694	178,082	224,967	73.7
	23	110,250	60,060	27,209	18,348	18,348	30,975	309,663	175,651	178,608	224,452	76.8
	30	110,365	59,616	33,794	25,822	18,682	30,976	314,216	177,157	180,388	223,929	77.7
Oct.	7	126,353	74,043	41,175	32,868	20,243	30,975	297,517	176,748	179,245	225,076	73.6
	14	126,662	77,845	43,451	34,394	17,156	30,976	313,119	186,759	193,853	229,540	74.0
	21	128,820	81,519	45,698	35,821	15,651	30,976	295,942	180,087	186,228	222,611	72.4
	28	122,538	77,565	47,959	29,606	13,629	30,980	301,844	178,235	180,748	224,713	74.4
Nov.	4	118,012	73,338	39,201	34,137	13,287	30,980	299,874	171,912	175,349	223,446	75.2
	10	121,088	77,650	42,034	35,616	11,944	30,980	301,702	172,692	175,517	225,180	75.3
	18	124,738	82,536	43,113	39,423	10,612	30,980	301,715	184,778	188,626	222,410	73.4
	25	119,284	77,963	44,090	33,873	9,645	30,980	306,694	176,101	179,231	227,863	75.3
	2	116,451	75,923	37,842	38,081	9,210	30,430	310,944	175,358	180,054	227,905	76.2
Dec.	6	136,822	87,261	50,380	36,881	8,243	30,430	304,099	173,388	178,750	231,549	74.1
	13	139,045	102,141	58,291	43,850	7,260	28,722	296,273	182,482	189,002	232,510	70.4
	20	137,144	95,457	49,158	46,299	5,640	35,159	302,284	175,146	179,249	248,869	70.6
	30	111,215	68,940	33,550	35,384	4,999	36,409	303,163	165,200	168,991	234,403	73.6

*Statement of the condition of the Federal Reserve Bank of Cleveland
December 31, 1925, and December 31, 1924*

RESOURCES	Dec. 31, 1925	Dec. 31, 1924
Cash Reserves:		
Gold bullion, coin and certificates.....	\$47,340,500.63	\$21,406,977.35
Gold settlement fund—Federal Reserve Board.....	62,915,704.02	40,158,253.31
Gold with Federal Reserve Agent.....	192,604,320.00	165,466,130.00
Gold redemption fund—Federal Reserve notes.....	994,632.44	1,848,465.27
Total gold reserves.....	\$303,855,157.09	\$228,879,825.93
Legal tender notes, silver coin and certificates.....	9,550,701.00	9,365,371.00
Total cash reserves.....	\$313,405,858.09	\$238,245,196.93
Non-Reserve Cash:		
National bank notes.....	\$4,626,000.00	\$5,389,060.00
Federal Reserve bank notes.....	13,315.00	18,313.00
Subsidiary silver, nickels and cents.....	429,730.05	526,469.48
Total non-reserve cash.....	\$5,069,045.05	\$5,933,842.48
Earning Assets:		
Member bank collateral notes.....	\$42,959,221.79	\$30,940,650.00
Bills discounted for member banks.....	23,169,124.19	11,132,578.14
Bills bought in open market.....	4,989,615.36	41,217,174.99
U. S. Government securities:		
U. S. 4½% Liberty Loan bonds.....	\$7,354,900.00	\$7,354,900.00
U. S. bonds issued since 1921.....	195,000.00	143,000.00
Other U. S. bonds.....	414,800.00	414,800.00
Treasury notes.....	10,293,700.00	1,800,700.00
U. S. certificates of indebtedness.....	499,500.00	5,153,000.00
Participation in Special Investment.....	17,651,500.00	45,183,500.00
Foreign loans on gold.....	834,600.00	702,000.00
Par value of earning assets.....	\$108,361,961.34	\$144,042,303.13
Uncollected Items.....	68,554,299.52	56,127,956.69
Bank Premises:		
Banking house—Cleveland.....	\$6,998,796.28	\$6,716,347.45
Banking house—Pittsburgh.....	928,202.76	939,595.83
Other real estate—Cincinnati.....	600,000.00	267,000.00
Total bank premises.....	8,526,999.04	7,922,943.28
Less reserves for depreciation.....	517,999.80	349,966.35
Bank premises—net.....	8,008,999.24	7,572,976.93
Total miscellaneous assets.....	431,120.32	333,248.27
Total Resources.....	\$503,831,283.56	\$452,255,524.43
LIABILITIES		
Federal Reserve notes in actual circulation.....	\$232,614,585.00	\$198,515,485.00
Deposits:		
Members—Reserve account.....	\$171,928,292.76	\$163,018,753.32
U. S. Treasurer—General account.....	983,276.06	4,202,766.12
Foreign banks.....	883,193.99	216,112.81
Non-members—Clearing account.....	986,490.10	822,822.87
Official checks and drafts outstanding.....	372,107.63	84,837.40
Total deposits.....	\$175,153,360.54	\$168,345,292.52
Deferred Availability Items.....	59,105,427.58	49,460,169.27
Other Liabilities:		
Capital stock paid in.....	13,175,800.00	12,756,550.00
Surplus fund.....	22,893,597.54	22,461,832.66
Miscellaneous liabilities.....	888,512.90	716,194.98
Total Liabilities.....	\$503,831,283.56	\$452,255,524.43

Profit and Loss Account—1925

Net income available for dividends, reserves and surplus, January 1, 1925 to December 31, 1925.....	\$1,701,304.22
Distribution:	
Dividends paid to members.....	778,811.65
Depreciation allowances on bank premises.....	271,977.69
Reserved for self insurance and undetermined liabilities.....	218,750.00
Transferred to surplus.....	431,764.88
	\$1,701,304.22

Volume of operations in principal departments

Number of pieces handled	1925	1924
Bills discounted:		
Applications.....	13,177	11,036
Notes discounted.....	29,668	28,427
Bills purchased in open market.....	8,672	10,059
Currency received and counted.....	145,093,000	135,693,000
Coin received and counted.....	183,291,000	176,965,000
Checks handled.....	68,887,000	68,039,000
Collection items handled:		
U. S. Government coupons paid.....	5,066,000	5,475,000
All other.....	381,000	442,000
U. S. securities—issues, redemptions and exchanges.....	819,000	2,483,000
Transfers of funds.....	95,000	90,000
Envelopes received and dispatched.....	3,355,000	3,530,000
Amounts handled		
Bills discounted.....	\$3,158,818,000	\$1,348,025,000
Bills purchased in open market.....	115,585,000	116,070,000
Currency received and counted.....	874,797,000	833,126,000
Coin received and counted.....	16,519,000	14,419,000
Checks handled.....	26,652,411,000	23,874,737,000
Collection items handled:		
U. S. Government coupons paid.....	64,834,000	64,778,000
All other.....	476,805,000	427,264,000
U. S. securities—issues, redemptions and exchanges.....	324,788,000	348,600,000
Transfers of funds.....	5,333,830,000	4,752,346,000

BILLS AND SECURITIES

1924 — 1925

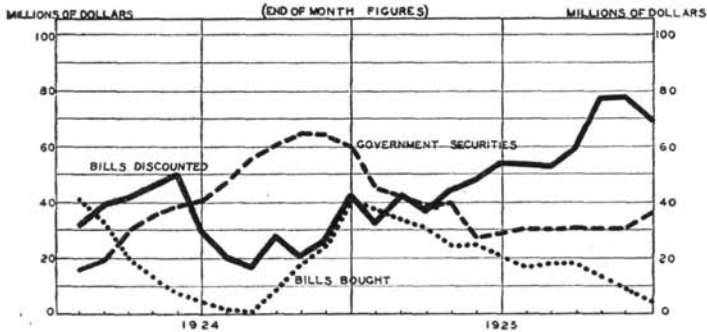


CHART I

GOLD RESERVES AND FEDERAL RESERVE NOTE CIRCULATION

1924 — 1925

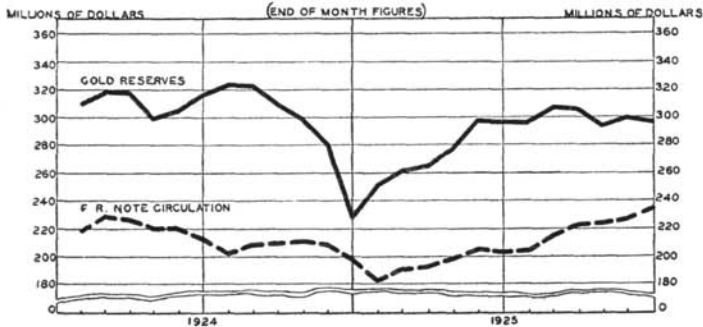


CHART II

ANALYSIS OF EARNINGS & EXPENSES

FOURTH DISTRICT MEMBER BANKS

(YEAR ENDING JUNE 30, 1925)

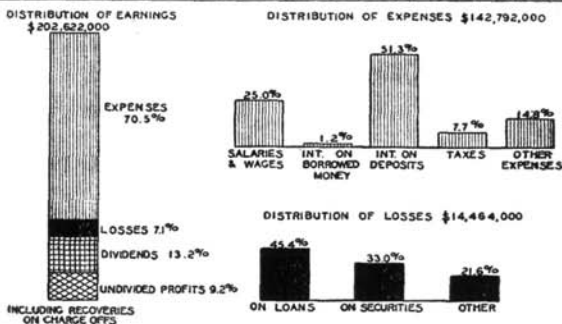


CHART III