

ANNUAL REPORT

of the

Federal Reserve Agent

of the

Fourth Federal
Reserve District

to the

Federal Reserve Board

Covering Operations

for the

Calendar Year

1928

FEDERAL RESERVE BANK OF CLEVELAND

Letter of Transmittal

February 1, 1929.

SIR:

I have the honor to transmit to you herewith the fourteenth annual report of the Federal Reserve Bank of Cleveland, covering operations for the calendar year 1928.

Respectfully,

GEORGE DE CAMP,

Federal Reserve Agent.

HON. ROY A. YOUNG, *Governor,*
Federal Reserve Board,
Washington, D. C.

Directors and Officers, 1929

DIRECTORS

CLASS A

ROBERT WARDROP, Pittsburgh, Pa., 1929
O. N. SAMS, Hillsboro, Ohio, 1930
CHESS LAMBERTON, Franklin, Pa., 1931

CLASS B

G. D. CRABBS, Cincinnati, Ohio, 1929
S. P. BUSH, Columbus, Ohio, 1930
R. P. WRIGHT, Erie, Pa., 1931

CLASS C

GEO. DECAMP (Chairman), Cleveland, Ohio, 1929
W. W. KNIGHT, Toledo, Ohio, 1930
L. B. WILLIAMS (Deputy Chairman), Cleveland, Ohio, 1931

OFFICERS

GEO. DECAMP, Chairman of the Board and Federal Reserve Agent	E. R. FANCHER, Governor
W. H. FLETCHER, Assistant Federal Reserve Agent	M. J. FLEMING, Deputy Governor
J. B. ANDERSON, Assistant Federal Reserve Agent	F. J. ZURLINDEN, Deputy Governor
F. V. GRAYSON, Auditor	H. F. STRATER, Cashier and Secretary
	W. F. TAYLOR, Assistant Cashier
	C. W. ARNOLD, Assistant Cashier
	G. H. WAGNER, Assistant Cashier
	D. B. CLOUSER, Assistant Cashier
	C. L. BICKFORD, Assistant Cashier

CINCINNATI BRANCH

DIRECTORS

CHAS. W. DUPUIS
FRED A. GEIER
B. H. KROGER
E. S. LEE
C. F. McCOMBS
JOHN OMWAKE
GEO. M. VERITY

OFFICERS

C. F. McCOMBS, Managing Director
B. J. LAZAR, Cashier
H. N. OTT, Assistant Cashier
BRUCE KENNELLY, Assistant Cashier

PITTSBURGH BRANCH

DIRECTORS

A. E. BRAUN
J. R. EISAMAN
A. L. HUMPHREY
R. B. MELLON
JOSEPH R. NAYLOR
J. C. NEVIN
J. B. SHEA

OFFICERS

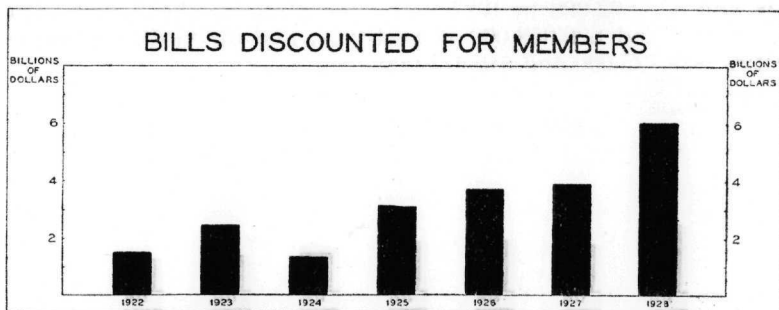
J. C. NEVIN, Managing Director
T. C. GRIGGS, Cashier
P. A. BROWN, Assistant Cashier
F. E. COBUN, Assistant Cashier

FOURTEENTH ANNUAL REPORT FEDERAL RESERVE BANK OF CLEVELAND

RESERVE BANK CREDIT

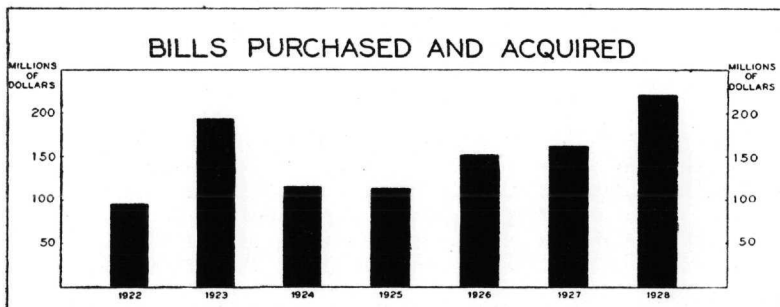
As in the United States, there was a marked increase in member bank borrowings in the Fourth District during 1928, bills discounted by the Federal Reserve Bank of Cleveland advancing from \$68,285,000 on January 4 to a peak of \$119,223,000 on December 12. This gain of \$51,000,000 was largely accounted for by a decline of \$28,000,000 in Government security holdings and of \$39,000,000 in cash reserves, partly offset by an increase of \$33,000,000 in acceptance holdings.

The actual trend of bills discounted was sharply upward in the first half of the year, during the period when Government security holdings were being materially reduced. From January 4 to June 13 the increase in the former approximated the decrease in the latter, resulting in the substitution of one form of reserve bank credit for another without any large gain in the total of such credit extended. In the three weeks following June 13, the Cleveland bank's cash reserves dropped \$18,000,000 and acceptance holdings declined \$6,000,000, bringing discounts up to \$116,000,000 on July 4, almost at the year's high, at a time when they have been relatively low in former years.



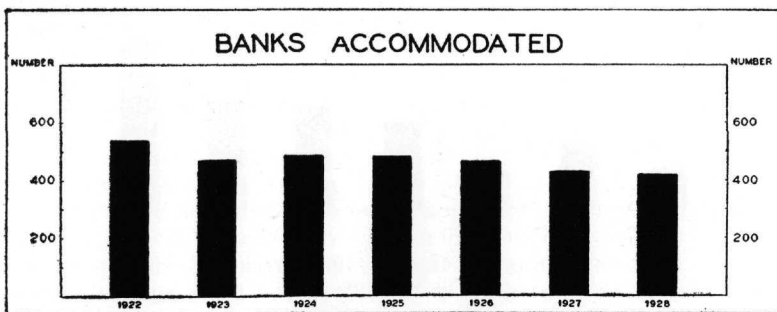
In the next three months there was a marked falling-off in discounts, but in the last quarter the Cleveland bank again lost gold heavily through the Gold Settlement Fund, and this together with the increase resulting from holiday demand for Federal Reserve notes brought about a very considerable increase until the December peak was reached. During this same period, acceptance holdings were also increasing at a rapid rate — even more than seasonally —

while Government securities remained virtually unchanged. The total amount of credit extended by this bank therefore climbed sharply in the last few months of the year. It should be noted, however, that this advance was only about equal to that in the last part of 1924, 1926 and 1927, the principal explanation being that the Cleveland bank lost gold heavily at that time in each of those years.



The rediscount rate of the Cleveland Federal Reserve Bank was advanced three times during 1928 — from 3½ to 4 per cent on March 1, from 4 to 4½ per cent on May 25, and from 4½ to 5 per cent on August 1. The latter rate is the highest since February 14, 1922.

As a result of the higher average of credit extended during 1928, gross earnings from this source increased materially over 1927, the figures being \$6,081,802 and \$3,954,072 respectively. Net earnings from all sources, after expenses, were \$3,653,739 in 1928 as compared with \$1,587,362 in 1927. In the past year, the discount department handled 36,307 separate items as compared with 28,382 in 1927. The daily average amount of bills discounted was \$76,471,000 in 1928 and \$43,692,000 in 1927. For acceptances, the figures were \$31,160,000 and \$20,058,000 respectively, and for Government securities, \$39,725,000 and \$46,477,000.



The number of banks accommodated with loans and rediscounts in 1928 was 421, as against 430 the year before. In Ohio, 241 banks borrowed in 1928 and 251 in 1927; Pennsylvania, 152 and 147; Kentucky, 20 and 24; West Virginia, 8 for both years. Of the 421 banks

accommodated during the past year, 331 were national and 90 were state banks. In amounts, loans and discounts to member banks in Ohio were \$1,624,000,000 in 1928 as compared with \$824,000,000 the year before; Pennsylvania, \$4,383,000,000 as compared with \$3,025,000,000; Kentucky, \$24,000,000 and \$15,000,000; West Virginia, \$27,000,000 and \$8,000,000.

Loans made during 1928 and 1927 classified by types were as follows: rediscounts, \$128,000,000 as against \$83,000,000; member bank collateral notes, \$5,931,000,000 as against \$3,789,000,000. As to security, nearly all the rediscounts in both years were secured by commercial and industrial paper, while of the member bank collateral notes, \$784,000,000 in 1928 and \$423,000,000 in 1927 were secured by commercial paper, and \$5,147,000,000 in 1928 and \$3,366,000,000 in 1927 were secured by United States securities.

MEMBER BANK CREDIT

The expansion of member bank credit which took place in 1927 continued during the early months of 1928 at a somewhat accelerated rate, total loans, discounts and investment of all reporting banks in the Fourth District reaching a new all-time high of \$2,234,000,000 on July 3rd. This was approximately \$130,000,000 above the average of the late months of 1927, and apparently was not related to a demand for funds for commercial or industrial use, since "all other" loans and discounts, which includes commercial loans, had shown no material gain over the monthly average for late 1927, notwithstanding that business generally had shown a substantial recovery from the slump which had occurred last year.

Loans secured by stock and bonds, (measured by monthly averages of weekly reporting dates) increased sharply during the first part of 1928, the average for July (the high point of the year) being \$82 million above that of the same month in the previous year, and the December average being about \$50 million in excess of that for December, 1927. Investments of these same banks increased markedly during the first seven months of the year, but during the last five months this increase was practically wiped out, investment account at the end of the year showing no substantial change from the figures reported for January.

During the calendar year total loans, discounts and investments of all weekly reporting member banks in the districts increased slightly less than \$100 million, which represents approximately the average growth of these banks over a period of years. The increase is divided, roughly, about equally between collateral and "all other" loans, in which respect it does not vary materially from the experience of recent years, except in 1927 when the volume of commercial loans declined slightly by reason of a slackening of business activity.

INTEREST RATES

While rates for nearly all classes and maturities of paper have shown sharp advances during the year in the principal money markets, time and demand funds reaching 8% and 12% respectively,

the firming of customers' rates has been moderate in this territory except for paper which brings banks in the Fourth District into competition with banks in other financial centers. A comparison of rates charged borrowers at commercial banks in Cleveland, Cincinnati, and Pittsburgh in the months of January and December, 1928, shows that rates generally average from $\frac{1}{4}\%$ to 1% higher at the end than at the beginning of the year. This increase has been effected through raising the minimum rather than the maximum rate, however, the maximum for commercial and interbank loans remaining unchanged at both Cincinnati and Pittsburgh. The changes noted above compare with advances of $1\frac{1}{2}\%$ on commercial paper and bankers acceptances, and of about $4\frac{1}{4}\%$ and $3\frac{1}{8}\%$ respectively for demand (monthly averages of daily renewal rates) and time money in New York City.

EARNINGS AND EXPENSES OF MEMBER BANKS

Gross earnings of member banks in the Fourth District for the year ended June 30, 1928, including recoveries on losses previously charged off, were slightly in excess of those for the previous year, the amount roughly approximating the increase in total resources of all members between June 30, 1928, and the same date in the preceding year. The percentage increase in "other income" — including that of trust departments, etc., — is somewhat higher than that of "interest received," while recoveries for the year were lower than in 1927.

Notwithstanding a rather substantial increase in money borrowed at reserve banks, at higher rates of discount, the interest paid on borrowings was less than in the previous year. Salaries and wages were slightly lower, while taxes show a sizable gain.

Further evidence of the growth of time deposits at a faster rate than demand deposits is reflected in the increase in the percentage of expenses paid as interest on deposits. In the year ended June 30, 1928, the percentage of interest paid to total expense was 52.8. This compares with 52.0 per cent in 1927 and 46.3 in 1922.

Dividends and undivided profits both show increases — both actually and percentually — over the previous year.

Analysis of earnings and expenses of member banks in the Fourth District

(Years ended June 30)

Per cent distribution of earnings, expenses and losses.

	1922	1923	1924	1925	1926	1927	1928
Distribution of Earnings:							
Expenses.....	67.1	67.6	71.0	70.5	71.5	71.6	72.6
Losses.....	9.7	8.1	7.2	7.1	7.9	9.0	7.6
Dividends.....	14.7	15.2	14.2	13.2	13.6	12.7	12.9
Undivided profits.....	8.5	9.1	7.6	9.2	7.0	6.7	6.9
	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Distribution of Expenses:							
Salaries and wages.....	24.8	25.1	25.2	25.0	24.8	24.9	24.3
Interest on borrowed money.....	4.6	1.9	2.2	1.2	1.9	1.7	1.5
Interest on deposits.....	46.3	49.5	49.7	51.3	51.3	52.0	52.8
Taxes.....	9.4	8.3	7.7	7.7	7.4	7.7	8.3
Other expenses.....	14.9	15.2	15.2	14.8	14.6	13.7	13.1
	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Distribution of Losses:							
On loans.....	43.4	52.4	51.7	45.4	58.2	50.5	51.4
On securities.....	37.0	22.5	32.7	33.0	25.3	28.0	22.8
Other losses.....	19.6	25.1	15.6	21.6	16.5	21.5	25.8
	100.0	100.0	100.0	100.0	100.0	100.0	100.0

CHANGES IN MEMBERSHIP

During the year seven banks, four national and three State, were admitted to membership. There were 28 losses to membership for the reasons given below:

Voluntary withdrawals.....	6
Insolvencies.....	3
Absorbed by other member banks.....	4
Absorbed by non-member banks.....	8
Consolidated with national banks.....	2
Consolidated with State member bank.....	1
Succeeded by new member banks.....	4

The net result of membership changes was a loss of 21 banks. On December 31, 1928, there were 716 national and 104 State bank members in the Fourth District.

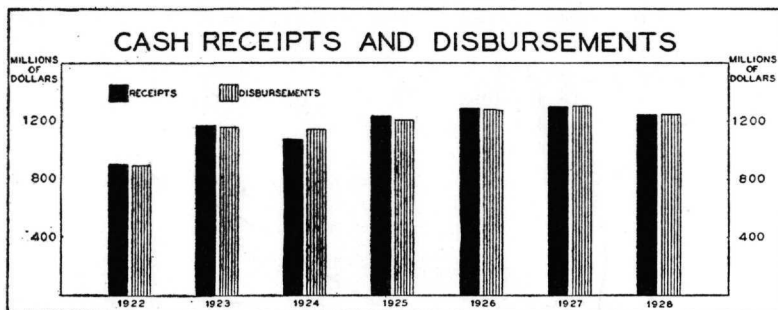
A comparison of membership in the Fourth District for the past six years is appended.

*Comparative statement of membership
(As of December 31)*

	1922	1923	1924	1925	1926	1927	1928
National banks.....	764	761	753	747	746	731	716
State banks.....	117	118	119	116	112	110	104
	881	879	872	863	858	841	820

FEDERAL RESERVE NOTES

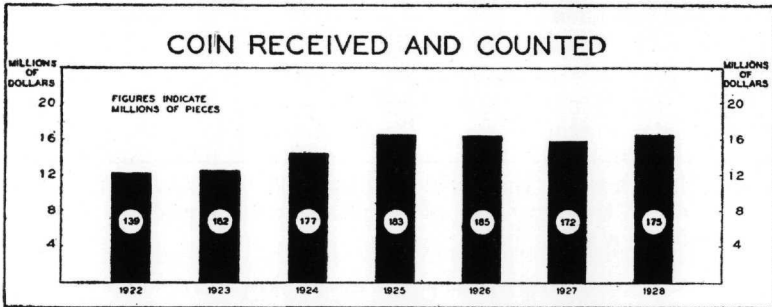
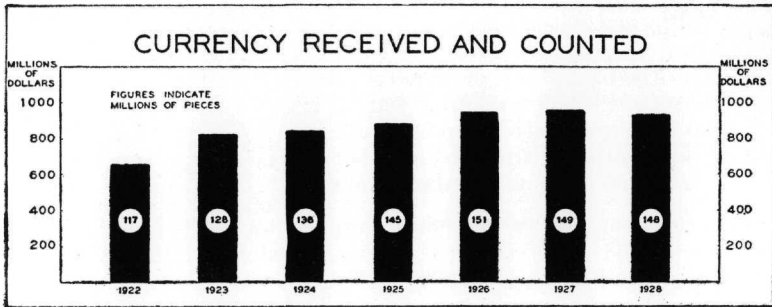
The significant feature of Federal Reserve note circulation in this district during 1928 was that the volume was lower, throughout almost the entire period, than in 1926 and 1927, notwithstanding that business activity was distinctly greater in 1928 than in the previous year, and generally better than in 1926.



Total cash receipts and disbursements, which include all forms of money received or paid out by this bank, also show declines from the 1926 and 1927 levels, which would indicate that the falling off

in note circulation is not due to the increase in any other form of money.

Currency received and counted also shows a decline from both previous years.



CHECK COLLECTION AND CLEARING OPERATIONS

The volume of checks collected through the Federal Reserve Bank of Cleveland and its branches increased nearly 5% in the calendar year of 1928 over that of the previous year, although the total amount in dollars shows a relatively small gain. The dollar volume at Cincinnati shows but a negligible increase, Pittsburgh shows a slight loss, while Cleveland shows an increase of nearly one-half billion of dollars in the amount of checks handled. The schedule below gives in detail the work of this department at the main office and at each of the branches.

*Transit department check clearings and collections for year 1928
Cleveland*

	Items	Amounts
On Cleveland banks	9,353,237	\$8,361,322,433.07
On other banks in District No. 4	23,168,956	2,972,009,437.91
On banks in other districts	1,000,099	147,233,473.74
On Treasurer of United States	1,117,980	116,624,286.57
Total	34,640,272	\$11,598,089,631.29
Items sent to Cincinnati and Pittsburgh branches	385,291	\$83,930,485.52

Cincinnati

On Cincinnati banks	4,772,465	\$5,182,423,788.32
On other banks in District No. 4	12,898,652	1,142,534,737.37
On banks in other districts	622,385	87,382,613.64
On Treasurer of United States	787,044	115,480,018.35
Total	19,080,546	\$6,527,821,157.68
Items sent to main office and Pittsburgh branch	224,418	\$46,051,719.10

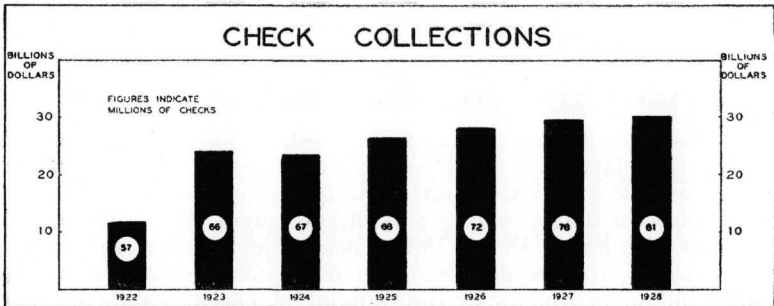
Pittsburgh

On Pittsburgh banks	8,029,188	\$9,863,244,012.26
On other banks in District No. 4	17,997,169	1,484,053,514.44
On banks in other districts	682,064	467,085,594.65
On Treasurer of United States	666,673	86,930,905.57
Total	27,375,094	\$11,901,314,026.92
Items sent to main office and Cincinnati branch	52,522	\$65,407,924.92

Recapitulation

Total number of items handled	81,095,912	
Total amount of items handled		\$30,027,224,815.89
Items and amounts handled by both parent bank and branches and not duplicated in above figures	662,231	\$195,390,129.54

The introduction of new methods in handling checks has enabled a substantial reduction in force in this department to be accomplished, while at the same time the average number of items handled per employee has shown a very distinct gain. The net saving following introduction of the new plan of handling will amount to approximately \$15,000 a year.



NON-CASH COLLECTIONS

In 1928, 386,470 items amounting to \$551,441,233.79 were handled through the non-cash collection department.

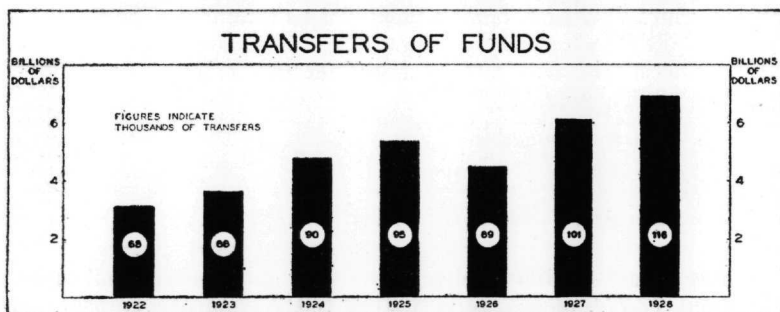
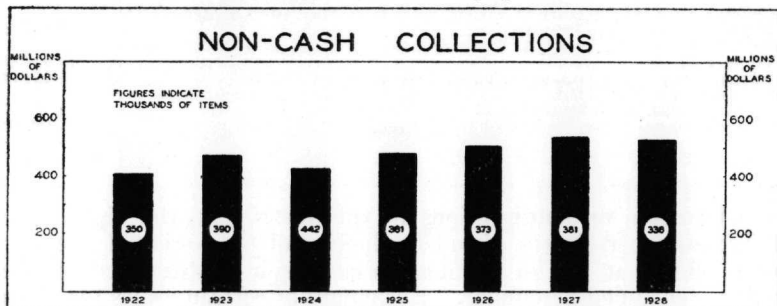
The number and amounts of items handled at the main office and branches at Cincinnati and Pittsburgh are as follows:

	Number	Amount
Main Office	321,641	\$444,031,056.04
Cincinnati Branch	35,628	57,142,014.19
Pittsburgh Branch	29,201	50,268,163.56
Total	386,470	\$551,441,233.79

On items handled through the three offices, collecting banks made collection charges on 32,579 items aggregating \$13,411,577.16 at a rate less than one tenth of one per cent.

Member banks sent direct to other Federal Reserve banks and branches for collection, 54,326 items aggregating \$65,258,769.58.

While the total number and amount of non-cash collections shows no great change from last year, it is noteworthy that members are increasingly recognizing the value of the direct-sending privilege and are more freely using the facilities provided by the reserve banks for the prompt collection of such paper.



RELATIONS WITH MEMBER BANKS

Members of the staff of this department during the year have made 1803 visits to member banks outside of the three cities of Cleveland, Pittsburgh and Cincinnati, where a close contact may be had through the main office and branches of this bank. This means that on an average each member bank is visited by a field representative approximately two and one-half times a year and this work has done much to enhance the cordiality of relations between the Federal Reserve Bank of Cleveland and its members. Sixteen calls were also made upon non-member banks for one purpose or another.

During the year we have been called upon to furnish speakers for meetings of Chambers of Commerce, Rotary and Kiwanis clubs or similar organizations on 13 occasions to explain the features of the Federal Reserve bank operation or allied topics. We have also been represented at 19 meetings or conventions.

FISCAL AGENCY OPERATIONS

The retirement of the Third Liberty Loan, which matured September 15, 1928, was effected by the same methods that proved successful with the Second Liberty Loan during the preceding year, viz., by purchase for the Treasury, by exchange for new Government issues, and by cash payment on or after maturity.

The retirement of Third Liberty Loan bonds through this bank was as follows:

By purchase for the Treasury at various dates from May 10 to September 14 at prices ranging from 100 $\frac{3}{8}$ to par.....	\$21,070,950
In exchange for five-year 3 $\frac{1}{2}$ % Treasury notes of Series C 1930-32, dated January 16.....	39,528,850
In exchange for 3 $\frac{3}{8}$ % Treasury bonds of 1940-43, dated July 16.....	11,434,000
In exchange for nine-month 4 $\frac{1}{8}$ % Treasury certificates of indebtedness of Series TJ 1929, dated September 15.....	10,912,000
By payment in cash from September 15 to December 31, inclusive.....	108,469,050
Total.....	\$191,414,850

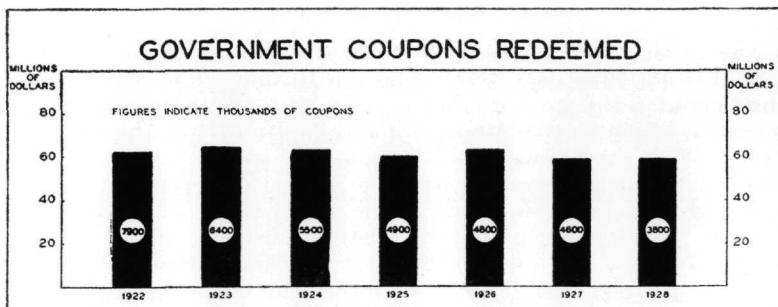
Allotments on subscriptions in this district to the eight series of Treasury certificates of indebtedness and one series of Treasury bonds offered at par for payment in cash or in maturing certificates were as scheduled hereunder. Exchanges of certain issues for Third Liberty Loan bonds have been eliminated therefrom because shown separately above.

March 15 nine-month 3 $\frac{1}{4}$ % certificates.....	\$ 9,585,000
March 15 one-year 3 $\frac{3}{8}$ % certificates.....	15,412,000
June 15 six-month 4% certificates.....	5,960,000
June 15 nine-month 3 $\frac{3}{8}$ % certificates.....	9,808,000
July 16 3 $\frac{3}{8}$ % bonds of 1940-43.....	21,548,650
September 15 nine-month 4 $\frac{1}{8}$ % certificates.....	32,458,500
October 15 eleven-month 4 $\frac{3}{8}$ % certificates.....	24,898,500
December 15 nine-month 4 $\frac{1}{4}$ % certificates.....	17,854,500
December 15 one-year 4 $\frac{1}{4}$ % certificates.....	18,748,500

Government securities delivered on cash and exchange allotments numbered 72,774 pieces, representing 8,917 separate transactions.

Government securities received for exchange of denomination or of form (within the issue) consisted of 73,600 pieces in coupon form and 15,604 pieces in registered form, aggregating \$116,500,750. Against such receipts there were delivered 55,049 obligations in coupon form and 13,550 in registered form. There were 12,223 separate exchange transactions.

Government and federal farm loan coupons redeemed during 1928 totaled 3,812,114, aggregating \$58,837,229. Government obligations presented for redemption, including Third Loan bonds exchanged for new issues and paid in cash, numbered 90,836 in registered form and 512,791 in coupon form and had a value of \$243,628,437. Included in these coupon form redemptions are 25,716 Treasury savings certificates and war savings stamps which totaled \$475,367. There also were redeemed 254 federal land bank bonds valued at \$202,725. In all, 80,464 separate redemption transactions were functioned.



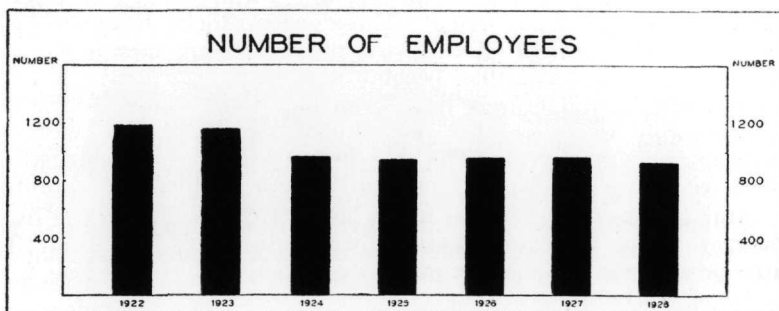
PERSONNEL

In the fall election of directors Mr. Chess Lambertson of Franklin, Pennsylvania, and Mr. R. P. Wright of Erie, Pennsylvania were re-elected Class A and Class B directors, respectively, for three-year terms ending December 31, 1931. Mr. L. B. Williams of Cleveland was reappointed by the Federal Reserve Board for a three-year term.

Mr. George DeCamp of Cleveland, Chairman of the Board, was redesignated Federal Reserve Agent for the year 1929 and Mr. L. B. Williams was redesignated Deputy Chairman for the same period.

To serve on the Cincinnati branch board, Mr. Fred A. Geier of Cincinnati, Ohio, was reappointed by the Federal Reserve Board for a three-year term. Mr. E. S. Lee of Covington, Ky. was reappointed by this bank for a similar term, and Mr. C. F. McCombs was reappointed Managing Director. At Pittsburgh, Mr. Joseph B. Shea of Pittsburgh, who was appointed, in April, 1928, to fill the unexpired term of Capt. Chas. W. Brown (deceased), was reappointed for three years by the Federal Reserve Board, and Mr. A. E. Braun, also of Pittsburgh, was reappointed by this bank for the same period. Mr. J. C. Nevin was reappointed Managing Director. The office of Assistant Federal Reserve Agent at Pittsburgh was abolished on January 1, 1928.

There has been no other change in the official staff, but the total number of employes has been reduced, as shown in the accompanying chart.



REVIEW OF 1928

As in the United States as a whole, business conditions in the Fourth District in 1928 were "good," with the general trend upward throughout the year. In 1927 a mild but still noticeable business recession began in the late spring and continued for the rest of the year. With the arrival of 1928, however, a recovery set in which has carried business back to its 1926 level and in some industries to new high records. The extent of the improvement in 1928 is shown by this bank's index of Fourth District business, which rose from 93.4 in January to a high for the year of 106.3 in September.

The district's basic industry, iron and steel, has fared much better in 1928 than in 1927. There has been a heavy demand from most consumers, particularly from the automotive, building, and oil industries. The demand for railroad equipment has been an exception, being very slow for 1928 as a whole, but even here improvement has occurred in the last months of the year. Steel concerns have been able to increase their business on a rising-price scale, so that net earnings have made a sharp gain over 1927.

The rubber industry staged a marked recovery in the last half of 1928, due largely to increasingly heavy demand coupled with the return of price stability. Price fluctuations hampered the industry severely in 1925, 1926 and 1927, but after a sharp drop in the earlier months of 1928, crude rubber has finally become stabilized, for the time being at least, at around twenty cents a pound. Production of tires has been in large volume, and in August made a new high record.

Motor accessory concerns in the Fourth District have enjoyed their most prosperous year in some time. Many factories have been operating at nearly full capacity practically without interruption throughout the year, particularly those supplying Ford. Net earnings have reflected this activity, being well ahead of 1927.

The coal industry has continued in a state of semi-depression. Over-productive capacity is the principal retarding factor. The price situation has been thoroughly unsatisfactory, and conditions in the union fields, though improving, are still below normal. The non-union mines in the district have done better, their output having been at a comparatively high level. One difficulty with which the trade has had to contend in 1928 has been the large surplus of coal held in storage by industrial consumers who stocked up heavily early in 1927 before the strike. These excess stocks, however, have been gradually worked off this year until they are now down to a level where re-stocking has become necessary.

Clothing manufacturers have been hampered somewhat by the unseasonably warm weather prevailing during 1928, but have reported a fairly good year. The shoe industry has been somewhat erratic, with the general trend downward in both production and profits.

Building has not been so heavy as in 1927, owing to the over-built condition of several sections of the district. The total 1928 volume of construction, however, was large, and the decline from last year was not great.

Agriculture in general experienced a good season. The wheat crop was almost a failure, but corn, oats, potatoes, and fruits did well. The Kentucky tobacco crop was unusually fine in quality and was bringing excellent prices at the recent opening of the selling season.

Trade at retail was only about equal to 1927, but some of the wholesale lines showed improvement. Chain stores continued to expand, and their business also compared favorably with last year on the basis of sales per unit operated.

*Statement of the condition of the Federal Reserve Bank of Cleveland
December 31, 1928 and December 31, 1927*

RESOURCES	Dec. 31, 1928	Dec. 31, 1927
Cash Reserves:		
Gold with Federal Reserve Agent	\$119,070,895.00	\$178,569,005.00
Gold settlement fund—Federal Reserve Board	72,505,853.84	43,425,822.14
Gold redemption fund—Federal Reserve notes	7,414,225.11	4,351,517.97
Gold bullion, coin and certificates	39,847,450.69	39,093,329.11
Total gold reserves	\$238,838,424.64	\$265,439,674.22
Legal tender notes, silver coin and certificates	11,687,024.00	13,013,234.00
Total cash reserves	\$250,525,448.64	\$278,452,908.22
Non-Reserve Cash:		
National bank notes	\$5,988,300.00	\$6,965,600.00
Federal Reserve bank notes	1,275.00	11,183.00
Subsidiary silver, nickels and cents	514,627.34	583,592.32
Total non-reserve cash	\$6,504,202.34	\$7,560,375.32
Bills and Securities:		
Member bank collateral notes	\$73,057,755.11	\$53,934,800.00
Bills discounted for member banks	19,644,486.63	6,872,110.29
Bills bought in the open market	52,271,431.32	20,147,536.96
Participation in investments thru foreign banks	105,808.59	27,071.25
Past due paper	37,729.93
U. S. Government Securities:		
U. S. Liberty Loan bonds	\$ 113,600.00	\$ 18,417,200.00
U. S. bonds issued since 1921	269,350.00	226,250.00
Other U. S. bonds	164,800.00	414,800.00
Treasury notes	25,157,950.00	6,753,650.00
Treasury certificates of indebtedness	33,100.00	423,700.00
Participation in Special Investment	7,223,000.00	35,275,000.00
Par Value of bills and securities	\$178,041,281.65	\$142,529,848.43
Uncollected Items	67,068,387.44	67,867,984.62
Bank Premises:		
Land	\$ 1,312,000.00	\$ 1,312,000.00
Buildings and vaults	5,134,805.23	5,199,362.46
Fixed machinery and equipment	1,680,334.54	1,680,334.54
Total bank premises	\$ 8,127,139.77	\$ 8,191,697.00
Less—reserves for depreciation	1,591,959.15	1,326,641.97
Bank premises—net	\$ 6,535,180.62	\$ 6,865,055.03
Total Miscellaneous Assets	1,113,530.16	1,317,322.39
Total Resources	\$509,788,030.85	\$504,593,494.01
LIABILITIES		
Federal Reserve notes (in actual circulation)	\$216,890,225.00	\$216,594,780.00
Deposits:		
Members—Reserve account	182,774,489.60	182,380,540.72
U. S. Treasurer—General account	1,215,785.61	1,339,565.38
Foreign banks	676,533.13	490,595.72
Non-members—Clearing account	673,097.16	961,973.35
Official checks and drafts outstanding	157,969.72	333,925.38
Total deposits	\$ 185,497,875.22	\$185,506,600.55
Deferred Availability Items	65,383,472.73	63,508,984.11
Other Liabilities:		
Capital stock paid in	\$ 14,418,550.00	\$ 13,979,300.00
Surplus fund	26,345,333.54	24,021,461.25
Miscellaneous liabilities	1,252,574.36	982,368.10
Total Liabilities	\$509,788,030.85	\$504,593,494.01

Profit and loss account—1928

Total gross earnings		\$ 6,250,552.83
Current expenses		2,596,813.50
Current net earnings		\$ 3,653,739.33
Deductions from current net earnings		473,023.76
Net earnings available for dividends and surplus		\$3,180,715.57
Dividends paid to members	\$ 856,843.28	
Transferred to surplus	2,323,872.29	\$3,180,715.57