

FIFTH ANNUAL REPORT
of the
Federal Reserve Bank
of Dallas



For the Year Ended
December 31
1919

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OF THE
FEDERAL RESERVE BANK OF DALLAS
1920

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OPERATION
OF THE
FEDERAL RESERVE BANK
OF DALLAS
IN 1919

It would be somewhat difficult in a report of any reasonable length to enumerate the activities of the Federal Reserve Bank of Dallas during the reconstruction days of 1919, or attempt any extended discussion of the part the institution has performed in stabilizing the financial situation. The past year has been a period of rapid developments and interesting changes in matters financial. The outstanding feature in banking has unquestionably been the phenomenal growth in resources and the abnormal expansion of credits with most of our banks. The statistical reports which follow the brief outlines and comment on the service and functions of this institution for 1919, in the various divisions, show the growth of the bank's operations and are indicative of the service performed. The end of the war and the necessary transition to a peace basis presented many economic problems which for a time seemed as difficult of solution as those which arose during the momentous days of the actual conflict. The heavy financial demands and sacrifices, not only upon individuals but banking and business institutions generally, necessary during the war, as is now disclosed, did not terminate on November 11, 1918, but have continued in a large measure as essential and of probably as great importance during the twelve months which followed the signing of the armistice. The expansion of credits throughout this district and the consequent demands on us have severely taxed the resources of this institution. Believing that the creation of the Federal Reserve Banks was primarily to assist in financing the trade and commerce of the country generally, the executives of this institution have continued the policy, long since established, of rendering its member banks every facility consistent with law, the regulations of the Federal Reserve Board, and sound banking principles. It is believed this object has been substantially attained. It is appreciated that to accomplish the full success desired, and perform the functions necessary, the bank must have the co-operation of its members. To the latter, the officials

of the Federal Reserve Bank of Dallas make grateful acknowledgment for past assistance and co-operation. It is hoped that during the new year the management may continue to merit their good will.

FINANCIAL RESULTS OF OPERATIONS

EARNINGS, EXPENSES, DIVIDENDS, ETC.

The year just closed enabled the bank to make continued headway in the matter of revenue, as will be disclosed by the attached schedules. Gross earnings for the year amounted to \$3,062,250.84 as compared with \$2,089,526.08 in 1918, or an increase of 46.5 per cent. Net earnings amounted to \$2,081,415.01 as compared with \$1,554,101.64 in 1918, an increase of \$527,313.37 or 33.9 per cent. Liberal depreciation has been allowed on various assets, and write-offs have been based on what were considered conservative valuations. The ratio of net earnings for 1919 to average paid in capital was 63.6 per cent.

The expansion of operations and the absorption by the bank of various items of expense, previously charged member banks, are reflected in the increased expense account for the year. The cost of Federal reserve notes, operation of the private wire and, as previously stated, the payment of transportation charges on currency, together with the increased cost of equipment, stationery, etc., are items of extraordinary character which have made for increased expenses. The advance in wages is also an item which has contributed to the increase.

Expenses for 1919 amounted to \$980,835.83 as compared with \$535,424.44 in 1918, an increase of \$445,311.39 or 82.6 per cent.

On December 31, 1918 a surplus fund of \$592,204 was created out of undistributed earnings of 1918. A like amount was set aside as government franchise tax. Following the amendment to the Federal Reserve Act, passed March 3, 1919, which permitted the banks to create a surplus equal to 100 per cent. of their subscribed capital, the surplus account was increased to \$1,184,408 by crediting the same with the amount set up for franchise tax. On June 30th the net profits for the 6 months ending that date, of \$844,459.84, were added to surplus and on December 31st \$1,001,068.90 was added, making the present surplus \$3,029,937.23.

Dividend requirements have been promptly met and all dividends up to December 31, 1919 paid. On June 30, 1919 a dividend at the rate of 6 per cent. per annum, covering the operating period from January 1st to June 30, 1919, amounting to \$96,142.49, was distributed.

On December 31, 1919 another dividend at the rate of 6 per cent. per annum, covering the operating period, July 1st to December 31st, amounting to \$100,192.88, was distributed. After paying the latter dividend and providing for other expenses, there remained in the profit and loss account \$1,001,068.90, covering net profits for the last half of the year which, as previously stated, was carried to surplus.

COMPARATIVE BALANCE SHEETS DECEMBER 31, 1917-1918-1919.

Schedule 1 shows comparative balance sheets as of the above dates. The comparison proves very interesting and shows the phenomenal growth of the bank during the year. Total resources show an increase of \$77,237,536 over 1918.

COMPARATIVE STATEMENT OF EARNINGS AND EXPENSES FOR YEARS 1917, 1918 AND 1919, AND SINCE ORGANIZATION.

Schedule 2 shows comparative statement of earnings and expenses for the years 1917, 1918 and 1919, and since organization.

DISPOSITION OF INCOME, 1919.

Schedule 3 shows the disposition of income for 1919.

DISCOUNT OPERATIONS

REDISCOUNTS—COMMERCIAL PAPER.

The function of discounting is unquestionably the most important service performed by this bank. The volume of operations in 1919 is shown in schedule 4. The increase over previous years is phenomenal. The response of member banks to the government's financial requirements during the year created very heavy demands upon this institution. A total of 607 banks was accommodated in 1919 as against 548 in 1918. Of this number 71 were from banks which had not previously used our facilities. The heavy demands upon the bank necessitated rediscounting with other Federal Reserve banks in order to maintain required reserves, as mentioned in another section of this report, and it was only after the fall liquidation season started that this condition was reversed. The expansion of the discount operations is the best evidence of appreciation of the service by member banks. It is believed that the criticism of "red tape," which has formerly come to our notice, has, to a very large extent, been overcome.

REDISCOUNTS—GOVERNMENT OBLIGATIONS.

The use of our rediscount facilities for paper secured by liberty and victory bonds and treasury certificates has constituted a large percentage of the total volume of paper handled, as disclosed by the chart showing the movement of the bank's earning assets. The service afforded by the discount of this class of paper has been very popular with member banks and enabled them to secure funds on very short notice. By the use of these advances banks were able to subscribe more freely to the various issues of government war obligations. In fact, the demand for rediscounting of war paper became so heavy, that in order to maintain its required reserves, the bank had to rediscount with other Federal Reserve banks. Such unlimited use of the facilities of this bank by member banks, in order to make possible the freer purchase of certificates, cannot be considered as a good permanent policy. It is a practice subject to abuse and unless carefully watched will defeat the real intent and purpose of the facility.

TRADE ACCEPTANCES.

The use of this class of paper continues negligible in this district, and we regret to say that the progress and increased use of this form of settlement of purchases, instead of the old system of bank accounts, with date of liquidation very uncertain, is rather slow. There is no question as to the merits of the trade acceptance. It provides a negotiable form of paper, acceptable by commercial banks for discount as necessity requires, and is a very attractive method of financing. The increased number of inquiries concerning this form of paper is indicative of growing interest on the subject, and yet the amount of trade acceptances offered us for rediscount is so small as to suggest little headway on the part of merchants and others. We believe the trade acceptance will become more popular in this district, but it will require much time and a program of education along systematic lines. The campaign now undertaken by the American Acceptance Council of New York, as evidenced by the distribution of propaganda in this district from time to time, should, and we feel sure will, stimulate interest in this district.

The volume of trade acceptances rediscounted by this bank during the year is included in Schedule 8.

ACCEPTANCES.

GROWTH OF OPEN MARKET FOR ACCEPTANCES.

Very little has been accomplished in the way of creating an open market for acceptances in this district. Open market transactions of this bank during the year have consisted largely of the purchase, through the Federal Reserve banks of the East, of acceptances of the larger member banks in this district. The demands upon this institution from its member banks have been so active that our entrance into the open market has been at infrequent intervals. Acceptances as a desirable form of credit are becoming more popular with the larger commercial banks, and the increasing demand for the financing of cotton, grain and other important commodities has caused a greater number of the institutions to engage in acceptance credits. Such paper will become more popular and its use further extended with the diminution of war paper, and the consequent release of funds now used for that purpose. For the past few years conditions in the district have not been propitious for an increase of acceptances, and as in the campaign of education for the use of trade acceptances, some propaganda along well defined lines will be necessary to popularize this class of paper. The results will unquestionably justify the effort.

Schedule 10 shows the purchases of acceptances during 1919.

POLICY ON ACCEPTANCE PURCHASES.

This bank's policy in the purchase of acceptances has been to encourage their use, and where conditions warranted, and surplus funds were available, to purchase acceptances in such amounts as the Executive Committee thought desirable. Such purchases have for the most part consisted of acceptances of member banks in this district offered through the open markets of the East. The liquidity of this class of paper makes it a very desirable outlet for investment, and while the establishment of an open market in this district and the broadening of the use of acceptances involve changes in financial methods, which it will take time to develop, there is evidence of increased interest in the same among the banks. Schedule 10 shows the total investment in acceptances, maturity of same and rates at which purchased during 1919.

RESERVE POSITION.

Exhibit B shows the reserve position of the bank during 1919. Fluctuations have been wide. Heavy demands for loans necessitated rediscounting paper in substantial amounts with other Federal Reserve banks in order to maintain the required reserves. Our activities to increase gold holdings were very successful and met with a hearty response on the part of most member, and many non-member banks. This co-operation added to our reserve position, and requirements during the early part of the year were fairly well maintained. As the borrowing season advanced, however, and the normal expansion of credits was augmented by demands for advances against government obligations, our resources became severely taxed and reserves gradually declined. It was thereupon necessary to rediscount with other reserve banks. These rediscounts, aggregating at times as much as \$35,000,000, continued throughout a large part of the year. As cotton and other crops were marketed and fall liquidations realized, the bank's position was greatly strengthened, and during the closing weeks of the year our reserves were very strong; in fact the highest of the twelve reserve banks. Happily the tide has turned, and instead of this bank seeking the assistance of other Federal Reserve Banks to build up depleted reserves, rediscounts in large amounts have been taken from other districts.

MOVEMENT OF MEMBERSHIP.

NATIONAL BANKS.

On January 1, 1919 the total number of national banks in this district was 630, with capital and surplus of \$96,879,000. During the year 25 national banks were granted charters; 12 have withdrawn from the system through liquidation or merger with other banks, making a net increase of 13, or a total on December 31, 1919 of 643.

STATE BANKS.

On January 1, 1919 our total state bank membership was 97, with combined capital and surplus of \$8,548,645. During the year 22 state banks were admitted; 3 consolidated with other institutions; one withdrew from the system, making total withdrawn of 4; a net increase during the year of 18, or a total on December 31, 1919 of 115.

Schedule 16 shows, by states, the number of state bank members on December 31, 1919, together with capital, surplus and total resources, as compiled from the latest figures available.

Schedule 17 shows total membership, national and state, by states, on December 31st.

CHANGES IN CAPITAL OF THE FEDERAL RESERVE BANK OF DALLAS.

On December 31, 1918, the subscribed capital stock of this bank was \$6,308,600 of which \$3,154,300 had been paid in. Schedule 18 is a recapitulation of the capital stock account, for the quarterly periods of 1919, and shows the amount of stock allotted members and amount of stock surrendered. On December 31st, the subscribed capital of the bank was \$6,841,400 and amount paid in \$3,420,700.

RELATIONS WITH NATIONAL BANK MEMBERS.

DISCOUNT OPERATIONS.

The relations existing between the Federal Reserve Bank of Dallas and its national bank members, through discount operations, have continued on the same cordial and friendly basis as existed during past years. As shown by Schedule 19, a total of 4504 offerings for rediscount were received from our national banks during the year 1919, containing 41,211 items aggregating \$102,392,390.47. There continues to be a steady increase in the volume of paper handled, many members having availed themselves of our rediscount facilities during the past year who had not previously done so. A very marked improvement has been shown in the compliance with statutory regulations on the part of all member banks, resulting in our ability to accept approximately 93 per cent. of the paper offered to us as being eligible for rediscount under the terms of the Federal Reserve Act, and the regulations of the Federal Reserve Board. Member bank promissory notes, variously collateraled, were discounted for our national bank members in the number of 11,541, aggregating \$1,020,950,325.25.

Total discount operations for national banks during the year, including rediscount of customer's paper and discount of collateral notes, present an aggregate of \$1,123,342,715.72.

TRUSTEE POWERS.

In 1919 sixteen national banks were granted permission to act in fiduciary capacities. On December 31, 1919, a total of 54 had received such authority as per schedule 20.

After the amendment to the Federal Reserve Act of September 26, 1918, the number of applications for permission to act in fiduciary capacities has increased and renewed interest has been manifested in securing the privileges. The development of the oil fields, and the consequent growth of banking business, has made the performance of trustee powers especially attractive to banks in that vicinity. During the year several banks applied for permission to act in fiduciary capacities, but were not approved on account of criticisms as the result of examination.

BANKS AUTHORIZED TO ACCEPT UP TO 100 PER CENT.

During the year 7 national banks received the approval of the Federal Reserve Board to accept up to 100 per cent of their capital and surplus, making the total so authorized on December 31st 21 as per schedule 21. The necessity for financing cotton and other important crops in this district makes the granting of this authority of especial advantage to the larger banks in this district, and they are better able to meet the increased credit needs of their customers.

RELATIONS WITH STATE BANK MEMBERS.

DISCOUNT OPERATIONS.

While it is perhaps true that the unfavorable conditions existing during the greater part of 1918 caused many state banks to join the system for the sole purpose of obtaining the benefit of the rediscount facilities, the same conditions have not prevailed during the year just closed. However, our state bank members have continued to use this facility freely to meet their legitimate and warranted needs. 787 offerings were received from them, containing 14,400 items, aggregating \$11,122,958.84. Member bank promissory notes, variously collateralized, were discounted for our member state banks in the number of 2009, amounting to \$90,480,470.06.

Total discount operations for our state member banks, including rediscount of customer's paper and discount of member bank promissory notes, present an aggregate of \$101,603,428.90.

EXAMINATIONS.

During the past year this bank has continued its practice of making an independent examination of state banks applying for membership. Twenty-eight examinations of this character have been made during 1919. It has been the custom, where practicable, to have our

examiner participate in at least one examination of state bank members made by the State Banking Department. This plan has not been altogether successful through inability to obtain and conform to the routing of the State Bank examiners. Quite frequently, after advice had been furnished our examination department conditions made it necessary for the state bank examiner to change his route and we therefore missed the joint visitation. Fifty examinations of this character have been made this year. It is hoped that in 1920 better results will be obtained and our examiners enabled to make more headway than has heretofore been the case. The banking commissioners of the states in this district have, without exception, co-operated with our examination department and two copies of reports of examinations made by their examiners are furnished us for the purpose of analysis and record. Our examination department has conducted two independent examinations of state bank members.

RESERVES.

One distinct advantage to state banks becoming members of the Federal Reserve System is the acceptance by the banking departments of the states in this district of the required balances with the Federal Reserve Bank as meeting their full reserve requirements. This of course enables the banks to reduce their reserves, thus increasing their working capital and earnings to the extent of the difference in interest on balances and current lending rate maintaining in vault only such cash as might be necessary to meet their counter requirements. The use of our rediscount facilities assures them of funds on short notice and to meet unusual demands. This has especially appealed to banks in the remote sections of the west and northwest, where distances between towns are great and the risk from burglaries and holdups is hazardous. Local conditions of course govern the extent to which state bank members may benefit by this feature. The maintenance of required reserves has apparently not been very difficult by state bank members after our regulations were understood. Some deficiencies have resulted from inexperience with the workings of our district clearing house, but it has not taken long to set the new members right. With a total state bank membership of 115, (15.2 per cent. of the total members), the reserves required of those institutions constitute a large percentage of member banks' reserves.

CAMPAIGN FOR STATE BANK MEMBERS.

The results of our efforts to increase the number of state bank members in 1919 have proven fairly satisfactory, but were not as pleasing as in 1918. Twenty-two state banks were added in the year, as compared with 87 in 1918. We think the decreased number is partly due to the end of the war and the feeling among state bankers that the reasons which prompted membership, from patriotism and as a response to the Government's especial request, no longer exist. In 1918 many state banks joined the system solely from those motives. The number admitted in 1919 is really not a true index of the interest which has been evidenced by eligible banks. A large number of inquiries for requirements, and advantages of membership, were received throughout the year and the subject has been kept before eligible banks. Several applications were filed and the applying banks examined, but on account of their condition, action on the applications was deferred. This situation obtained principally with banks in the west and northwestern sections where the effects of the drouth were serious. For this reason it was not deemed advisable to conduct a systematic campaign for new members, but instead we followed the practice of presenting the matter by correspondence and personal calls on eligible banks, and special solicitation among state bankers at the various group meetings.

As the community comes to realize more and more that membership in the Federal Reserve System is open only to banks whose condition is sufficiently sound to warrant their admission, it is believed that the value of membership in the System will be more and more appreciated by non-member banks.

The inauguration of the par campaign in the late summer unfortunately engendered considerable ill feeling toward the Federal Reserve System in general and the Federal Reserve Bank of Dallas in particular. It has not been a stimulus to increase State bank memberships. Developments during past months indicate that some banks, which had previously remained out of the system on account of the revenue derived from exchange, would seek affiliation after getting on the par list and participate in all the benefits which the connection insures.

Beginning January 1st an intensive campaign for new members will be started. It is planned to conduct this activity along well defined lines and by the distribution of dignified literature and personal solicitation, reach every eligible bank in the district. It is hoped the results

will place the district farther to the front in the number of state bank members, and instead of ranking fourth of the twelve districts, as it did on December 31, 1919, a record of which we are justly proud, make even a better showing early in 1920.

FISCAL AGENCY OPERATIONS.

PUBLICITY AND SALES ORGANIZATION.

The war loan publicity and sales organization for the first half of the calendar year of 1919 consisted of a central Liberty Loan organization and War Savings organization, under the general supervision of the Governor and Federal Reserve Agent and directly controlled by a Federal District Director, and a separate publicity and sales organization for Treasury certificates of indebtedness also under the general supervision of the Governor and Federal Reserve Agent and directly controlled by a Director of Treasury Certificates Sales.

The central Liberty Loan organization directed the publicity and sales campaign for the Victory Liberty Loan through volunteer Liberty Loan committees in every county of the Eleventh District, headed by a county chairman, who was in nearly every case a representative business man or banker.

It will be noted by reference to Schedule 22 that this district failed by a slight margin to subscribe for its full quota of the Victory Liberty Loan, but this should not be construed to reflect in any way upon the really splendid publicity and sales organization, as at the time of the flotation of the Victory Liberty Loan a large section of this district was still suffering from the effects of a three-years' drouth, and taking into consideration the distressed condition of such a large portion of this district at that time, the sale of more than eighty-seven million dollars of Victory Notes should, perhaps, be regarded as a remarkable performance.

During the first half of 1919 the Treasury Certificates of Indebtedness sales organization naturally encountered the same difficulties, but with the exception of the offering of Treasury certificates of indebtedness in January and February of 1919, this district has liberally oversubscribed its quota for every offering.

At the close of the Victory Liberty Loan campaign, the central Liberty Loan organization was disbanded, but the same Federal District Director remained in control of the War-Savings organization, and the Treasury Certificates of Indebtedness sales organization was

merged into the permanent Fiscal Agency organization of the Federal Reserve Bank, and wherever possible the county chairmen of the Liberty Loan committees have been retained, in a volunteer capacity of course, as county chairman for the Certificates sales organization.

PERMANENT FISCAL AGENCY ORGANIZATION.

It became evident in 1918 that the continuance of the Federal Reserve Banks as Fiscal Agents of the United States would make imperative the creation and maintenance of a fixed and permanent Fiscal Agency Department, and the Federal Reserve Bank of Dallas entered the year 1919 with a well established permanent Fiscal Agency organization, which had been gradually developed from the more or less temporary organization hastily formed during the first and second Liberty Loans. The several activities of the Federal Reserve Bank of Dallas, as Fiscal Agent of the United States, are functioned by separate divisions which handle the different undertakings independently, but are correlated into one general operation under the designation of the "War Loan Department" and in direct control of an Assistant Cashier.

In conducting the Fiscal Agency operations of the United States, the Federal Reserve Bank of Dallas has consistently followed a policy of rigorous economy, but it has always been considered that these operations must be transacted with due regard for safety and with an appreciation of the Federal Reserve Bank's responsibility to the banks and individuals of the district in handling their transactions accurately and with dispatch, and at the close of the year nineteen nineteen, we find that the Fiscal Agency organization has reached a point where these results may be accomplished without apparent effort, but with a certain degree of skill.

CERTIFICATES OF INDEBTEDNESS.

The Treasury Certificates of Indebtedness Division of the Fiscal Agency Organization of the Federal Reserve Bank of Dallas, in addition to handling the details incident to receiving subscriptions, payments and the issuance of the certificates, also conducts the sales campaign for Treasury certificates of indebtedness along definitely conceived lines, and, by following a practice of acting as a clearing house for the purchase and re-sale of all outstanding issues of certificates, has succeeded in giving all of the recent issues a wide distribution among actual investors.

It is significant that the sales for new offerings of Treasury certificates of indebtedness increase in relative proportion to the amount of certificates of previous issues which have been purchased from original subscribers and re-sold to banks or individuals, who can carry them to maturity without using the discount facilities of the Federal Reserve Bank. Of the total amount \$262,019,500 Treasury certificates subscribed for in the Eleventh Federal Reserve District during 1919, more than \$70,000,000 were re-purchased from the original subscribers and re-sold, the Federal Reserve Bank of Dallas acting merely as a clearing house between the seller and the buyer. This does not take into account the sales of Treasury certificates of indebtedness made by banks out of their original subscriptions to their own customers, as the Federal Reserve Bank has no record of these transactions, but inquiry among a number of the large banking institutions indicates that the amount of such transactions will run into large figures.

The Federal Reserve Bank of Dallas has encouraged and urged the banking institutions to follow this practice by pointing out the opportunity for profit which the banking institutions may obtain by making payment for certificate subscriptions by credit in War Loan deposit account, and later selling all or part of their holdings to their customers to meet the legitimate investment demand which occurs from time to time.

WAR-SAVINGS SECURITIES.

Reference to Schedule 24, detailing the sales of war-savings securities, indicates that the sales of these securities through the Federal Reserve Bank of Dallas during the calendar year of 1919 were comparatively light, and the gross amount of sales will not compare favorably with the record of the Eleventh Federal Reserve District for 1918. It is probable, however, that a larger proportionate amount of the war-savings securities sold in 1919 will be retained by the purchasers until maturity than was the case for the war-savings securities sold in 1918, as while the sales of this class of securities in 1918 were large in amount, a major portion of the securities were placed under an impulse created to a considerable extent through strong patriotic appeal, whereas in 1919 purchases were made on a basis of thrift or to fulfill an actual and legitimate demand for the small investor.

The war-savings sales organization has found it very difficult to interest the banking institutions in the Eleventh Federal Reserve Dis-

strict in handling war-savings securities, and find that many of the banks object to qualifying or acting as agents for the sale of these securities on account of the trouble and expense to themselves incident to the necessary accounting details, which they characterize as "red tape" and this prejudice has become so well-founded that the sales organization has not been successful in overcoming it to any degree.

CONVERSION, EXCHANGES, INTERCHANGES AND
TRANSFERS OF LIBERTY LOAN BONDS.

Schedule No. 26 is an analysis, in brief and concise form, of the total amount of Liberty Loan bonds functioned either primarily or to conclusion for conversion, exchange, interchange or transfer by the Federal Reserve Bank of Dallas as Fiscal Agent of the United States.

In handling exchanges and transfers of Liberty Loan Bonds where change of ownership of the securities was involved, the Federal Reserve Bank of Dallas found it necessary to educate and qualify several clerks along technical lines in order that banks and individual bond holders could be rendered the fullest service, and delays in exchange or transfers avoided by careful examination of such assignments and supporting documents as would be required by the Treasury Department.

NOTE ISSUES.

FEDERAL RESERVE NOTES.

The elasticity of the Federal reserve note as circulating currency has been clearly demonstrated in this district during the past twelve months. Schedule 29 shows the amount of notes outstanding in 1919 as compared with 1918. Attention is directed to the large expansion.

Due to the high cost of commodities, especially the advanced prices of farm products and the increased wage scale, it has been necessary to issue Federal reserve notes in large amounts beginning early in the year and continuing into the winter months. This was partly due to the late marketing of cotton, much of the crop of 1918 not moving until the early months of 1919. The highest point reached was on December 31, 1919, when the total outstanding was \$78,644,065, an increase of \$15,109,455 over the maximum in 1918. Notes of the larger denominations have been in heavy demand throughout the year. We attribute this to the abnormal increase of currency in circulation, on account of high prices and the necessity of providing banks in oil

centers with funds in large amounts for financing customers engaged in that industry. The shipment of currency to the State Tax Department at Austin against withdrawal from state depositories has also contributed to the large issue of notes. The exchange of Federal reserve notes for gold has not been heavy. During the year notes aggregating \$4,040,000 were delivered by the Comptroller direct to the United States Treasurer against debits here in the Treasurer's general account.

FEDERAL RESERVE BANK NOTES.

During 1919, this bank increased its Federal reserve bank notes circulation \$5,125,000, making the total Federal reserve bank note circulation of this bank \$11,032,400. Practically all of the increased circulation consisted of notes in denominations of one and two dollars, which amount, together with approximately \$1,200,000 in new currency, received on account of notes unfit for further circulation redeemed and destroyed by the Treasury Department, was shipped to member banks in this district.

The real purpose of the amendment to the Federal Reserve Act, permitting the issuance of Federal reserve bank notes in smaller denominations, was to provide necessary circulating medium brought about by the withdrawal of silver certificates in similar denominations, to provide silver for commercial use, subsidiary coinage, and to permit the settlement in silver of adverse trade balances to the United States.

In May 1918, all banks in this district were circularized and requested to ship their supply of silver certificates to this bank. The banks responded most admirably to this call, resulting in the withdrawal from circulation of practically all silver certificates in this district at that time. Therefore, a large percentage of circulating notes, in denominations of one and two dollars, now consist of the Federal reserve bank note issue.

The Federal Reserve Banks are not now permitted to increase their Federal reserve bank note circulation in notes of one and two dollars, by reason of the fact that the amount now issued is equal to the amount of standard silver dollars broken up and melted and sold as

bullion.

POSITION OF COMMERCIAL BANKS AS A RESULT OF
WAR FINANCING.

INCREASE OF THEIR OBLIGATIONS.

Schedule 35 shows the condition of national banks in the district on the dates of the Comptroller's first five calls in 1919.

The opening of 1919 found commercial banks in this district with a considerable investment in government war obligations, either for their own account or in the form of advances to customers against notes secured by bonds and certificates. With a good percentage of their assets so invested the banks were compelled to increase their obligations to care for the demands of their customers in ordinary channels of trade. Costs of conducting all lines of business and industrial and agricultural activity gradually mounted to such heights that the banks as a rule were forced to revise and increase credit lines and seek accommodations in unusual amounts. The successful flotation of the Victory Loan made for further demands on commercial banks. They responded generously, as in the previous issues, but were forced to seek the facilities of this bank to do their full part. We especially encouraged the payment for the bonds by credit and urged the purchase of treasury certificates to facilitate meeting installment payments. Those banks in the extreme western and southwestern portions of the district, just emerging from the effects of a protracted drouth, found the task of responding to the Government's financial program most difficult. They did not shirk the responsibility, however, but responded in a degree of patriotism that was indeed commendable, although to do so they had to increase their own obligations.

EFFECT ON COMMERCIAL PAPER OF DISTRICT.

As in 1918 the purchase of commercial paper by the banks of this district in the past year has not been heavy until within recent months, which was due to the abnormal demands from regular customers and the necessity of using surplus funds in the purchase of government obligations. The yield from the latter, while not as attractive as that from commercial paper, is a more convenient investment and in case of necessity is immediately available for rediscount. As the fall season approached the market for commercial paper became better and there was considerable demand for the same. In normal periods banks in this section buy outside paper in large amounts and find the same a convenient form of investing surplus funds. For the past two

or three years, however, commercial paper has been subordinated to government obligations and purchases of the former have been lighter than in ordinary periods.

RELATION TO AND EFFECT ON GENERAL BUSINESS.

It is not believed that the participation of commercial banks in war financing has materially affected their ability to care for regular customers or meet the legitimate requirements of trade and commerce. We have not observed any curtailment of imperatively needed credit on this account. This is partly attributed to the new capital attracted to this district by the oil industry and the extraordinary prices which have prevailed for farm products. Both influences have caused a large increase in the cash resources of banks and notwithstanding the conditions referred to have also created demands for increased credits. We think all lines of industry have received sufficient credit to meet requirements. The facilities of this bank have had a helpful influence in this situation. It has been the policy of this institution to encourage member banks in the purchase of government obligations, at the same time it has not urged such participation to the extent of unduly restricting assistance to the member banks' customers.

POLICY TO BE PURSUED IN RESTORING LIQUIDITY OF BANKS.

PROBABLE TIME IN WHICH THEY CAN CLEAR UP THEIR "WAR PAPER."

In the report of this bank for 1918 under this general subject, the statement was made that it would probably require a year for the banks in this district to eliminate their war paper. Considerable progress has been made in this direction and further headway is anticipated within the first few months of 1920. The sale of the victory bonds made necessary a further extension of time and any statement of when such paper would be entirely eliminated would be a mere prophecy. The recent policy of the Federal Reserve Board to insist upon the payment of subscriptions to government obligations, by the public, or be prepared for an increase in interest rates, will unquestionably be a stimulus and cause commercial banks to adopt a more restrictive policy in making advances on government paper. Unfortunately as in other districts, when the war ended the practice or habit of saving and policies of thrift, which were so commendable in the days of the conflict, also ended and instead of holding bonds and meeting installments out of savings, many purchasers have sold them, or borrowed on the securities for indefinite periods.

POLICY OF FEDERAL BANK TOWARD THEM MEANWHILE.

This bank will continue its policy of assisting its member banks to carry government obligations, and encourage subscriptions to treasury certificates. At the same time it will follow the lead of the Federal Reserve Board in insisting upon liquidation and will not sanction inflation or credit expansion. The management desires to extend every legitimate facility to member banks, but will insist that the condition of each bank should govern its policy.

It is not deemed good business or sound banking to have the resources of this bank unduly taxed and, as was necessary in 1919, rediscount with other Federal Reserve banks to maintain required reserves. "The war is over," and it is time for a general absorption of "war paper."

OPERATIONS OF EL PASO BRANCH.

The activities of the El Paso Branch for the year ending December 31, 1919, show that its facilities are being used more extensively from month to month, and, consequently, that its field of usefulness and service is much larger than at the beginning of the year. The volume of transactions handled in all departments has steadily increased, and its facilities are thoroughly appreciated by the banks which it serves.

On January 1, 1919 66 member banks were attached to the El Paso Branch. During the year Val Verde County, in which 2 member banks were located, was transferred to the head office in Dallas. Another bank was lost through consolidation with a member bank. To offset this loss, 2 new members were obtained through conversion of non-member state banks into national banks, and another through the organization of a national bank, leaving the El Paso Branch with the same number of member banks at the close of the year as at the beginning. The total resources of the 62 member banks attached to the El Paso Branch on January 1 amounted to \$69,286,436.19, while at the close of the year, based on figures obtained from reports of conditions dated November 17, the total resources amounted to \$78,193,676.99.

At the beginning of the year the total loans of the Branch amounted to \$3,604,756.72, gradually increasing until June 30, when they reached \$10,638,810.75. Since that time the loans have gradually decreased,

until, on December 31, they amounted to only \$3,194,356.32. During the year 56 of the 66 member banks were served by the re-discounting of paper amounting to \$99,093,690.55. The total amount of paper discounted and rediscounted by months is given below:

January	\$ 4,032,953.39	July	\$13,100,289.23
February	4,975,286.39	August	11,225,027.30
March	8,834,526.73	September	5,694,776.17
April	9,676,451.61	October	4,642,178.37
May	14,594,563.77	November	3,787,319.37
June	15,105,249.23	December	3,425,068.94

The increase in loans was largely by member banks purchasing certificates and paying for Liberty Loan bonds, rather than a normal seasonal demand for accommodations. The decrease in loans after reaching their peak was not wholly the result of seasonal liquidation, but the retirement of Treasury certificates. During the year the severe drouth which affected large portions of the El Paso Branch territory for the two previous years was broken and reports from all sections are that the ranges are in excellent condition, due to a good season, and that livestock generally are in splendid shape. As the cattle industry is one of the largest and most important in this territory such a state of affairs is very gratifying, and those engaged in livestock raising expect 1920 to be the best year they have ever known.

The use of bill of lading drafts by member banks in assisting in the distribution and marketing of commodities has increased to a large extent. Such drafts, amounting to \$1,014,329.02, have been discounted for members, divided as follows, according to commodities affected:

Hay	\$593,473.66	Nuts	\$ 4,805.60
Meal	192,399.80	Oxide	2,620.50
Beans	191,977.34	Barley	1,399.72
Seed	14,239.98	Apples	562.50
Tomatoes	12,744.92	Honey	105.00

During the year ending December 31, 1919, the district clearing house handled 2,229,369 checks, aggregating \$465,540,902.14. The total number handled during December was 253,721, or an increase of more than 90,000 over the number handled during January, 1919. The total amount of items handled has also rapidly increased, the items handled during January, 1919 amounting to \$31,646,505.54, while the items handled during December, 1919 amounted to approximately \$53,000,000, an increase of nearly \$21,500,000 in the amount

handled during December over that handled during January, 1919. The average number of items handled daily last January was 6,548, while the average number handled daily during December was 9,758, an increase of nearly 50 per cent.

From 50 to 75 per cent. of the number and amount of checks received for collection are forwarded to the El Paso Branch by its own member banks, the remainder of the items coming from other Federal Reserve banks. This shows that members are using the collection facilities to a large extent. Because of their unfamiliarity with the district clearing house operations a large number of member banks continue to send their miscellaneous checks direct to correspondents, and the correspondents in turn deliver the checks to the Branch for collection. While about 50 per cent. of the member banks attached to the Branch are not directly using the collection facilities, they are using such facilities indirectly.

During the months of September and October a campaign for additional par points was inaugurated, during which time all but four banks in the El Paso territory agreed to remit at par for checks forwarded to them. Items on the four banks mentioned were collected through the express company for a short time, but are now being collected through a bonded agent.

Mail transfers (or exchange on correspondent banks) amounting to \$9,514,660.01 were purchased from member banks during the year.

A large supply of currency and coin, in suitable denominations, is carried to promptly meet the needs of members, and the shipping facilities for money have been very freely utilized. Banks which heretofore carried large amounts in their own vaults, because of the great distance from large money distributing centers, now find it necessary to carry an amount only sufficient to meet their daily needs.

During the year the cash department received money shipments amounting to \$13,990,014.01, classified as follows:

Currency	\$10,018,107.00
Gold certificates	152,750.00
Gold coin	2,248,060.00
Silver coin	1,510,585.50
Nickels and cents.....	61,510.51

And made shipments of money aggregating \$12,977,397.47, classified as follows:

Currency	\$ 8,821,905.00
Gold certificates	156,100.00
Gold coin	2,534,190.00
Silver coin	1,407,481.00
Nickels and cents.....	57,721.47

Most of the banks in the El Paso territory have willingly co-operated with the branch in its efforts to concentrate gold in its own vaults, but El Paso being on the border and so close to a number of other border towns whose business with Mexico is quite extensive, very large demands for gold to be used in paying duties, Mexican taxes, etc., are made upon the Branch. In further explanation of the large amount of gold coin and gold certificates shipped during the year, it should be stated that \$264,600 was shipped to the head office and to the Treasurer of the United States.

During the year securities amounting to \$8,046,589.67 were deposited in the trust department, and securities amounting to \$7,314,660.24 were withdrawn. A large number of small country banks prefer to deposit Liberty loan bonds and other securities with the El Paso Branch for safe keeping, rather than carry them in their own vaults, on account of the greater protection afforded.

The gross earnings for 1919 amounted to \$302,263.35. Total expenses amounted to \$100,093.20, showing a net profit of \$202,170.15 for the year.

The average monthly gross earnings, expenses and net earnings for the year are shown below:

Average monthly gross earnings for 1919.....	\$25,188.61
Average monthly expenses for 1919.....	8,341.10
<hr/>	
Average monthly net earnings for 1919.....	\$16,847.51

The quarters occupied by the El Paso Branch are wholly inadequate for its present needs. A lot 52 x 120 feet was purchased during the month of May, and a two-story reinforced concrete building is now being constructed for the exclusive use of the Branch.

At the beginning of the year, the force employed numbered thirty-four. As the facilities were more extensively used, with the resultant increase in the volume of work handled, the force was increased, until, at the close of the year, it numbered 41, including officers.

At the January, 1919, meeting of the Board of Directors of the head office M. Crump was elected Cashier of the Branch, succeeding

J. M. Proctor, resigned. In May the Board of Directors of the head office elected R. R. Gilbert a director of the El Paso Branch and designated him as Manager, to succeed Sam R. Lawder, who was transferred to the Houston Branch as Manager.

There has been no other change in the personnel of the directors of the Branch, the gentlemen originally appointed by the Federal Reserve Board and those elected by the head office serving during the entire year.

J. H. Niendorff, formerly Auditor of the Fiscal Agency Department of the head office, was appointed Assistant Federal Reserve Agent and Auditor of the Branch, to succeed Paul S. Miller, who was, on July 1, transferred to the Houston Branch.

OPERATIONS OF HOUSTON BRANCH.

The opening of the Houston Branch on August 4th came as the fulfillment of a need that had long been experienced by the banks of South Texas. Because of the loss of time by transportation both difficulty and inconvenience have attended their borrowing and clearing operations, also currency shipments.

A portion of the first floor of the Herman Building was selected as quarters for the Branch; however, on account of the rapid growth and expansion, after the first few months it was seen that additional space was required and arrangements were made with the Peoples State Bank for the use of a part of their building. Arrangements were also made for additional space on the second floor of the Hermann Building, to be available about the middle of 1920.

The territory assigned to the Houston Branch contains 101 member banks and is comprised of 52 counties as follows:

Anderson	Colorado	Jefferson	Orange
Angelina	DeWitt	Jim Wells	Polk
Aransas	Fayette	Karnes	Refugio
Austin	Fort Bend	Kleberg	San Jacinto
Bastrop	Galveston	Lavaca	San Patricio
Bee	Goliad	Lee	Trinity
Brazoria	Gonzales	Liberty	Tyler
Brazos	Grimes	Live Oak	Waller
Burleson	Hardin	Madison	Victoria
Caldwell	Harris	Matagorda	Washington
Calhoun	Hidalgo	Montgomery	Willacy
Cameron	Houston	Nacogdoches	Walker
Chambers	Jackson	Newton	Wharton
Cherokee	Jasper	Nueces	

The principal cities in the territory are:

Beaumont	Cuero	Nacogdoches	Victoria
Brenham	Galveston	Navasota	Yoakum
Brownsville	Gonzales	Orange	
Bryan	Houston	Palestine	
Corpus Christi	Jacksonville	Port Arthur	

The Board of Directors originally consisted of five members, as follows: Messrs. J. A. Pondrom, Frank Andrews, J. C. Chidsey, J. J. Davis and Sam R. Lawder, Chairman. Upon Mr. Pondrom's resignation in November Mr. Guy M. Bryan was elected to fill the vacancy. The Executive Committee is composed of the Manager and two other directors.

The staff of officers elected for the administration of the Branch was Sam R. Lawder, Manager; E. F. Gossett, Cashier, and Paul S. Miller, Assistant Federal Reserve Agent and Auditor. At the opening the number of employees, including the officers, was 45. At the close of the year there were 62.

Because of the proximity of the Branch the member banks have more easily availed themselves of the facilities of the Federal Reserve System, and to a much greater extent than heretofore. The paragraphs below show the operations of each department for the five months of 1919 in which the Branch operated.

DISTRICT CLEARING HOUSE.

This department during August handled 205,542 items, aggregating \$111,033,100, a daily average of 8,564, as compared with 438,436 in December, totaling \$219,518,725, a daily average of 16,863. This represents an increase of 111 per cent. in the number, and an increase of 100 per cent. in amount. That this enormous increase was handled with an increase of only 26 per cent. in the number of employees is worthy of note.

The concentration of all miscellaneous checks and the sending of such items to the Federal Reserve Bank has added to the profits of many banks in dollars and cents, for the reason that it obviates the necessity of their paying discount on exchange, the creation of which hinges upon the sending of miscellaneous checks to correspondent banks at distant points. Most banks have seen the advantage in accumulating all of their funds daily, at the Federal Reserve Bank, from which they may make their necessary payments at the least expense, after which they may daily transfer excess balances to an interest bearing account, without cost.

The rate of discount on mail transfers bought by the Federal Reserve Bank is higher than the rates on other paper. The use of this facility will naturally be reduced to the minimum on that account.

It is hoped that all banks will recognize the economic value of direct sendings to the Federal Reserve Bank, instead of to their correspondents in the larger cities, and in that way avoid the duplication of handling and effect quicker collection, reducing overhead, cost in equipment, stationery and postage, and clerical expense. Such a practice would also distribute the burden of covering items handled by the Federal Reserve Bank on members more equally than if such items are handled through the banks in the large cities, and would allow country banks to transfer clean balances to such correspondents as they might choose, thereby making their accounts more valuable to such correspondents. Under this practice each bank would stand on its own bottom and collect the checks which are deposited over its own counter by its customers. This distribution more nearly meets the purposes of the Federal Reserve Act, the delay having been due to the unfamiliarity by officers of banks.

Special attention has been given to the campaign for the placing of non-member banks on the par list. On August 4th, 60 non-member banks in this district were parring items sent them by the Federal Reserve Bank for collection, while on December 31st, 1919, that number had been increased to include all banks within the Houston District. All member banks in the Eleventh District now have the advantage of clearing through the Federal Reserve Bank at par all checks on other banks in the Eleventh District, as well as practically all checks drawn on every bank in the United States.

A plan is being worked out at the present time which will also give this facility to non-member banks at the minimum trouble and expense.

A branch of the reserve city clearing house was established at the time of opening and has been very beneficial to the reserve city clearing house members. The seven members find this a convenient medium for the collection of their items which are drawn on other members. During the period from August 4th to December 31st, 1919, there were cleared through the R. C. H., on the member banks in this city, items totaling \$201,521,343.85.

CASH DEPARTMENT.

The cash department has received 547 shipments of currency and coin to a total amount of \$8,210,840.70, while outgoing shipments number 1,587, amounting to \$14,945,675.

Domestic transfers bought have been handled in the total amount of \$102,090,246.85, while transfers sold aggregate \$37,011,529. For the month of August transfers bought amounted to \$11,665,276, which, when compared to the total for December of \$24,871,235, shows an increase of over 100 per cent. Transfers sold during August amounted to \$2,545,525, against \$12,064,295 in December, an increase of nearly 500 per cent. This department handles all interest coupons redeemed, and also Government warrants cashed.

LOAN AND DISCOUNT DEPARTMENT.

Since the opening of the Branch 57 banks have availed themselves of the discounting facilities offered by this institution. The total amount of paper discounted for these banks aggregated \$95,602,781.68, the total for August being \$12,942,707.09, and for December \$22,791,995.40. Approximately 75 per cent. of the amount of paper rediscounted was issued for commercial purposes, 20 per cent. was based on livestock and 5 per cent. on agriculture.

CREDIT DEPARTMENT.

The credit department is concerned primarily with the rediscount offerings. Its operations cover the examination of the notes submitted for technical defects, ineligibilities and credit risk. All offerings are carefully analyzed, both as to condition of the bank offering and makers of paper submitted, and the information placed before the Executive Committee. During the period of operation in 1919 this department examined 1,355 notes aggregating \$95,602,781.68.

Copies of reports of condition and examiner's reports for all member banks are filed in the credit department, as are reports of net earnings and dividends paid. The files also contain financial statements furnished by the banks in connection with rediscount offerings.

From an earning standpoint the operations of this branch have been very satisfactory. After the first five months of operation the gross earnings amounted to \$244,824.42, against expenses of \$121,663.30, which includes equipment purchased, leaving a net profit of \$123,-

MISCELLANEOUS.

INTERNAL ORGANIZATION.

During the year there have been eleven meetings of our Board of Directors. Each session was well attended and the affairs of the bank have received the closest attention of the board. Opportunity is afforded at these meetings for a full and frank discussion of all phases of the bank's business and while the members have not always agreed on matters of policy, and have not been slow to express their opinions, they have, nevertheless, displayed a commendable spirit of interest in the bank and zealously interested themselves in its affairs.

The personnel of the Board in 1919 has not been changed. The terms of B. A. McKinney, class A director and Marion Sansom, class B director, representing banks in groups 3 and 1, respectively, expired on December 31, 1919. In accordance with law an election was conducted for the selection of their successors. The polls opened November 18th and closed December 2nd. Messrs. McKinney and Sansom, the only nominees of their respective groups, were re-elected for the three year term beginning January 1st, 1920. As in the past, little interest was taken in the election and of the banks entitled to vote, a very small number participated.

The term of H. O. Wooten, class C director, expired December 31, 1919. On December 19th Mr. Wooten was reappointed by the Federal Reserve Board to serve for the three year term beginning January 1st, 1920. On the same date W. F. Ramsey was re-designated Chairman of the Board and Federal Reserve Agent for 1920. On December 24th W. B. Newsome was re-designated Deputy Chairman of the Board for 1920. In the absence of the Chairman the Deputy Chairman has, upon the former's written request, acted as a member of the Executive Committee.

The Executive Committee meets daily to consider offerings for re-discount and other important matters. In accordance with the by-laws the third member of the committee in addition to the Governor, and Chairman of the Board, has been chosen from the Board of Directors and served for ninety day periods. It has not been possible for the member of the committee selected from the board to regularly attend the meetings.

Following the action of the Board of Directors, at its December meeting, the by-laws were amended to provide for an Executive Committee of five, consisting of the Governor, Chairman and three mem-

bers selected by the Board. The committee will meet regularly on the second and fourth Thursdays of the month.

The officers of the bank held informal meetings daily from 9:30 to 10:00 A. M., to discuss matters of policy, interchange views on operation and in general consider important matters which develop.

At the January meeting Deputy Governor J. W. Hoopes, tendered his resignation to accept a Vice Presidency of the South Texas Commercial National Bank of Houston. The position of deputy governor was thereupon consolidated with that of cashier and Lynn P. Talley elected to the dual office.

Mr. Hoopes also held the position of Secretary of the Bank. Chas. C. Hall, Assistant Federal Reserve Agent, was elected to this position. At the January meeting Dr. E. P. Wilmot was re-elected a member of the Federal Advisory Council for 1919. Dr. Wilmot has attended all the sessions of the council and upon his return made a detailed report of the proceedings to the Board of Directors.

Upon approval of the Federal Reserve Board of the establishment of the branch at Houston, Sam R. Lawder, Manager of the El Paso Branch, was at the meeting of our board on May 6th, elected as Manager at Houston. At the same meeting, R. R. Gilbert, Assistant Cashier, was elected to succeed Mr. Lawder, and D. P. Reordan, who for several months had been acting as Assistant Manager of the War Loan Department, was elected Assistant Cashier, succeeding Mr. Gilbert.

At the May meeting C. B. Teagarden was elected Assistant General Auditor.

Upon the establishment of the Houston Branch, Paul S. Miller, Assistant Federal Reserve Agent and Auditor of the El Paso Branch, was transferred to Houston and J. H. Niendorff, previously on the staff of the Auditing Department at the head office, in charge of war loan auditing, was selected to fill Mr. Miller's place at El Paso.

The Federal Reserve Agent's Department has been enlarged during the year by the addition of a division of statistics and reports. W. J. Evans is in charge of this work.

Throughout the year the bank has been confronted with employment problems and the maintenance of an efficient organization has, at times, been more or less difficult. The heavy growth in operations made necessary the reorganization of various departments, creation of new divisions, additions to the force and substantial increases in the salary account. On account of crowded quarters working conditions have been very unsatisfactory and as the work expanded, it became

necessary to seek new quarters and locations for various departments. This has been a serious problem on account of the shortage of office space and buildings. Competition for capable employees has been keen and trained men, qualified for bank work, have been scarce. It was not an infrequent occurrence to engage an employee at an amount higher, probably, than the position previously paid and prior to reporting the party would advise that he had received a more attractive offer from other sources and would not be interested. To meet this competition and maintain the organization intact, as far as possible, the management in the fall months, with the approval of the Federal Reserve Board, announced the payment of a bonus on December 31st, based on the amount of yearly salary. This bonus was at the rate of 20 per cent. on salaries up to and including \$1500; 15 per cent. above \$1,500 and including \$3,000; 10 per cent. above \$3,000. The total distributed was \$91,850.72. This payment was in the form of a salary adjustment and to meet the abnormal cost of living.

Schedule 36 shows, by departments, the number of employees in the bank and branches on December 31, 1919 and the previous four years. A part of the net increase of 102 over 1918 is attributed to the Houston Branch and the unusual growth in the banking and transit departments. Decreased activities in the War Loan Department permitted a substantial reduction in the number of employees there.

With the approval of the Federal Reserve Board the Board of Directors early in the year voted an appropriation for welfare work among the employees. The organization of a Federal Reserve Club has been perfected, for the purpose of educational, social and athletic diversions. It is gratifying to report that results thus far fully justify the appropriation. The club has an enthusiastic membership of 325. Its activities have been sub-divided and each is under the supervision of a chairman. Educational work is the principal object, and lectures are held at stated periods. A course of study dealing with Federal Reserve and commercial banking problems is followed. Social affairs are also a feature, and athletics especially encouraged.

CLEARINGS.

There has been a very decided increase in the number and amount of checks handled in the district clearing house in 1919, which was due to the fact that member banks have taken more advantage of the facilities offered by the clearing system, and also, to the intensive campaign which has been waged in the district since August, 1919. The number of checks handled from January 16, 1919, to February 16,

1919, was 719,888, amounting to \$272,064,037.96, while the number of items handled from November 16, 1919, to December 15, 1919, was 1,515,056, amounting to \$502,911,328.61. With the names of all the banks in the entire Eleventh District now appearing on the Federal Reserve par list it is an opportune time to begin a campaign for new member State banks in this district as the facilities offered by the check collection system and the other advantages of membership in the Federal Reserve System are now more apparent to the non-member.

During 1919 the bank continued the operations of its collection system along the lines of a clearing house, receiving from all of its member banks checks on all member banks in the entire Federal Reserve System and those non-members appearing upon the par list. Immediate credit was thus given to the member bank in the district clearing house for all such items received from it, but this credit was only immediately available against items sent to such member banks on the same day, the resultant debit or credit balance being entered into the reserve account of that member bank only when sufficient time had elapsed for advice of payment.

There are many advantages accruing to member banks which effect collection of their miscellaneous checks thru the Federal Reserve Bank. The proceeds from these collections when credited to their reserve account in accordance with the existing deferred time schedule offset a like amount of miscellaneous items received from other remitting banks and Federal Reserve Banks, drawn on that bank and forwarded there for collection, thereby reducing the amount of Dallas or other Federal reserve city exchange they were obliged to sell to rebuild their reserve. In numerous cases the sendings from banks largely exceeded remittances to them, creating a net surplus in their reserve account which being subject to draft or transfer by wire, without cost, to other correspondents where the funds would draw interest from date of transfer, opened up a new possibility to such remitting banks. The Federal Reserve Bank of Dallas has also paid transportation charges, including insurance, on currency shipments to member banks, where they desired to have this surplus reserve transferred to them in currency or silver, to meet local requirements, as well as transportation charges, including insurance, on shipments to it in payment of adverse balances received.

Innumerable member banks were doubtless relieved of the necessity of rediscounting paper with the Federal Reserve Bank and paying the rediscount rate prevailing at that time, by the steady stream

of funds they kept pouring into their reserve account at no expense to them, by allowing the Federal Reserve Bank to effect collection of their miscellaneous checks and drafts for them at par.

This system has also eliminated to a certain extent concentration of items in the reserve city banks, where deduction is made from their interest account covering the time outstanding, as by forwarding to this bank quicker collection and presentation of the items is obtained, and any excess balance created is available for immediate transfer to their correspondent, and will draw interest immediately without deduction.

This method is quite different from the old time method of country banks forwarding all checks to the reserve city banks and making transfers from the latter to the Federal Reserve Bank to restore reserves, as by encouraging them to forward here all items, transferring the excess balances to the reserve city banks, when desired, the delay which has occurred from the time the items are received by the reserve city bank and forwarded to the Federal Reserve Bank, (as practically all of these items are in turn forwarded by the reserve city bank to the Federal Reserve Bank for collection) has been eliminated, as well as the double handling of the items in the reserve cities.

EFFECT UPON RESERVES.

In allowing member banks sufficient time to make a deposit to their reserve account before charges covering letters to them are made, their reserve accounts have not been materially affected. The banks of this district have become thoroughly familiar with this system. Delays in mails cause quite a number of reserve deficiencies, but where it is found that the deficiency is due to mail delay and not to lack of diligence on the part of the member bank, an adjustment in their reserve account offsetting such delay is made.

During the year a number of penalties have been assessed for reserve deficiencies, and there have been occasional overdrafts, yet the aggregate reserve has been well maintained.

IMMEDIATE CREDIT ENTRY.

It would be very inconvenient for the majority of the member banks to make settlement of their district clearing house debit balances were it not for the facility afforded of immediate credit on checks and drafts other than those drawn on banks in the Federal reserve city. In addition to drafts on Dallas, member banks may remit for im-

mediate credit account drafts on banks of other Federal reserve cities, and points on which other Federal Reserve banks will allow us immediate credit.

The reserve city clearing house also provides a convenient facility for country banks and has proven of much assistance to them in making quick settlement of their district clearing house balances. The reserve city clearing house is operated for and at the expense of those reserve city banks located within the district and participate in the clearings.

It was evident that before the adoption of the reserve city clearing house a member bank which carried its account with a Dallas bank would be able to restore its reserve quicker by giving the Federal Reserve Bank a draft on a Dallas correspondent, which could be collected the same day that it was received, than by giving a draft on its Fort Worth, San Antonio, Waco or Shreveport correspondent, which could not be collected the same day received, and therefore a deferred credit given. With the establishment of the reserve city clearing house, when the member bank obtains permission from its reserve city correspondent which participates in the clearings to stamp across the face of its draft "Charge (name of bank) in Reserve City Clearing House" its draft is then subject to immediate credit upon receipt by the Federal Reserve Bank of Dallas or its Houston Branch, before clearing hours.

These drafts when properly stamped and drawn on a member of the reserve city clearing house are cleared daily against the same class of items that are received from that member of the reserve city clearing house, and the resultant balance entered against its reserve account, with advice by wire of the amount of the balance.

In this manner immediate collection of the check is effected, and the member banks receive the advantage of immediate credit to their reserve account. All members of the reserve city clearing house are situated so that mail dispatched for Dallas will be received by the Federal Reserve Bank in time for clearings at 11:30 A. M. This permits advice of balances by 12:00 M., and gives the members three hours to prepare their reserves to meet the charges.

The operations of the reserve city clearing house, in addition to saving its members one day's time in the collection of checks received drawn on other members, obviates the necessity of handling a great number of miscellaneous items by this bank.

PAR CAMPAIGN.

During the earlier part of the year 1919, the Federal Reserve Bank of Dallas continued its solicitation of par points by correspondence, with the result that from January 1st to August 1st 78 additions were made to the par list. On the first of August, however, an intensive par campaign was started, not only through correspondence, but by personal calls by representatives of the Federal Reserve Bank, with the result that from August 1st to December 31st there were 914 additions to the par list, which completed the entire Eleventh District, which now shows as all par. Total net additions during the year 1919 were 992, as against a total of 238 non-members that were on the par list January 1, 1919.

The cost for that addition to date, from August 1st, when the intensive campaign was started, was \$15.56 for each point added.

COLLECTIONS.

On January 1st, 1918, under the authority of the Federal Reserve Board, the Federal Reserve Bank of Dallas established a collection department for handling all forms of collections, and during that year handled for member banks and other Federal Reserve Banks a total of 4,962 collection items, or a monthly average of 413.

During 1919 we show an increase to 8,200, or a monthly average of 687. All items handled through this department are sent to banks in the city where payable, and the collecting banks are requested to remit in Dallas exchange, except in cases where the items are payable in other Federal Reserve Districts, as then the collections are forwarded to the Federal Reserve bank in that particular district for presentation and credit to our account under advice. Banks of this district have not availed themselves of this facility to the fullest extent. The majority of the present collections are received from other Federal Reserve Banks or their branches, but the growth above indicated would seem to presage a more extensive use of this service.

MISCELLANEOUS.

BANKING QUARTERS—NEW BUILDING.

In a preceding paragraph mention is made of the crowded condition of the present banking quarters and the inadequacy of the building now occupied for the proper handling of the bank's business. Every department of the institution has outgrown its space and working conditions throughout the year have not been conducive to

efficiency. It has been necessary to procure additional room for various departments, principally the cash, trust and purchasing divisions, which was accomplished by leasing the building adjoining the bank proper. This has afforded some relief.

Early in the year the Executive Committee, with the approval of the Federal Reserve Board, began to put in more definite shape the plans for a new building on the lot purchased by the bank in 1918. After drawings and preliminary specifications for the structure had been submitted by the firm of architects, and equipment engineers employed in 1918, much remained to be done in the way of revision of specifications to meet the exigencies of the situation. The plans were approved by the Federal Reserve Board early in 1919 and in May proposals for the work were invited through advertisements. Bids were received, opened and tabulated on June 7th and the contract was awarded Geo. A. Fuller & Company of New York. Work was immediately begun, and while retarded by various influences, such as strikes and other hindrances affecting construction throughout the year, it is gratifying to report that considerable progress has been made, the foundations have been completed and structural steel is being placed. While the contract called for completion of the building proper by June, 1920, and it is expected the construction work will be finished by that time, it is not probable that all equipment can be installed, and the building occupied, before the fall of 1920. Every modern feature will be included in the building with the idea of providing banking quarters entirely suitable to the safe and expeditious handling of the growing business of this institution. The building committee, of which the Governor is the chairman, has undertaken to avoid ornamentation or extravagance in approving specifications for the building, but considered solely the question of providing a structure of adequate proportions to care for future needs as far as could be seen, the convenient handling of business as between the various departments, at the same time a structure that would be befitting the Federal Reserve Bank of Dallas.

GENERAL BUSINESS AND BANKING CONDITIONS.

Measured in dollars, it is certain that when the financial statements for 1919 are made they will show a business of unprecedented volume. The past year has been an extraordinary one in many respects, and many new records have been established. For a few months following the signing of the armistice business and industry proceeded with

considerable caution and for a time there seemed a disposition toward conservatism and hesitancy in entering upon new commitments.

As usual in this district, the first few weeks which followed the holidays were dull, and the lethargy caused by the influenza epidemic was quite apparent. Spring business opened up well and agricultural prospects began to improve after a very excellent winter season. The wheat and oat crops were probably the heaviest in the history of the district, but much of the grain was lost through inability to harvest. Heavy rains during the harvesting season prevented threshing, and several million bushels of grain were left in the fields to rot. The rains continued throughout the fall months and seriously interfered with planting grain. In many counties very little farm work has been undertaken on account of excessive moisture.

The corn crop in 1919 was the heaviest in recent years and the yield in Texas was estimated at 240,000,000 bushels. Other feed crops were also satisfactory and the yields much larger than in 1918. A comparison of the yields of principal food crops and other commodities in Texas is shown below:

	1918	1919	Increase
Bales of cotton.....	2,610,327	2,700,000	14%
Bushels of wheat.....	15,000,000	40,000,000	166%
Bushels of oats.....	18,000,000	75,000,000	316%
Bushels of corn.....	75,000,000	240,000,000	220%
Barrels of petroleum.....	40,000,000	90,600,000	126%

(Figures for 1919 are based on reliable estimates)

The year has developed a "come back" for the live stock industry, and the effects of the drouth of 1917 and 1918 have been largely overcome. Seasonal rainfall provided a plentiful water supply and greatly improved the ranges. Cattle have had ample pasturage in practically every section throughout the year. There was a complaint during the late summer months of the inability of stockmen to secure necessary financial assistance to carry their herds. This problem was greatly remedied as the year closed. The receipts of cattle at Fort Worth, the principal market in this district, as will be noted from the table following, were less than in 1918 when, on account of poor ranges, great numbers were marketed in an unfinished condition. The present outlook in the livestock industry is very encouraging.

	1918	1919	
Cattle	1,384,594	1,030,932	-26%
Hogs	762,486	588,101	-24%
Sheep	334,596	453,249	+36%

(Decrease in number of cattle and hogs marketed in 1919 is attributed principally to depletions resulting from continued drouths and slaughter of breeding stock in 1918.)

Building operations, long held in check by the war, have been very active especially during the closing months of the year. Several factors have contributed to deter activities, principally the high wage scale, scarcity of labor, unsatisfactory character of that available, and inability to secure suitable building materials. During the war building was at a standstill, which accentuated the need for business locations and housing facilities after the armistice was signed, and without exception every quarter of the district is badly in need of business houses and residences. In those towns adjacent to the oil fields the problem of housing has been especially acute throughout the year. The table following shows the permits issued at the principal cities in 1918 and 1919:

	1918		1919		Inc. or
	No.	Valuation.	No.	Valuation.	Dec.
Austin	102	\$ 252,615	145	\$ 250,317	- .9
Beaumont	865	1,304,421	958	1,057,074	-18.9
Dallas	555	1,667,729	1,599	13,921,565	+734.7
El Paso	1,030	646,149	1,242	2,245,587	+247.5
Fort Worth	630	2,067,887	2,000	19,053,157	+821.3
Galveston	3,957	175,614	5,720	666,272	+279.3
Houston	2,227	2,222,151	4,066	6,874,380	+209.3
San Antonio	2,612	3,756,344	2,710	3,973,330	+5.7
Shreveport	593	552,257	1,637	3,538,386	+540.7
Total.....	12,571	\$12,645,179	20,087	\$51,580,068	+307.1

The oil industry which became very active early in 1919 by the production of large wells in the Ranger and Burkburnett fields has contributed to the prosperity of the district throughout the year. Much outside capital has been attracted to central and northwestern Texas, and business of all kinds has been in unprecedented volume. New towns have been established almost over night. The Louisiana oil field has also come into prominence during recent months and authorities believe that territory will develop into one of the largest fields of the country. It has attracted oil men from all over the country and shares with the Texas field in production. Production of crude petroleum in Texas in 1919 is estimated at 90,600,000 barrels, an increase of 50,600,000 over 1918, or 126 per cent.

The financial situation has reflected the seasonal changes incident to the banking needs of the district. The turn of 1919 found many of the banks in the western and southwestern counties suffering from the effects of the drouth of 1918, with heavy loans, both on account of seasonal accommodations to their regular customers and advances against Government securities. The banks responded unselfishly to the Victory Loan, but in order to do so had to freely seek the facilities of this institution. The demand for funds continued very heavy dur-

ing the spring and summer months, but with fairly good returns from crops, and marketing of livestock, liquidation was started and the banks gradually began to work out. The unusual demand upon this institution, and the necessity for heavy advances to banks to carry government securities, caused heavy rediscounting by this bank with other Federal Reserve Banks in order to maintain our reserve position. This condition shifted with the marketing of cotton, other farm products, as well as livestock, in the fall months and the year closed with this Bank occupying a very enviable position as to reserves; in fact leading other Federal Reserve Banks, with member banks showing reduced loans, increased deposits,—in many sections the heaviest on record,—and with commercial paper and treasury certificates being sought as an investment for funds.

Clearings at the principal cities in 1919 show an increase of 37.6 per cent. as shown below:

	1918	1919	Inc.
Austin	\$ 185,372,224	\$ 213,728,049	+15.3
Beaumont	68,216,730	70,361,813	+ 3.1
Dallas	1,076,092,264	1,631,376,165	+51.6
El Paso	226,641,693	308,861,839	+36.3
Fort Worth	694,451,202	900,098,820	+29.6
Galveston	287,382,862	397,359,563	+42.7
Houston	796,351,625	1,117,571,425	+40.3
Shreveport	132,002,711	175,859,143	+33.2
Waco	138,579,497	148,213,082	+ 6.9
Total.....	\$3,605,090,808	\$4,963,429,899	+37.6

The high cost of goods and heavy exchanges have made clearings run to new totals. Interest rates have not greatly fluctuated in the past twelve months and commercial banks have not made any material advances. As a matter of fact, rates are not subject to such wide or sudden fluctuations as in the money centers of the north and east.

As in other sections, but probably less pronounced or aggravated, this district has not been free of employment problems and they have been rather serious throughout the year. The wage scale has been increased from 25 to 75 per cent. on account of the increased cost of living. Even with this advance it has been impossible to maintain efficient staffs. Competition has been very keen and the acute shortage of skilled and unskilled workmen has made for a heavy turnover. The situation has been a troublesome one during the past twelve months. As the army demobilized a surplus of men was expected but this source of supply was soon absorbed and scarcity seriously felt. We enter the new year with no immediate improvement in prospect.

In wholesale and retail lines activities have been restricted only by inability to secure goods. As prices advanced early in the year there

was a feeling of uncertainty among the trade. The buying public was fearful of the future and hopeful for an early reduction in living costs. As the year advanced prices continued upward and merchandise became scarcer, but in face of a rising market buyers rushed to the markets and bought heavily.

The following figures, obtained from reliable sources, reflect wholesale and retail activity in the past year:

Increase in volume of sales in all lines of wholesale trade during 1919 over 1918 (estimated).....	20%
Ratio of 1918 sales in wholesale trade to ten-year normal.....	165%
Ratio of 1919 sales in wholesale trade to ten-year normal.....	185%
Average increase in volume of retail sales, December 1919, over December 1918, based on reports of representative firms throughout the district	67%
Average increase in retail prices, December 1919, over December 1918	20%

The record of commercial failures in the district during the year is an excellent one and reflects the general healthy business conditions which have obtained. The table following shows the number of business suspensions and amount of liabilities involved, by months, in this district in 1919 as compared with 1918:

	1918		1919	
	No.	Liabilities.	No.	Liabilities.
January	48	\$ 455,538	48	\$695,082
February	41	288,227	41	930,894
March	31	192,997	17	252,971
April	32	251,858	24	226,206
May	31	262,671	35	304,739
June	33	470,752	31	210,444
July	33	311,032	23	261,727
August	46	298,340	30	249,603
September	33	272,521	7	48,883
October	30	410,202	22	263,516
November	32	293,019	28	253,516
December	33	1,191,850	16	186,817
Total.....	423	\$4,689,007	322	\$3,884,398

Post Office receipts at the principal cities during the year have continued in heavy volume and while the total shows only a slight increase over 1918 this is largely due to the reduction in postal rates and the abandonment of military camps.

	1918	1919	Inc. or Dec.
Austin	\$ 268,167	\$ 250,749	-6.4
Dallas	1,849,146	2,206,458	+19.3
El Paso	400,543	435,258	+ 8.7
Fort Worth	842,180	947,542	+12.5
Houston	1,029,550	1,167,825	+13.4
San Antonio	1,145,426	926,130	-19.1
Waco	416,075	252,439	-39.3
Total.....	\$5,951,087	\$6,186,401	+ 3.9

EXHIBIT A

Movement of principal earning assets of the Federal Reserve Bank of Dallas during the calendar year 1919, (in Thousands of Dollars.)

	Discounted paper secured by United States War Obligations	Other discounted paper	1+2	Percent 1+3	Bills bought in open market	Total bills discounted and bought	U. S. securities	Total earning assets
Jan. 3....	16.644	32.341	48.985	34.0	2.558	51.543	8.366	59.909
Jan. 10...	16.603	32.540	49.143	33.8	2.408	51.551	8.366	59.917
Jan. 17...	20.039	30.960	50.999	39.3	2.168	53.167	8.366	61.533
Jan. 24...	16.623	32.079	48.702	34.1	2.625	51.327	8.373	59.700
Jan. 31...	17.549	32.799	50.348	34.9	2.845	53.193	8.371	61.564
Feb. 7....	20.594	32.024	52.618	39.1	2.963	55.581	8.370	63.951
Feb. 14...	21.393	32.099	53.492	40.0	2.595	56.087	8.369	64.456
Feb. 21...	17.653	33.265	50.918	34.7	1.800	52.718	7.867	60.585
Feb. 28...	24.382	32.206	56.588	43.1	1.758	56.346	7.867	66.213
March 7...	23.058	30.738	53.796	42.9	1.958	55.754	8.367	64.121
March 14	20.921	29.798	50.719	41.2	1.558	52.277	8.367	60.644
March 21	21.158	29.386	50.544	41.9	1.803	52.347	8.367	60.714
March 28	21.918	29.393	51.311	43.6	1.783	53.094	8.367	61.461
April 4...	14.594	29.747	44.341	32.9	2.173	46.514	8.367	54.881
April 11...	23.240	28.848	52.088	44.6	1.923	54.011	8.367	62.378
April 18...	21.910	29.283	51.193	42.8	1.888	53.081	8.367	61.448
April 25...	26.350	28.591	54.941	48.0	1.813	56.754	8.867	65.621
May 2...	20.923	28.198	49.121	42.6	1.688	50.809	8.866	59.675
May 9....	20.478	28.128	48.606	42.1	1.498	50.104	8.866	58.970
May 16...	26.135	26.951	53.086	49.2	1.073	54.159	8.866	63.025
May 23...	19.354	26.986	46.340	41.8	1.063	47.403	8.866	56.269
May 29...	25.887	26.927	52.814	49.0	838	53.652	8.866	62.518
June 6....	27.074	25.353	52.427	51.6	613	53.040	8.866	61.906
June 13...	25.547	24.837	50.384	50.7	649	51.033	9.366	60.399
June 20...	23.277	24.375	47.652	48.8	649	48.301	9.377	57.678
June 27...	28.494	24.360	52.854	53.9	1.020	53.874	9.654	63.528
July 3....	31.208	22.947	54.155	57.6	895	55.050	9.866	64.916
July 11...	34.774	22.482	57.256	60.7	701	57.957	9.866	67.823
July 18...	30.831	22.038	52.869	58.3	594	53.463	9.866	63.329
July 25...	37.595	20.978	58.573	64.2	382	58.955	9.866	68.821
Aug. 1....	32.110	21.007	53.117	60.4	332	53.449	10.266	63.715
Aug. 8....	34.088	20.445	54.533	62.5	332	54.865	10.266	65.131
Aug. 15...	32.362	20.150	52.512	61.6	671	53.183	10.266	63.449
Aug. 22...	38.712	20.348	59.060	65.5	811	59.871	10.266	70.137
Aug. 29...	38.727	19.296	58.023	66.7	796	58.819	10.666	69.485
Sept. 5...	35.687	19.556	55.243	64.6	742	55.985	10.666	66.651
Sept. 12...	34.312	21.496	55.808	61.5	494	53.302	11.166	67.468
Sept. 19...	32.303	22.851	55.154	58.6	379	55.533	11.166	66.699
Sept. 26...	32.030	23.672	55.702	57.5	507	56.209	11.166	67.375
Oct. 3....	34.924	24.118	59.042	59.2	766	59.808	11.666	71.474
Oct. 10...	36.480	23.711	60.191	60.6	659	60.850	11.666	72.516
Oct. 17...	38.129	23.677	61.805	61.7	1.100	62.906	12.166	75.072
Oct. 24...	39.263	23.465	62.728	62.6	1.640	64.368	12.166	76.534
Oct. 31...	40.184	22.441	62.625	64.2	1.475	64.100	12.166	76.266
Nov. 7...	36.389	20.482	56.871	64.0	1.505	58.376	12.166	70.542
Nov. 14...	29.227	17.830	47.057	62.1	2.870	49.927	12.991	62.918
Nov. 21...	26.054	15.923	41.977	62.1	7.830	49.807	15.276	65.083
Nov. 28...	29.681	15.507	45.188	65.7	12.803	57.991	15.191	73.182
Dec. 5....	27.630	13.920	41.550	66.5	12.663	54.213	12.611	66.824
Dec. 12...	38.483	12.653	51.136	75.3	9.279	60.415	13.186	73.601
Dec. 19...	42.415	11.308	52.415	78.4	8.277	60.692	13.111	73.803
Dec. 26...	41.464	11.427	54.061	78.8	7.734	61.795	13.056	74.851

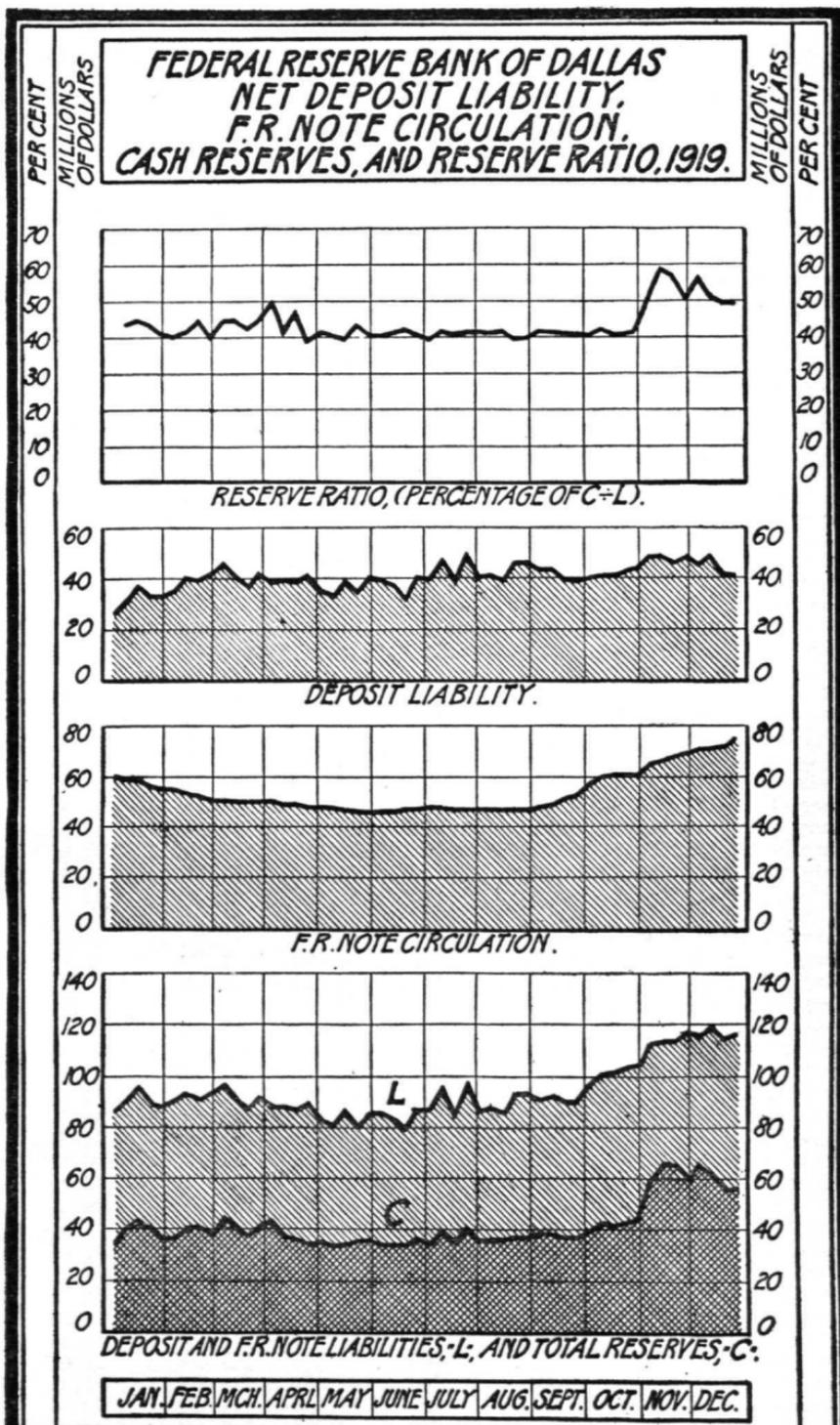
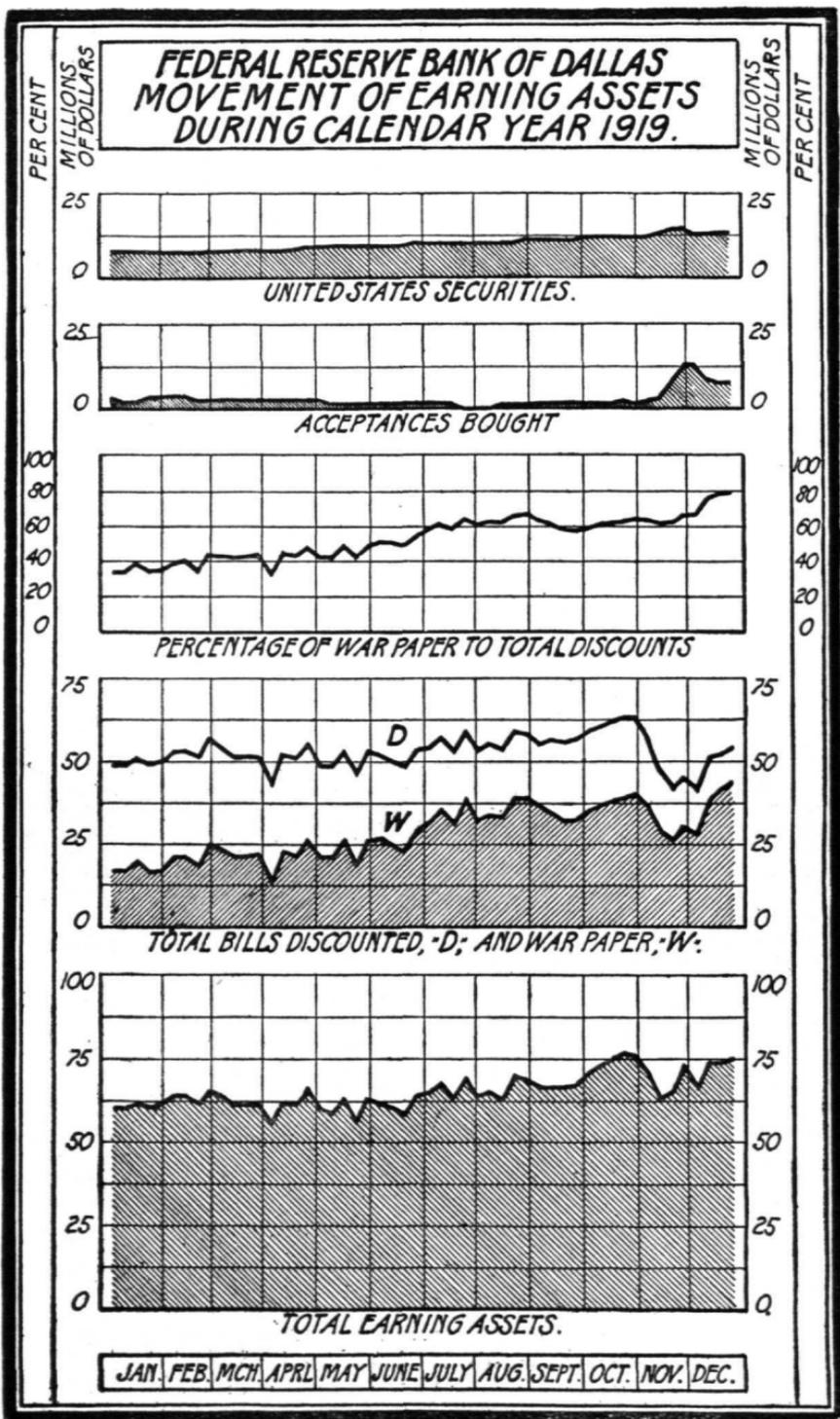


EXHIBIT B

Movement of Gold and Cash Reserves, F. R. Note and Net Deposit Liabilities, and the Reserve Percentage of the F. R. Bank of DALLAS, during the Calendar Year 1919 (In thousands of dollars, i. e. 000 omitted.)

	Gold Reserves	Cash Reserves	F. R. Notes in actual circulation	Net Deposits	(3 and 4)	Ratio of cash reserves to net deposit & F. R. note liabilities combined
Jan. 3. . . .	33.079	34.456	59.758	26.017	85.775	40.2
Jan. 10. . . .	38.243	39.654	59.150	31.080	90.230	43.9
Jan. 17. . . .	40.984	42.545	57.528	37.157	94.685	44.9
Jan. 24. . . .	37.144	38.889	55.981	33.054	89.035	43.7
Jan. 31. . . .	34.201	35.968	55.376	32.409	87.785	41.0
Feb. 7. . . .	34.447	36.264	54.832	35.539	90.371	40.1
Feb. 14. . . .	36.891	38.713	53.239	40.020	93.259	41.5
Feb. 20. . . .	39.029	40.916	52.309	39.179	91.488	44.7
Feb. 28. . . .	35.326	37.306	51.167	42.224	93.391	39.9
March 7. . . .	41.647	43.595	51.200	46.270	97.470	44.7
March 14. . . .	38.950	41.006	50.551	40.803	91.354	44.9
March 21. . . .	34.643	36.770	50.279	36.737	87.016	42.3
March 28. . . .	38.641	40.836	50.107	41.606	91.713	44.5
April 4. . . .	41.184	43.421	49.565	38.159	87.724	49.5
April 11. . . .	34.287	36.506	49.011	39.063	88.074	41.4
April 18. . . .	33.828	36.101	48.523	38.271	86.794	46.6
April 25. . . .	32.072	34.347	47.728	41.229	88.957	38.6
May 2. . . .	32.508	34.831	47.935	35.434	83.369	41.8
May 9. . . .	30.632	32.843	47.605	33.439	81.044	40.5
May 16. . . .	31.516	33.761	46.841	38.760	85.601	39.4
May 23. . . .	32.802	34.967	46.066	33.901	79.967	43.7
May 29. . . .	33.055	35.191	46.268	39.966	86.234	40.8
June 6. . . .	32.437	34.480	46.122	38.770	84.892	40.6
June 13. . . .	32.185	34.191	45.517	37.305	82.822	41.3
June 20. . . .	31.684	33.655	46.688	32.572	79.260	42.5
June 27. . . .	33.573	35.570	46.937	39.871	86.808	41.0
July 3. . . .	32.334	34.271	47.908	39.052	86.960	39.4
July 11. . . .	37.511	39.417	47.683	46.945	94.628	41.7
July 18. . . .	32.990	34.873	47.112	38.273	85.385	40.8
July 25. . . .	37.858	39.750	46.557	49.018	95.575	41.6
Aug. 1. . . .	34.394	36.314	46.742	40.009	86.751	41.9
Aug. 8. . . .	34.240	36.289	46.929	41.072	88.001	41.2
Aug. 15. . . .	33.715	35.969	46.585	39.295	85.880	41.9
Aug. 22. . . .	34.360	36.505	46.807	46.119	92.926	39.3
Aug. 29. . . .	35.019	37.118	46.603	46.274	92.877	40.0
Sept. 5. . . .	36.197	38.240	48.417	42.825	91.242	41.9
Sept. 12. . . .	36.523	38.479	48.982	43.142	92.124	41.8
Sept. 19. . . .	35.613	37.472	51.223	39.106	90.329	41.5
Sept. 26. . . .	35.099	36.926	51.992	38.014	90.006	41.0
Oct. 3. . . .	37.431	39.233	56.798	39.820	96.618	40.6
Oct. 10. . . .	41.425	43.129	60.260	40.716	100.976	42.7
Oct. 17. . . .	39.789	41.540	61.143	40.638	101.781	40.8
Oct. 24. . . .	41.054	42.876	60.930	43.531	104.461	41.0
Oct. 31. . . .	41.665	43.519	61.152	43.412	104.564	41.6
Nov. 7. . . .	56.300	58.048	64.921	48.529	113.450	51.2
Nov. 14. . . .	64.672	66.306	66.270	47.523	113.793	58.3
Nov. 21. . . .	63.298	64.882	67.780	46.547	114.327	56.8
Nov. 28. . . .	58.155	59.530	69.176	47.992	117.168	50.8
Dec. 5. . . .	63.743	65.057	71.006	45.252	116.258	56.0
Dec. 12. . . .	59.622	60.892	71.036	47.542	118.578	51.4
Dec. 19. . . .	54.989	56.231	72.402	41.736	114.138	49.3
Dec. 26. . . .	56.181	57.347	74.886	41.237	116.123	49.4



SCHEDULE 1

COMPARATIVE STATEMENT OF FEDERAL RESERVE BANK OF DALLAS, INCLUDING ITS BRANCHES.

	Dec. 31, 1919	Dec. 31, 1918	Dec. 31, 1917
Resources:—			
Bills Discounted and Bought	64,736,567.87	47,973,536.64	23,562,604.73
U. S. Bonds to secure circulation	11,032,400.00	6,632,400.00	2,732,400.00
Other U. S. Bonds & Treasury Notes	1,998,600.00	1,733,600.00	3,188,600.00
Investment—Municipal Warrants			150,458.74
Bank Premises	399,398.65	220,783.39	147,736.31
Cash and due from banks (Not Reserve)	2,515,386.00	1,008,720.00	3,780,011.00
Federal Reserve Bank Notes on hand	511,050.00	696,500.00	2,732,400.00
Federal Reserve Notes on hand.	3,713,740.00	1,256,570.00	929,500.00
Actual Balance in Notes Gold Settlement Fund	17,073,569.26	6,923,261.30	24,520,700.00
Gold with Agent for retirement			
Federal Reserve Notes	27,544,580.00	22,352,295.00	25,036,675.00
Gold and Lawful money	11,378,603.40	9,289,035.50	13,896,493.91
Gold held with foreign Agencies.	3,414,325.49	204,010.61	1,837,500.00
Deferred Debits—Checks and drafts in process of collection.	33,789,922.14	8,676,378.98	6,881,975.95
Federal Reserve Banks—Transfers bought—net	8,515,395.13	4,455,917.04	3,619,774.36
War Loan Expenses (Collectable)	213,594.00	511,736.79	65,005.99
Due from other Fed. Res. Banks.	4,222,390.29	2,295,468.51	
Other Resources	2,920,836.92	2,512,608.92	233,739.65
Total	193,980,359.15	116,742,822.68	113,315,575.64
Liabilities:—			
Capital Stock	3,420,700.00	3,154,300.00	2,794,900.00
Surplus, Profit and Loss	3,029,937.23	592,204.25	205,353.08
Federal Reserve Notes issued	78,644,065.00	60,495,080.00	47,716,950.00
Reserve Deposits (Net)	63,371,988.44	32,453,086.72	44,155,240.99
Government Deposits	2,900,346.93	2,493,217.68	6,608,640.55
Due to other Federal Reserve Banks (Net)			1,515,970.49
Reserve for Tax on circulation	19,481.36		
Deferred Credits—checks and drafts in process of collection.	29,179,103.72	9,857,765.46	7,389,439.58
Fed. Res. Bank Notes (Secured by U. S. Bonds)	10,972,400.00	6,236,400.00	2,732,400.00
Reserve for depreciation	240,662.50	240,662.50	
Foreign Govt. Credits	1,879,645.46		
Reserve For Franchise Tax		592,204.24	
All other liabilities	322,028.51	627,901.83	196,680.95
Total	193,980,359.15	116,742,822.68	113,315,575.64

SCHEDULE 2

COMPARATIVE STATEMENT OF EARNINGS AND EXPENSES OF
BANK (INCLUDING BRANCHES) FOR YEARS 1917, 1918 and
1919, AND SINCE ORGANIZATION.

Earnings	1917	1918	1919	Since Organiza- tion
Bills discounted Mem- bers.....	198,571.22	1,477,035.49	2,443,805.63	4,566,880.59
Bls.dis.otherF.R.Bks.	10,493.44	20,343.34	113,396.94	469,510.80
Acceptances bought in open market.....	138,512.74	175,884.70		
U. S. Bonds & Treas- ury Notes.....	159,431.61	152,159.48	229,080.04	605,882.26
Municipal Warrants..	6,832.79	7,995.08		15,853.57
Profits realized on U. S. Securities.....	4,007.67			4,007.67
Trans.—Net Earnings	34,027.34	149,732.95	193,661.44	385,946.58
Deficient Res. pen....	12,968.16	56,304.89	81,984.32	151,257.37
Sundry Profits.....	3,747.42	8,106.16	882.40	31,105.96
Bill of Lading Drafts		13,641.29		13,641.29
Service Charges—Net.		28,322.70		28,322.70
Total.....	568,592.39	2,089,526.08	3,062,810.77	6,272,408.79
Expenses				
Assessment Acc. Ex.				
Fed. Res. Board...	11,438.78	15,222.96	20,362.04	83,899.86
Fed. Ad' Coun. Exp....	150.00	1,894.06	991.64	4,231.91
Governor's Confer- ences.....	398.42	232.20	788.52	2,719.94
Fed. Res. Agents Con- ferences.....	207.64	421.66	109.44	1,352.29
Salaries:				
Bank Officers.....	41,050.54	68,544.44	87,212.00	266,707.66
Clerical Staff.....	39,940.27	170,134.31	390,992.87	664,544.41
Special Officers and Watchmen.....	2,761.68	4,313.68	6,362.58	15,637.96
All Others.....	2,980.78	5,463.64	11,883.44	24,960.19
Directors remunera- tion expenses.....	3,521.89	4,442.05	17,537.96	35,685.81
Officers and Clerks Traveling Expenses.	1,138.77	7,756.95	1,486.72	14,197.40
Legal Fees.....	2,400.00	2,215.00	2,400.00	9,851.25
Rent.....		658.50	5,525.65	16,263.93
Taxes and Fire Insur- ance.....	927.20	1,211.12	1,745.73	6,396.03
Telephone.....	869.47	1,888.50	3,188.78	7,459.57
Telegraph.....	584.46	9,667.78	21,772.00	33,125.58
Postage.....	3,166.32	24,688.43	39,882.62	74,697.43
Expressage.....	8,424.31	28,842.84	25,556.30	85,090.01
Ins. & Prem. on Fed. Bonds.....	1,517.92	10,774.23	13,308.24	30,453.61
Light, Heat & Power.	1,468.24	2,413.82	3,365.04	8,744.15
Printing & Stationery	6,327.37	25,072.20	41,008.79	82,317.06
Repairs and Altera- tions.....	2,472.86	4,805.62	13,193.79	21,172.50
All others not specified	5,154.00	20,278.20	39,348.56	78,455.33
Cost of F.R. Cur. issued Equipment.....	30,910.82	82,729.93	136,575.81	269,946.55
Cost of Currency ship- ments to and from Member and non- member Banks.....		41,758.32	70,717.85	112,476.17
Total.....	167,811.74	535,424.44	980,835.83	1,975,906.06

SCHEDULE 3

STATEMENT OF DISPOSITION OF INCOME
Calendar Year 1919

Income:—

Discount on bills discounted.....	2,443,805.63
Discount on bills purchased.....	113,396.94
Transfers bought and sold—Net charges.....	193,661.44
Penalties on deficient reserves.....	81,984.32
Interest earned on U. S. Securities.....	229,080.04
Miscellaneous profits.....	882.40

Total—Income.....\$3,062,810.77

Less:—

Expense current.....	980,835.83
Educational appropriation.....	2,000.00
Dividends paid June 30th.....	96,054.14
Dividends paid December 31st.....	99,139.47
Interest paid on surrendered stock.....	1,141.76
Miscellaneous losses.....	21,943.82

1,201,115.02

Net Profits—Calendar Year 1919.....\$1,861,695.75

Disposition of Net Profits:—

Amount transferred to account—Reserve for expense Federal Reserve Board—first half 1920.....	16,167.01
Amount transferred to Surplus—June 30th.....	844,459.84
Amount transferred to Surplus—December 31st.....	1,001,068.90

Total.....\$1,861,695.75

SCHEDULE 4

REDISCOUNTS

Volume of rediscounts for 1919:

Rediscounts for member banks.....	\$1,224,946,144.04
Acceptances purchased.....	12,415,232.70
Acceptances rediscounted for or acquired from other Fed. Res. Banks.....	10,077,783.41
Other paper rediscounted for Federal Reserve Banks....	57,500,000.00

Total.....\$1,304,939,160.15

Volume of rediscounts for 1918:

Rediscounts for member banks.....	\$ 587,677,767.27
Bankers' acceptances purchased.....	33,266,438.76

Total.....\$ 620,944,206.03

Total number of banks served in 1919..... 607

Total number of new banks served in 1919..... 71

Largest note rediscounted..... \$ 4,000,000.00

Smallest note rediscounted..... 10.25

SCHEDULE 5

REDISCOUNTS FOR 1919 BY MONTHS AND DISTRIBUTION BY STATES.

Month	Texas	Oklahoma	Louisiana	New Mexico	Arizona
January...	84,760,256.00	1,542,694.00	2,243,588.00	1,238,746.00	292,611.00
February...	86,358,527.00	1,304,660.00	3,149,170.00	1,236,985.00	362,353.00
March....	95,896,315.00	1,977,299.00	3,739,698.00	1,751,765.00	480,425.00
April.....	108,172,695.00	2,183,424.00	3,994,156.00	2,071,922.00	760,658.00
May.....	120,502,759.00	2,589,014.00	3,905,289.00	2,098,675.00	776,787.00
June.....	104,732,611.00	1,835,009.00	3,033,697.00	2,271,441.00	640,364.00
July.....	92,488,335.00	1,997,650.00	3,122,989.00	1,520,715.00	456,088.00
August...	87,941,694.00	1,470,169.00	3,838,741.00	1,148,733.00	240,515.00
Sept.....	108,816,870.00	1,780,716.00	5,158,348.00	1,201,875.00	354,203.00
October...	130,758,102.00	1,443,324.00	3,577,875.00	997,411.00	454,775.00
November	66,819,129.00	931,530.00	1,591,000.00	1,098,713.00	231,061.00
Dec.....	57,556,825.00	780,097.00	70,000.00	874,239.00	320,830.00
Total.....	1,144,804,118.00	19,835,586.00	37,424,551.00	17,511,220.00	5,370,670.00

Total paper rediscounted as shown above.....\$1,224,946,145.00

SCHEDULE 6

DISCOUNT RATES FOR 1919 AND DATES ON WHICH EFFECTIVE.

Class of paper	Time	Jan.	Apr.	May	Sept.	Nov.	Dec.
		1st	4th	15th	1st	10th	15th
Industrial and commercial....	Up to 15 days	4½	4½	4½	4½	5	5
Industrial and commercial....	16 to 60 days	4¾	4¾	4¾	4¾	5	5
Industrial and commercial....	61 to 90 days	5	5	5	5	5	5
Agricultural & Live Stock....	Up to 15 days	4½	4½	4½	4½	5	5
Agricultural & Live Stock....	16 to 60 days	4¾	4¾	4¾	4¾	5	5
Agricultural & Live Stock....	61 to 90 days	5	5	5	5	5	5
Agricultural & Live Stock....	After 90 days	5½	5½	5½	5½	5½	5½
Trade Acceptances.....	Up to 15 days	4½	4½	4½	4½	5	5
Trade Acceptances.....	16 to 90 days	4½	4½	4½	4½	5	5
M. B. Rediscounts secured by L. L. Bonds.....	Up to 15 days	4	4	4	4¼	4½	5
M. B. Rediscounts secured by L. L. Bonds.....	16 to 90 days	4¼	4¼	4¼	4¼	4½	5
M. B. Rediscounts secured by U. S. Cert. of Indebtedness..	Up to 15 days	4	4	4	4	*4½ 4¼	4½
M. B. Rediscounts secured by U. S. Cert. of Indebtedness..	16 to 90 days	4¼	4¼	4¼	4¼	*4½ 4¼	4½
Member Bank Collateral Notes							
Secured by L. L. Bonds....		4	4	4¼	4¼	4½	5
Secured by Cert. of Ind....		4	4	4	4	*4¼ 4½	4½
Secured by Otherwise.....		4½	4½	4½	4½	5	5
Secured by W. F. Corp. Bonds			5½	5½	5½	6	6
Rediscounts secured by War Finance Corp. Bonds.....	Up to 15 days		5½	5½	5½	6	6
Rediscounts secured by War Finance Corp. Bonds.....	16 to 60 days		5¾	5¾	5¾	6	6
Rediscounts secured by War Finance Corp. Bonds.....	61 to 90 days		6	6	6	6	6

*Rates as indicated above based on rate of interest drawn¹ by Certificates of Indebtedness used as collateral.

SCHEDULE 7

CLASSIFICATION BY MATURITIES OF BILLS DISCOUNTED AND BOUGHT 1919.

Due within 15 days.....	\$ 994,562,113.61
Due 16 to 30 days.....	189,940,758.75
Due 31 to 60 days.....	41,181,740.68
Due 61 to 90 days.....	52,189,929.85
Due after 90 days.....	27,064,617.26
Total.....	<u>\$1,304,939,160.15</u>

SCHEDULE 8

CLASSIFICATION OF TRADE ACCEPTANCES BY MATURITIES.

Due within 15 days.....	\$ 139,732.62
Due 16 to 30 days.....	430,786.58
Due 31 to 60 days.....	662,310.40
Due 60 to 90 days.....	654,172.07
Total.....	<u>\$ 1,887,001.67</u>

SCHEDULE 9

BILL OF LADING DRAFTS

Based on grain and grain products.....	\$ 1,979,709.36
Based on hay.....	600,354.52
Based on cotton and cotton products.....	57,440.32
Based on miscellaneous products.....	279,071.97
Total.....	<u>\$ 2,916,576.17</u>

SCHEDULE 10

STATEMENT OF BANKERS' ACCEPTANCES—RATES AND TIME

Purchased at $4\frac{1}{4}\%$	\$ 3,910,945.88
Purchased at $4\frac{3}{8}\%$	1,301,188.61
Purchased at $4\frac{1}{2}\%$	13,113,771.62
Purchased at $4\frac{3}{4}\%$	3,494,050.00
Purchased at 5%	673,060.00
Total.....	<u>\$22,493,016.11</u>

TIME CLASSIFICATION

Due within 15 days.....	\$ 2,078,020.00
Due 16 to 30 days.....	5,927,448.58
Due 31 to 60 days.....	5,465,248.61
Due 61 to 90 days.....	9,022,298.92
Total.....	<u>\$22,493,016.11</u>

SCHEDULE 11

OPERATIONS IN UNITED STATES BONDS AND SECURITIES
FOR THE YEAR 1919.

BONDS AND TREASURY NOTES HELD ON DEC. 31st, 1918.

Registered 2 ⁰⁰ / ₁₀₀ Consols of 1930.....	\$ 2,450,900.00
Registered 2 ⁰⁰ / ₁₀₀ Panama series 1938.....	155,000.00
Registered 2 ⁰⁰ / ₁₀₀ Panama series 1936.....	126,500.00
Registered 3 ⁰⁰ / ₁₀₀ Conversion Bonds Series 1946.....	507,400.00
Registered 3 ⁰⁰ / ₁₀₀ Conversion Bonds Series 1947.....	726,200.00
Registered 3 ⁰⁰ / ₁₀₀ One Year Treasury Notes.....	725,000.00
Registered 2 ⁰⁰ / ₁₀₀ U. S. Special Certificates of Indebtedness.....	3,175,000.00
U. S. 4 ¹ / ₂ ⁰⁰ / ₁₀₀ Bearer Certificates of Indebtedness.....	500,000.00
1st Series 3 ¹ / ₂ ⁰⁰ / ₁₀₀ L. L. Bonds.....	600.00
2nd Series 4 ⁰⁰ / ₁₀₀ L. L. Bonds.....	1,100.00
3rd Series 4 ¹ / ₄ ⁰⁰ / ₁₀₀ L. L. Bonds.....	5,400.00
4th Series 4 ¹ / ₄ ⁰⁰ / ₁₀₀ L. L. Bonds.....	16,700.00
Total.....	\$ 8,389,800.00

BONDS AND TREASURY NOTES—PURCHASES, SALES AND
CONVERSIONS.

U. S. 4¹/₄⁰⁰/₁₀₀ Bearer Certificates of Indebtedness:	
Purchased from member banks.....	\$ 50,000.00
Sold at par.....	50,000.00
U. S. 4¹/₂⁰⁰/₁₀₀ Bearer Certificates on Indebtedness:	
Purchased from member banks.....	5,220,000.00
Sold at par.....	4,955,000.00
U. S. 3⁰⁰/₁₀₀ One Year Treasury Notes:	
Charged to Treasurer of United States.....	725,000.00
U. S. 2⁰⁰/₁₀₀ Special Certificates of Indebtedness:	
Purchased from Treasury Department.....	5,125,000.00
Fourth Series 4¹/₄⁰⁰/₁₀₀ L. L. Bonds:	
Sold at par.....	15,150.00
Victory Liberty Loan Notes:	
Purchased from U. S. Treasurer.....	31,050.00
Sold at par.....	20,400.00
Equity in Fourth Series 4¹/₄⁰⁰/₁₀₀ L. L. Bonds:	
Paid for customers Uvalde National Bank.....	7,025.00
Sold at par.....	7,025.00

BONDS AND TREASURY NOTES HELD ON DECEMBER 31st, 1919

Registered 2 ⁰⁰ / ₁₀₀ Consols of 1930.....	2,450,900.00
Registered 2 ⁰⁰ / ₁₀₀ Panamas Series 1938.....	155,000.00
Registered 2 ⁰⁰ / ₁₀₀ Panamas Series 1936.....	126,500.00
Registered 3 ⁰⁰ / ₁₀₀ Conversion Bonds Series 1946.....	507,400.00
Registered 3 ⁰⁰ / ₁₀₀ Conversion Bonds Series 1947.....	726,200.00
Registered 2 ⁰⁰ / ₁₀₀ U. S. Special Certificates of Indebtedness.....	8,300,000.00
U. S. 4 ¹ / ₂ ⁰⁰ / ₁₀₀ Bearer Certificates of Indebtedness.....	765,000.00
1st Series 3 ¹ / ₂ ⁰⁰ / ₁₀₀ L. L. Bonds.....	600.00
2nd Series 4 ⁰⁰ / ₁₀₀ L. L. Bonds.....	1,100.00
3rd Series 4 ¹ / ₄ ⁰⁰ / ₁₀₀ L. L. Bonds.....	2,700.00
4th Series 4 ¹ / ₄ ⁰⁰ / ₁₀₀ L. L. Bonds.....	4,250.00
Victory L. L. 4 ³ / ₄ ⁰⁰ / ₁₀₀ Notes.....	10,650.00
Total.....	\$13,050,300.00

SCHEDULE 12

MEMBER BANK COLLATERAL NOTES

Total number of member banks' collateral notes.....	\$1,111,430,795.00
Number of banks accommodated in this manner.....	466
Paper secured by U. S. Bonds and Certificates of Indebtedness:	
Member Bank Collateral Notes.....	1,100,135,873.00
Member Bank Rediscounts.....	4,923,778.00

SCHEDULE 13

EARNINGS FROM LOANS AND INVESTMENTS FOR THE YEAR 1919

Bills Discounted		Bills Bought	United States Securities	Total
January.....	195,726.40	9,023.06	16,932.92	221,682.38
February.....	194,748.20	8,848.98	14,331.84	217,929.02
March.....	209,609.91	6,746.45	14,952.52	231,308.88
April.....	195,854.08	7,387.81	15,317.89	218,559.78
May.....	203,538.02	5,038.46	16,199.94	224,776.42
June.....	195,936.74	3,032.30	16,690.62	215,659.66
July.....	213,706.04	2,369.20	18,092.23	234,167.47
August.....	207,327.02	2,373.48	17,890.45	227,590.95
September.....	208,739.89	2,099.33	20,074.82	230,914.04
October.....	230,937.94	4,535.89	21,304.71	256,778.54
November.....	187,962.87	21,181.11	26,299.89	235,443.87
December.....	199,718.52	37,241.43	24,882.03	261,841.98
1918 earnings cr. in 1919		3,519.44	6,110.18	9,629.62
Total.....	2,443,805.63	113,396.94	229,080.04	2,786,282.61
Percent of total.....	88	04	08	100

SCHEDULE 14

AVERAGE DAILY HOLDINGS OF THE SEVERAL CLASSES OF EARNING ASSETS FOR EACH MONTH AND CALENDAR YEAR 1919.

	Bills Discounted	Bills Bought	United States Securities	Total
January.....	49,620,387.25	2,392,225.80	8,368,873.39	60,381,486.44
February.....	51,646,674.61	2,396,607.14	8,172,841.96	62,216,123.71
March.....	52,494,356.90	1,719,612.90	8,302,645.16	62,516,614.96
April.....	51,047,393.02	1,930,500.00	8,466,950.00	61,444,843.02
May.....	51,370,231.75	1,271,064.51	8,866,000.00	61,507,296.26
June.....	50,720,030.98	779,500.00	9,274,750.00	60,774,280.98
July.....	55,496,471.13	604,149.63	9,866,000.00	65,966,620.76
August.....	54,836,900.38	605,624.58	10,304,709.68	65,747,234.64
September.....	55,831,494.51	549,674.83	11,232,666.67	67,613,836.01
October.....	60,404,713.57	1,142,016.61	11,940,193.55	73,486,923.73
November.....	49,661,463.96	5,505,363.58	13,576,216.67	68,743,044.21
December.....	48,653,660.10	9,481,245.26	13,097,225.81	71,232,131.17
Average for year 1919.	52,648,648.18	2,364,798.74	10,122,422.74	65,135,869.66
Percent of total.....	.81	.04	.15	100

SCHEDULE 15

CALCULATED ANNUAL RATES OF EARNINGS FROM LOANS AND INVESTMENTS.

	Bills Dis- counted	Bills Bought	United States Securities	Total
January.....	.0464	.0444	.0238	.0432
February.....	.0491	.0474	.0228	.0455
March.....	.0470	.0455	.0212	.0435
April.....	.0466	.0459	.0220	.0432
May.....	.0466	.0460	.0215	.0429
June.....	.0470	.0466	.0218	.0431
July.....	.0453	.0455	.0216	.0417
August.....	.0445	.0455	.0204	.0407
September.....	.0454	.0458	.0217	.0415
October.....	.0450	.0461	.0210	.0410
November.....	.0460	.0461	.0235	.0416
December.....	.0483	.0456	.0223	.0432
Average for 1919.....	.0464	.0464	.0220	.0426

SCHEDULE 16

TOTAL STATE BANK MEMBERSHIP, ELEVENTH FEDERAL RESERVE DISTRICT, DECEMBER 31, 1919.

ARIZONA		Capital	Surplus	Total Resources
Safford.....	Bank of Safford.....	33,000	40,000	656,000
Tombstone....	Cochise County State Bank....	30,000	10,000	372,000
LOUISIANA				
Monroe.....	Central Savings Bk. & Tr. Co....	250,000	62,500	2,127,000
Shreveport....	Continental Bank & Trust Co....	300,000	50,000	3,989,000
NEW MEXICO				
Albuquerque...	American Trust & Saving Bank.	100,000	50,000	801,000
Corona.....	Stockmens State Bank.....	30,000	5,000	152,000
Lovington....	First Territorial Bank.....	30,000	50,000	405,000
Mountainair...	Mountainair State Bank.....	25,000	10,000	195,000
Portales.....	Security State Bank.....	25,000	5,000	222,000
OKLAHOMA				
Fort Towson...	First State Bank.....	50,000	15,000	561,000
Valliant.....	First Guaranty State Bank.....	50,000	21,000	675,000
TEXAS				
Alpine.....	Alpine State Bank.....	30,000	35,000	392,000
Alto.....	Alto State Bank.....	25,000	10,000	245,000
Anson.....	Anson State Bank.....	35,000	11,000	789,000
Avery.....	Avery State Bank.....	25,000	5,000	173,000
Ballinger....	Ballinger State Bk. & Tr. Co....	60,000	10,000	344,000
Beaumont....	Guaranty Bank & Trust Co....	100,000	20,000	1,892,000
Beaumont....	Texas Bank & Trust Co.....	250,000	127,500	3,395,000
Beeville.....	Beeville Bank & Trust Co.....	50,000	27,000	428,000
Bomarton....	First State Bank.....	25,000	2,500	419,000
Bonham.....	Fannin County Bank.....	100,000	50,000	1,559,000
Bonham.....	First State Bank.....	200,000	100,000	1,451,000
Bremond....	First State Bank.....	50,000	11,000	399,000
Brownfield...	Brownfield State Bank.....	25,000	25,000	387,000
Canyon.....	First State Bank.....	32,000	1,000	343,000
Childress....	Farmers & Mechanics State Bk..	50,000	40,000	1,248,000

SCHEDULE 16

TOTAL STATE BANK MEMBERSHIP, ELEVENTH FEDERAL RESERVE DISTRICT, DECEMBER 31, 1919—Continued.

	Capital	Surplus	Total Resources
TEXAS—Continued			
Colorado..... First State Bank.....	30,000	3,000	255,000
Collinsville.... First Guaranty State Bank.....	25,000	7,000	369,000
Commerce..... Citizens State Bank.....	25,000	5,000	330,000
Corsicana..... First State Bank.....	100,000	20,000	1,233,000
Crowell..... First State Bank.....	30,000	23,000	498,000
Cuero..... First State Bank & Trust Co....	100,000	42,000	703,000
Dallas..... Central State Bank.....	500,000	131,000	5,658,000
DeKalb..... First State Bank.....	50,000	25,000	586,000
Denison..... Denison Bank & Trust Co.....	160,000	42,500	3,329,000
Denton..... First Guaranty State Bank.....	50,000	5,000	437,000
Edgewood..... Farmers & Merchants State Bk..	35,000	5,500	244,000
El Paso..... El Paso Bank & Trust Co.....	200,000	10,000	2,582,000
Ennis..... First Guar. State Bk. & Tr. Co..	100,000	20,000	602,000
Ferris..... Farmers & Merchants State Bk..	50,000	12,000	301,000
Flatonia..... Flatonia State Bank.....	50,000	.....	485,000
Franklin..... First State Bank.....	30,000	10,000	371,000
Frost..... Citizens State Bank.....	25,000	50,000	322,000
Galveston..... South Texas State Bank.....	150,000	30,000	3,390,000
Gatesville.... Guaranty State Bk. & Trust Co..	50,000	8,000	490,000
Gilmer..... Gilmer State Bank.....	50,000	13,500	311,000
Goldthwaite.. Trent State Bank.....	50,000	25,000	886,000
Gonzales..... Gonzales, State Bk. & Trust Co..	75,000	25,000	572,000
Graford..... First State Bank.....	50,000	10,000	292,000
Grand Prairie. First State Bank.....	40,000	20,000	299,000
Grand Prairie. Guaranty State Bank.....	25,000	.....	109,000
Hamlin..... First State Bank.....	40,000	10,000	538,000
Hansford..... Guaranty State Bank.....	25,000	3,000	75,000
Henderson..... First State Bank.....	25,000	15,000	243,000
Hereford..... First State Bank & Trust Co....	50,000	50,000	663,000
Hillsboro..... First State Bank.....	150,000	15,000	720,000
Italy..... Farmers State Bank.....	50,000	15,000	550,000
Jacksonville.. Farmers Guaranty State Bank..	50,000	12,000	334,000
Jacksonville.. First Guaranty State Bank.....	62,500	16,000	532,000
Junction..... Junction State Bank.....	50,000	60,000	828,000
Kerens..... First State Bank.....	50,000	30,000	420,000
Killeen..... First State Bank.....	25,000	8,000	487,000
Kirkland..... First State Bank.....	25,000	15,000	508,000
Ladonia..... First State Bank.....	25,000	12,500	667,000
Lamesa..... First State Bank.....	30,000	20,000	685,000
Leonard..... First State Bank.....	50,000	7,500	610,000
Lockney..... Lockney State Bank.....	25,000	10,000	583,000
Loraine..... First State Bank.....	30,000	15,000	475,000
Lorenzo..... First State Bank.....	25,000	1,000	528,000
Lubbock..... Lubbock State Bank.....	100,000	25,000	1,339,000
Lubbock..... Security State Bk. & Trust Co..	100,000	.....	587,000
Memphis..... Citizens State Bank.....	75,000	37,500	1,059,000
Mt. Calm..... First State Bank.....	25,000	10,000	162,000
Mt. Pleasant.. Guaranty State Bank.....	60,000	20,000	876,000
Nacogdoches.. Commercial Guaranty State Bk..	100,000	25,000	1,558,000
Normangee.... First State Bank.....	25,000	25,000	224,000
Paducah..... First State Bank.....	50,000	50,000	695,000
Palmer..... First Guaranty State Bank.....	25,000	15,000	245,000
Pampa..... Gray County State Bank.....	25,000	.....	294,000
Paris..... First State Bank.....	150,000	75,000	1,963,000
Paris..... Lamar State Bank & Trust Co..	150,000	25,000	3,523,000
Pecos..... Pecos Valley State Bank.....	110,000	32,000	721,000
Post City..... First State Bank.....	25,000	.....	191,000
Quanah..... First Guaranty State Bank.....	100,000	50,000	1,266,000

SCHEDULE 16

TOTAL STATE BANK MEMBERSHIP, ELEVENTH FEDERAL RESERVE DISTRICT, DECEMBER 31, 1919—Continued.

	Capital	Surplus	Total Resources
TEXAS—Continued			
Ralls.....First State Bank.....	25,000	2,500	258,000
Ralls.....Guaranty State Bk. & Trust Co..	60,000	1,000	594,000
Reagan.....First State Bank.....	25,000	10,000	170,000
Richardson...Citizens State Bank.....	35,000	500	273,000
Rockwall.....Guaranty State Bank.....	35,000	2,500	848,000
Royse City...First State Bank.....	50,000	25,000	259,000
Rusk.....Farmers & Merchants State Bk..	25,000	17,500	445,000
Sabinal.....First State Bank.....	30,000	30,000	267,000
Santa Anna...First State Bank.....	35,000	13,000	426,000
San Augustine..Commercial Guaranty State Bk.	50,000	3,000	315,000
Savoy.....First State Bank.....	25,000	6,500	230,000
Seymour.....First Guaranty State Bank.....	35,000	3,000	172,000
Shamrock...Farmers & Merchants State Bk..	50,000	50,000	540,000
Sinton.....Bank of Commerce.....	25,000	12,500	381,000
Snyder.....First State Bank & Trust Co....	50,000	25,000	382,000
Stamford.....First State Bank.....	55,000	15,000	1,125,000
Sweetwater...Texas Bank & Trust Co.....	100,000	75,000	768,000
Terrell.....First State Bank.....	100,000	65,000	1,616,000
Tioga.....First Guaranty State Bank.....	30,000	10,000	282,000
Trenton.....Guaranty State Bank.....	25,000	6,500	152,000
Troup.....Guaranty State Bank.....	25,000	20,000	318,000
Tyler.....Guaranty State Bank.....	200,000	60,000	1,406,000
Tyler.....Peoples Guaranty State Bank...	100,000	30,000	917,000
Valley View...First Guaranty State Bank.....	25,000	10,000	164,000
Weatherford...First State Bank.....	125,000	17,000	1,728,000
Wellington...Wellington State Bank.....	50,000	40,000	363,000
Wharton.....Security Bank & Trust Co.....	50,000	7,000	453,000
White Deer...First State Bank.....	25,000	500	571,000
Winnsboro...Merchants & Planters State Bk..	30,000	30,000	827,000
Wolfe City...First State Bank.....	50,000	25,000	660,000
Wylie.....First State Bank.....	50,000	25,000	401,000
	7,532,500	2,678,500	89,733,000
Capital.....			7,532,500
Surplus.....			2,678,500
Total Capital and Surplus.....			10,211,000

SCHEDULE 17

MEMBER BANKS BY STATES
DECEMBER 31, 1919.

Arizona.....National.....8.....	State.....2.....	Total.....10
Louisiana...National.....13.....	State.....2.....	Total.....15
New Mexico...National.....35.....	State.....5.....	Total.....40
Oklahoma...National.....35.....	State.....2.....	Total.....37
Texas.....National.....552.....	State.....104.....	Total.....656
TOTALS	643	758

SCHEDULE 18

RECAPITULATION OF CAPITAL STOCK ACCOUNT, 1919.

Number of member banks December 31, 1918 (national).....	630	
Number of member banks December 31, 1918 (state).....	97	
New national banks organized during 1919.....	25	
State banks and trust companies admitted during 1918.....	22	774
		<hr/>
National banks liquidating and consolidating during 1919... ..	12	
State banks liquidating, consolidating and withdrawing during 1919.....	4	16
		<hr/>
Total member banks December 31, 1919.....		758
		<hr/>
Total capital stock December 31, 1918.....		\$6,308,600
Stock allotted member banks for quarter ending:		
March 31, 1919.....	\$102,500	
June 30, 1919.....	86,500	
September 30, 1919.....	194,100	
December 31, 1919.....	271,200	654,300
		<hr/>
Total.....		6,962,900
Stock surrendered quarter ending:		
March 31, 1919.....	14,900	
June 30, 1919.....	3,600	
September 30, 1919.....	25,400	
December 31, 1919.....	77,600	121,500
		<hr/>
Total stock December 31, 1919.....		6,841,400
		<hr/>
Total paid-up capital stock December 31, 1918.....		3,154,300
Subscriptions paid in quarter ending:—		
March 31, 1919.....	51,250	
June 30, 1919.....	43,250	
September 30, 1919.....	97,050	
December 31, 1919.....	135,600	327,150
		<hr/>
Total.....		3,481,450
Cash subscriptions refunded for surrender of stock quarter ending:		
March 31, 1919.....	7,450	
June 30, 1919.....	1,800	
September 30, 1919.....	12,700	
December 31, 1919.....	38,800	60,750
		<hr/>
Total paid-up capital December 31, 1919.....		3,420,700

SCHEDULE 19

ANALYSIS OF DISCOUNT OPERATIONS.

REDISCOUNTED
PAPER

—1919—

	No. Offerings received	No. Items	Aggregate Amount
State Banks.	787	14,400	\$ 11,122,958.84
National Banks.....	4504	41,211	102,392,390.47
	<hr/>	<hr/>	<hr/>
	5291	55,611	\$113,515,349.31
MEMBER BANK PROMISSORY NOTES.			
		No. Received	Aggregate Amount
State Banks.....		2,009	\$ 90,480,470.06
National Banks.....		11,541	1,020,950,325.25
		<hr/>	<hr/>
		13,550	\$1,111,430,795.31

SCHEDULE 20

LIST OF BANKS IN ELEVENTH FEDERAL RESERVE DISTRICT
WHICH HAVE BEEN GRANTED PERMISSION TO ACT IN
FIDUCIARY CAPACITIES

		Date Granted
Abilene, Texas.....	Citizens National Bank.....	July 13, 1915
Albuquerque, New Mexico.....	State National Bank.....	December 30, 1915
Amarillo, Texas.....	First National Bank.....	June 10, 1918
Austin, Texas.....	American National Bank.....	December 11, 1916
Beaumont, Texas.....	First National Bank.....	April 5, 1916
Bonham, Texas.....	First National Bank.....	May 4, 1915
Brownwood, Texas.....	Citizens National Bank.....	July 31, 1919
Campbell, Texas.....	Campbell Nat'l. Exch. Bank	October 29, 1917
Carlsbad, New Mexico.....	First National Bank.....	October 6, 1917
Colorado, Texas.....	City National Bank.....	April 27, 1915
Corsicana, Texas.....	Corsicana National Bank...	August 8, 1916
Dallas, Texas.....	City National Bank.....	March 22, 1919
Dallas, Texas.....	National Bank of Commerce	April 27, 1915
Dallas, Texas.....	Tenison National Bank.....	August 16, 1917
Denison, Texas.....	State National Bank.....	July 31, 1919
El Paso, Texas.....	City National Bank.....	October 9, 1919
Fort Worth, Texas.....	Fort Worth National Bank .	April 22, 1918
Fort Worth, Texas.....	First National Bank.....	August 24, 1915
Fort Worth, Texas.....	Stockyards National Bank..	April 27, 1915
Galveston, Texas.....	First National Bank.....	November 29, 1915
Granger, Texas.....	First National Bank.....	May 8, 1915
Greenville, Texas.....	Greenville Nat'l. Exch. Bank	April 27, 1915
Houston, Texas.....	National Bank of Commerce	July 16, 1919
Marshall, Texas.....	First National Bank.....	September 10, 1915
Marshall, Texas.....	Marshall National Bank....	October 19, 1915
McKinney, Texas.....	First National Bank.....	April 22, 1915
Mexia, Texas.....	First National Bank.....	May 28, 1915
Nogales, Arizona.....	First National Bank.....	October 24, 1919
Orange, Texas.....	First National Bank.....	October 24, 1919
Palestine, Texas.....	Royall National Bank.....	December 26, 1917
Port Arthur, Texas.....	First National Bank.....	July 19, 1915
Roswell, New Mexico.....	Citizens National Bank.....	March 7, 1917
Roswell, New Mexico.....	First National Bank.....	April 1, 1918
San Angelo, Texas.....	San Angelo National Bank..	October 29, 1917
San Angelo, Texas.....	Central National Bank.....	July 20, 1916
San Angelo, Texas.....	First National Bank.....	March 25, 1919
San Angelo, Texas.....	Western National Bank.....	March 22, 1919
San Antonio, Texas.....	Lockwood National Bank...	December 3, 1919
Sealy, Texas.....	Sealy National Bank.....	July 19, 1915
Sherman, Texas.....	Commercial National Bank.	December 4, 1918
Shreveport, Louisiana.....	Commercial National Bank.	June 15, 1917
Shreveport, Louisiana.....	First National Bank.....	February 21, 1916
Silver City, New Mexico.....	Silver City National Bank..	August 13, 1919
Stanton, Texas.....	First National Bank.....	April 27, 1915
Texarkana, Texas.....	Texarkana National Bank..	July 16, 1919
Troup, Texas.....	First National Bank.....	April 5, 1916
Tucson, Arizona.....	Consolidated National Bank	July 30, 1915
Tucson, Arizona.....	Arizona National Bank.....	June 11, 1919
Tyler, Texas.....	Citizens National Bank.....	August 21, 1916
Victoria, Texas.....	Victoria National Bank.....	October 20, 1916
Waco, Texas.....	First National Bank.....	July 16, 1919
Wichita Falls, Texas.....	National Bank of Commerce	April 24, 1918
Wichita Falls, Texas.....	City National Bank.....	March 22, 1919
Wichita Falls, Texas.....	First National Bank.....	May 14, 1919

SCHEDULE 21

BANKS AUTHORIZED TO ACCEPT UP TO 100 PER CENT OF THEIR
CAPITAL AND SURPLUS.

Location	Name of Bank	Authority granted
Austin, Texas.....	American National Bank.....	August 27, 1918
Brownwood, Texas.....	Brownwood National Bank.....	June 11, 1919
Dallas, Texas.....	American Exchange National Bank.....	Sept. 6, 1916
Dallas, Texas.....	City National Bank.....	Sept. 25, 1917
Dallas, Texas.....	Tenison National Bank.....	July 31, 1917
Fort Worth, Texas.....	Fort Worth National Bank.....	July 30, 1918
Fort Worth, Texas.....	National Bank of Commerce.....	Oct. 7, 1919
Fort Worth, Texas.....	Stockyards National Bank.....	Oct. 7, 1919
Gainesville, Texas.....	First National Bank.....	Oct. 24, 1919
Hillsboro, Texas.....	Citizens National Bank.....	May 13, 1919
Honey Grove, Tex.....	State National Bank.....	Oct. 15, 1918
Houston, Texas.....	First National Bank.....	Dec. 16, 1918
Houston, Texas.....	Houston Nat'l Exchange Bank.....	Aug. 20, 1918
Houston, Texas.....	South Texas Com. Nat'l Bank.....	Aug. 14, 1916
Houston, Texas.....	Union National Bank.....	April 12, 1918
Navasota, Texas.....	First National Bank.....	Aug. 9, 1918
Nogales, Arizona.....	First National Bank.....	Sept. 17, 1918
Terrell, Texas.....	American National Bank.....	June 5, 1918
Terrell, Texas.....	First National Bank.....	May 3, 1918
Waco, Texas.....	First National Bank.....	July 22, 1919
Waxahachie, Texas.....	Waxahachie National Bank.....	Oct. 15, 1919

SCHEDULE 22

VICTORY LIBERTY LOAN SUBSCRIPTIONS

State	Quota	Amount of Subscriptions	Allotment	Number of Subscribers
Texas.....	\$80,605,500.	\$75,819,550.	\$72,948,550.	288,977
Arizona.....	3,093,900.	2,367,050.	2,109,400.	8,249
Louisiana.....	6,138,600.	5,565,400.	5,473,600.	14,590
New Mexico.....	2,350,700.	1,980,850.	1,883,250.	9,655
Oklahoma.....	2,311,300.	1,599,050.	1,587,700.	5,269
Total.....	\$94,500,000.	\$87,331,900.	\$84,002,500.	326,740

METHOD OF PAYMENT

Cash.....	\$29,008,502.59
Depository Credit.....	51,588,372.41
Certificates of Indebtedness.....	3,394,500.00
TOTAL PAID.....	\$83,991,375.00
Unpaid balance.....	11,125.00
GRAND TOTAL.....	\$84,002,500.00

LEADING CITIES

CITIES	Quota	Amount of Subscriptions	Number of Subscribers
Austin, Texas.....	\$1,519,600.	\$1,435,100.	2,825
Beaumont, Texas.....	1,765,200.	1,814,750.	5,999
Dallas, Texas.....	7,000,000.	7,308,100.	16,266
El Paso, Texas.....	2,156,900.	2,112,750.	9,611
Ft. Worth, Texas.....	4,100,000.	4,765,900.	16,330
Galveston, Texas.....	1,516,350.	2,417,350.	8,663
Houston, Texas.....	7,479,250.	8,019,250.	32,797
San Antonio, Texas.....	3,657,300.	3,649,950.	12,895
Shreveport, La.....	2,246,000.	2,850,000.	5,185
Waco, Texas.....	1,125,000.	1,233,500.	4,180

SCHEDULE 23

TREASURY CERTIFICATES OF INDEBTEDNESS SUBSCRIPTIONS

DATE OF ISSUE	Quota Allotted	Amount Subscribed	Number of Subscriptions
January 2.....	\$18,000,000.	\$ 5,714,000.	383
January 16.....	14,400,000.	8,043,000.	374
January 16 (tax).....	none	4,350,000.	234
January 30.....	14,400,000.	5,951,500.	221
February 13.....	14,400,000.	10,939,000.	246
February 27.....	12,000,000.	13,106,000.	432
March 13.....	12,000,000.	14,358,000.	259
March 15.....	none	3,417,500.	355
April 10.....	12,000,000.	12,879,000.	223
May 1.....	12,000,000.	14,359,000.	253
June 3 (T-4).....	none	15,815,500.	164
June 3 (T-5).....	none	3,036,000.	138
July 1 (T-6).....	none	6,221,500.	102
July 1 (T-7).....	none	12,823,500.	193
July 15 (T-8).....	none	8,681,000.	149
August 1.....	12,000,000.	16,185,000.	365
August 15.....	12,000,000.	14,429,000.	364
September 2.....	12,000,000.	23,179,000.	241
September 15 (T-9).....	none	3,491,500.	138
September 15 (T-10).....	none	8,232,500.	96
December 1 (D).....	none	11,916,500.	288
December 1 (TM-3).....	none	13,088,500.	400
December 15 (TJ).....	none	31,803,000.	500
Total.....		\$262,019,500.	

SCHEDULE 24

SALES OF WAR SAVINGS CERTIFICATE STAMPS, THRIFT STAMPS AND
TREASURY SAVINGS CERTIFICATES, TOGETHER WITH
ANALYSIS OF MOVEMENT OF COLLATERAL
PLEGGED BY CONSIGNMENT AGENTS.

MONTH	Treasury Savings Certificates	War Savings Stamps	Thrift Stamps	No. Collateral Cons. Agents	Amt. Collateral Withdrawn	Amt. Collateral on Hand	Amt. Collateral Received
January....		\$227,630.00	\$5,636.50	53	\$173,150.00	\$496,450.00	\$ 1,000.00
February..		35,212.38	1,598.75	36	184,500.00	354,950.00	43,000.00
March.....		22,894.20	278.00	35	57,200.00	299,750.00	2,000.00
April.....		17,326.25	575.25	30	23,500.00	276,250.00	
May.....		14,198.08	511.50	28	59,650.00	242,250.00	25,650.00
June.....		11,259.00	160.00	28	1,000.00	241,312.50	62.50
July.....	\$52,668.00	31,508.84	575.00	28		241,312.50	
August....	360,675.20	9,863.26	575.00	28	1,062.50	241,250.00	1,000.00
September.	150,528.00	6,375.60	140.00	28	46,000.00	251,750.00	56,500.00
October...	140,895.20	15,732.40	1,470.00	28	5,000.00	252,500.00	5,750.00
November..	268,228.00	12,695.00	1,895.50	32	500.00	252,000.00	
December..	269,783.60	14,111.44	225.00	29	28,000.00	224,000.00	
Total.....	\$1,242,778.00	\$418,806.45	\$13,640.50		\$579,562.50		\$134,962.50

SCHEDULE 25

UNITED STATES INTEREST COUPONS AND TREASURY CHECKS
AND WARRANTS PAID BY THE FEDERAL RESERVE BANK
OF DALLAS FOR ACCOUNT OF THE TREASURER
OF THE UNITED STATES.

Month	No. of Interest Coupons Paid	Amount In- terest Coupons Paid	No. Government Warrants Paid	Amount Government Warrants Paid
January.....	130,884	\$301,974.04	98,224	\$ 10,719,673.34
February.....	76,967	145,934.05	78,105	10,134,535.62
March.....	201,243	769,752.63	92,012	10,126,116.64
April.....	316,177	938,274.81	110,791	10,831,687.13
May.....	270,106	829,617.06	80,862	12,200,331.42
June.....	172,542	532,815.46	68,948	8,177,689.04
July.....	120,512	303,047.07	56,106	5,927,723.83
August.....	55,260	123,861.04	35,163	7,907,160.71
September.....	139,361	628,603.06	31,243	14,184,819.55
October.....	175,812	617,606.81	27,159	16,707,784.71
November.....	167,048	558,596.24	28,158	4,549,536.62
December.....	209,665	1,047,974.36	23,602	5,635,742.21
Total.....	2,035,577	\$6,798,056.63	730,373	\$117,102,800.82
Average per month for year	169,631	566,504.72	60,684	9,758,566.73

STATEMENT OF CONVERSION, EXCHANGE AND INTERCHANGE LIBERTY LOAN BOND TRANSACTIONS FUNCTIONED BY THE FEDERAL RESERVE BANK OF DALLAS AS FISCAL AGENT OF THE UNITED STATES.

	Registered Exchange	Registered Transfer	Coupon Interchange	Coupon Exchange	Extended Conversion	Victory Conversion	Total
First 3½'s.....	\$216,500	\$24,200	\$194,850	\$33,800	\$36,100		\$505,450
First 4's.....	17,750	4,000	65,050	3,050	905,950		995,800
First 4¼'s.....	19,950	14,600	50,150	48,850			133,550
Second 4's.....	166,000	7,450	631,900	24,500	4,858,950		5,688,800
Second 4¼'s.....	239,450	38,200	848,950	292,750			1,419,350
Third 4¼'s.....	472,700	75,450	4,117,900	650,650			5,316,700
Fourth 4¼'s.....	576,550	154,550	6,600,600	1,270,200			8,601,900
Victory 4¾'s.....	54,100	37,850	2,838,250	562,550		\$503,900	3,996,650
Victory 3¾'s.....		5,000	200,500	11,000		140,100	356,600
Total.....	\$1,763,000	\$361,300	\$15,548,150	\$2,897,350	5,801,000	\$644,000	\$27,014,800

SCHEDULE 26

Federal Reserve Bank of Dallas

SCHEDULE 27

STATEMENT OF FUNDS WITH DEPOSITARY BANKS AND ANALYSIS
OF WITHDRAWALS FROM DEPOSITARIES BY MONTHS
DURING NINETEEN NINETEEN

Balance on Deposit January 1, 1919.....\$ 10,304,551.17

AMOUNT PAID BY CREDIT

Fourth Liberty Loan.....	\$ 18,341,817.55
Victory Liberty Loan.....	52,031,564.91
Certificates of Indebtedness.....	199,809,133.33

Total payments by credit.....	\$270,182,515.79
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GRAND TOTAL.....	\$280,487,066.96
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AMOUNT WITHDRAWN FROM DEPOSITARIES

January.....	\$ 27,568,650.54
February.....	16,029,018.18
March.....	11,591,250.00
April.....	19,066,436.85
May.....	24,733,925.65
June.....	24,069,197.07
July.....	26,739,888.84
August.....	23,284,567.72
September.....	43,755,477.22
October (1 to 25 inc.).....	8,670,249.70
October (25 to Nov. 25).....	4,346,995.86
November (25 to Dec. 25).....	7,681,661.08
December (25 to Jan. 1).....	5,619,608.31

Total Withdrawals.....	\$243,156,927.02
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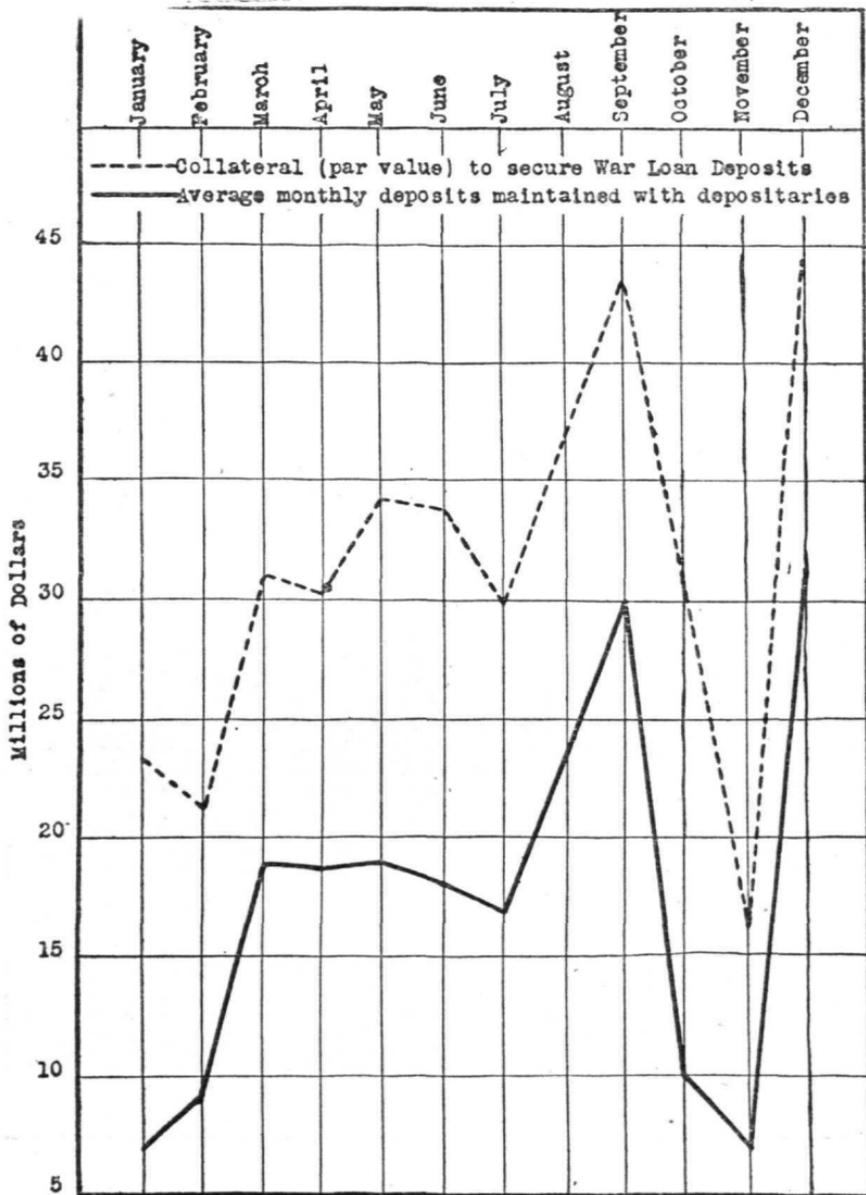
Balance on deposit January 1, 1920.....	37,330,139.94
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GRAND TOTAL.....	\$280,487,066.96
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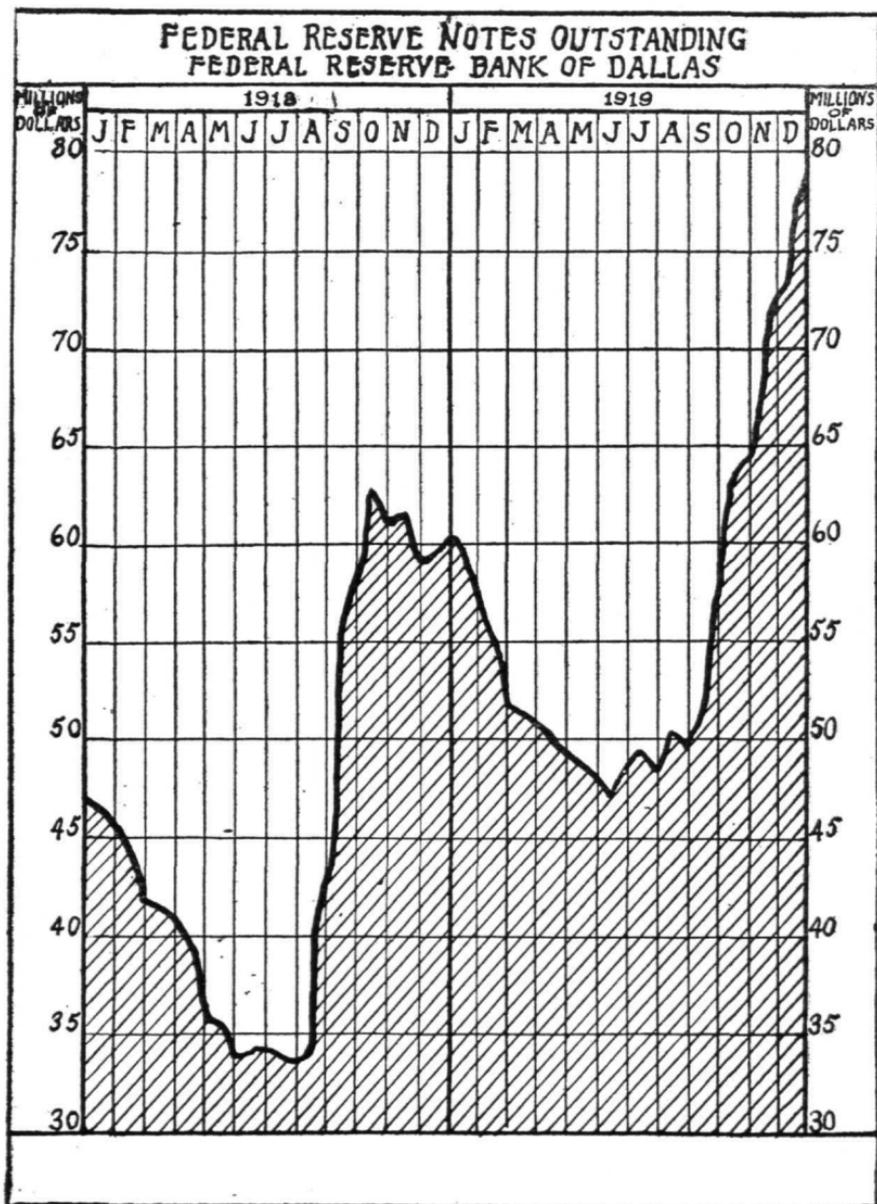
Total number qualified depositaries close of 1918.....	808
Number of banks qualifying 1919.....	19
Number of banks increasing designation.....	70
Number of banks cancelling designation.....	76
Number of qualified depositaries close of business 1919.....	751

SCHEDULE 28

Chart showing average monthly balances maintained with War Loan depositaries in Eleventh Federal Reserve District, 1919, and par value of securities pledged as collateral to such deposits.



SCHEDULE 29



NUMBER OF FEDERAL RESERVE NOTES BY DENOMINATIONS AND AGGREGATE AMOUNTS RECEIVED, ISSUED TO BANK, AND RETURNED TO THE COMPTROLLER DURING 1919.

	NUMBER OF NOTES									Aggregate Amount Dollars
	\$5	\$10	\$20	\$50	\$100	\$500	\$1,000	\$5,000	\$10,000	
1. Received from Comptroller.	2,100,000	304,000	752,000	64,000	8,000	800	800			33,780,000
2. Received from F. R. Bank...	191,000	416,500	231,000	1,800	6,900	0	90			10,610,000
3. Received from Treasurer of U. S. (Fit notes).....										
4. Received by Comptroller from Treasurer of U. S. for destruction and credit of F. R. Agent's account (unfit notes):										
(a) From other F. R. Banks	793,907	634,661	344,156	6,305	1,372	1				17,652,215
(b) Direct from reporting F. R. banks and from other sources.....	534,030	360,200	135,655	4,381	1,140	1				9,318,800
5. TOTAL.....	3,618,937	1,715,361	1,462,811	76,486	17,412	802	890			71,361,015
6. Issued to F. R. bank.....	2,280,000	1,743,500	966,000	81,600	28,900	430	390			55,730,000
7. Returned to Comptroller of Currency for destruction, including notes returned by U. S. Treasury for credit of F. R. Agent's account.....	1,327,937	994,861	479,811	10,686	2,512	2				26,971,015
8. Notes on hand at end of month.....										
9. Total.....	3,607,937	2,738,361	1,445,811	92,286	31,412	432	390			82,701,015

SCHEDULE 30

Federal Reserve Bank of Dallas

NUMBER OF FEDERAL RESERVE NOTES BY DENOMINATIONS AND AGGREGATE AMOUNTS RECEIVED, ISSUED TO BANK, AND RETURNED TO THE COMPTROLLER SINCE ORGANIZATION, AND ON HAND AT CLOSE OF BUSINESS DECEMBER 31, 1919.

SCHEDULE 31

	NUMBER OF NOTES									Aggregate Amount Dollars
	\$5	\$10	\$20	\$50	\$100	\$500	\$1,000	\$5,000	\$10,000	
1. Received from Comptroller.	6,828,000	4,700,000	2,528,000	120,000	48,000	800	800			143,700,000
2. Received from F. R. Bank..	1,079,250	1,796,850	832,950	53,900	52,850		90			48,093,750
3. Received from Treasurer of U. S. (Fit notes).....	350	140	180	13						7,400
4. Received by Comptroller from Treasurer of U. S. for destruction and credit of F. R. Agent's account (unfit notes):										
(a) From other F. R. Banks	1,173,360	883,238	422,480	7,139	1,526	1				23,658,830
(b) Direct from reporting F. R. banks and from other sources.....	1,780,983	951,486	278,259	6,751	1,431	1				24,466,105
5. TOTAL.....	10,861,943	8,331,714	4,061,869	187,803	103,807	802	890			239,926,085
6. Issued to F. R. bank.....	6,916,000	5,999,090	3,137,930	157,613	90,550	430	390			174,870,150
7. Returned to Comptroller of Currency for destruction, including notes returned by U. S. Treasury for credit of F. R. Agent's account.....	2,991,943	1,869,624	705,939	13,890	2,957	2				48,765,935
8. Notes on hand at end of month.....	954,000	463,000	218,000	16,300	10,300	370	500			16,290,000
9. Total.....	10,861,943	8,331,714	4,061,869	187,803	103,807	802	890			239,926,085

SCHEDULE 32

INTERDISTRICT MOVEMENT OF FEDERAL RESERVE NOTES DURING THE YEAR 1919.

Federal Reserve Bank of	5's		10's		20's	
	Rec'd from	Ret'd to	Rec'd from	Ret'd to	Rec'd from	Ret'd to
Boston.....	43,700	24,250	209,500	114,500	194,600	61,000
New York.....	437,750	294,250	1,293,500	889,000	1,437,500	738,100
Philadelphia..	54,000	34,000	206,000	122,500	241,000	151,000
Cleveland.....	33,500	53,000	248,500	211,500	258,000	294,000
Richmond.....	86,250	72,250	297,500	120,500	270,000	183,500
Atlanta.....	955,310	461,500	1,339,780	880,000	1,411,160	944,000
Chicago.....	531,500	189,250	1,048,000	619,000	1,407,000	781,000
St. Louis.....	1,265,345	412,000	1,767,950	830,500	2,097,540	1,055,000
Minneapolis..	33,000	52,000	108,500	127,500	167,500	101,500
Kansas City..	726,500	535,750	1,262,000	880,000	1,540,000	1,005,000
San Francisco.	297,420	119,000	555,850	229,000	974,840	475,000
Total.....	4,464,275	2,247,750	8,337,080	5,024,000	9,999,140	5,789,100
Federal Reserve Bank of	50's		100's		500's	
	Rec'd from	Ret'd to	Rec'd from	Ret'd to	Rec'd from	Ret'd to
Boston.....	29,800	32,800	16,600	14,000		
New York.....	267,600	201,400	144,000	220,600		4,500
Philadelphia..	30,000	31,600	17,000	39,300		
Cleveland.....	44,200	71,350	19,500	17,300	2,000	
Richmond.....	22,000	63,950	14,000	29,000		
Atlanta.....	108,200	53,650	39,700	49,200	3,000	
Chicago.....	184,500	73,250	58,000	47,500	500	500
St. Louis.....	219,300	59,650	105,600	98,000	1,500	
Minneapolis..	22,000	5,450	8,000	7,700		
Kansas City..	262,350	82,600	147,800	44,800	500	500
San Francisco.	87,050	47,150	55,900	64,200		500
Total.....	1,277,000	722,850	626,100	631,600	7,500	6,000
Federal Reserve Bank of	1000's		Totals 1919		Totals 1918	
	Rec'd from	Ret'd to	Rec'd from	Ret'd to	Rec'd from	Ret'd to
Boston.....			494,200	246,550	166,500	432,100
New York.....	1,000	19,000	3,581,350	2,366,850	1,957,650	2,127,300
Philadelphia..			548,000	378,400	319,500	397,950
Cleveland.....	1,000		606,700	647,150	111,950	1,078,300
Richmond.....	45,000		734,750	469,700	142,250	282,950
Atlanta.....		8,000	3,857,150	2,396,350	1,771,260	1,680,000
Chicago.....			3,229,500	1,710,500	1,804,000	1,501,400
St. Louis.....	1,000		5,458,235	2,455,150	3,585,875	1,436,800
Minneapolis..			339,000	294,150	125,500	242,150
Kansas City..	6,000	1,000	3,945,150	2,549,650	777,950	2,228,350
San Francisco.			1,971,060	934,850	321,510	447,910
Total.....	54,000	28,000	24,765,095	14,449,300	11,083,945	11,855,210

SCHEDULE 33

Cost of Federal Reserve Notes and Federal Reserve Bank Notes during year 1919.

	Cost of issuing new notes:*	Cost of re-deeming old notes:*	Taxes on F. R. Bank Notes:	Total
January.....	2.52	.....	8,928.40	8,930.92
February.....	.....	.....	.....	30,298.23
March.....	30,298.23	.....	.....	6,133.66
April.....	4,073.39	2,060.27	.....	15,342.88
May.....	14,984.70	358.18	.....	19,088.30
June.....	4,365.03	304.51	14,418.76	786.34
July.....	383.82	402.52	.....	5,887.26
August.....	5,658.92	228.34	.....	2,531.42
September.....	2,179.42	352.00	.....	2,553.90
October.....	2,242.32	311.58	.....	6,400.91
November.....	2,677.40	3,723.51	.....	38,621.99
December.....	18,853.73	286.90	19,481.36	
Totals.....	85,719.48	8,027.81	42,828.52	136,575.81
*Including transportation cost.				

SCHEDULE 34

FEDERAL RESERVE BANK OF DALLAS

Federal Reserve Agent's statement of Federal Reserve notes on hand, outstanding, received from Comptroller of the Currency, canceled, and coverage of total issue, as of December 31, 1919.

RESOURCES

Federal Reserve notes on hand.....	\$ 16,290,000
Federal Reserve Notes outstanding.....	78,644,065
Federal Reserve Notes sent to Comptroller of the Currency for destruction.....	48,765,935
Bills to secure Federal Reserve Notes.....	64,112,044.59
Gold coin and certificates on hand.....	8,831,000
Credit balance in gold redemption fund.....	4,229,580
Credit balance with Federal Reserve Board.....	14,484,000
	<u>\$235,356,624.59</u>

LIABILITIES

Federal Reserve Notes received from Comptroller of the Currency—Gross amount.....	143,700,000
Collateral pledged against outstanding Federal Reserve Notes: Gold coin and certificates.....	27,544,580
Eligible paper.....	64,112,044.59
	<u>\$235,356,624.59</u>

SCHEDULE 35

Combined statement of condition of member national banks, Eleventh Federal Reserve District.
(In thousands of dollars.)

	Number of banks, 629; March 4, 1919	Number of banks, 630; May 12, 1919	Number of banks, 631; June 30, 1919	Number of banks, 635; Sept. 12 1919	Number of banks, 640; Nov. 17, 1919
RESOURCES					
Loans and discounts . . .	404,867	412,044	422,621	459,507	550,241
U. S. Government Securities	133,819	151,862	133,187	168,503	140,826
Other Bonds	10,944	10,714	15,218	12,516	13,740
All other resources	199,663	202,836	216,556	235,593	359,014
Total	749,293	777,456	787,582	876,119	1,063,821
LIABILITIES					
Capital stock	62,049	62,780	63,697	65,358	66,379
Surplus	35,972	36,363	37,322	37,738	38,307
Undivided profits	13,966	16,201	14,979	17,177	19,644
Individual deposits	437,382	452,601	465,719	539,690	640,427
Due to banks	86,074	145,486	97,199	107,943	194,789
All other liabilities	113,850	64,025	108,666	108,213	104,275
Total	749,293	777,456	787,582	876,119	1,063,821

SCHEDULE 36

DEPARTMENTS	Number of Officers and Employees				
	1915	1916	1917	1918	1919
Chairman and Federal Reserve Agent	1	1	1	1	1
Governor	1	1	1	1	1
Other Officers	2	3	4	8	15
Banking Department	11	12	31	113	165
Bookkeeping Dept.	2	5	7	13	23
Transit Department	2	27	39	86	173
Federal Reserve Agent's Department	2	2	2	5	16
Fiscal Agency Department			75	162	89
General	10	12	10	14	22
TOTAL	31	63	170	403	505

LIST OF EMPLOYEES OF THE FEDERAL RESERVE BANK.
(Exclusive of El Paso and Houston Branches)

DEPARTMENT	Jan. 1919	Feb. 1919	March 1919	April 1919	May 1919	June 1919	July 1919	August 1919	Sept. 1919	Oct. 1919	Nov. 1919	Dec. 1919
Auditing.....	16	18	18	18	17	16	23	23	23	22	22	23
Bookkeeping.....	12	12	12	15	15	15	16	15	15	15	16	17
Cash.....	16	16	16	16	16	17	17	17	18	18	19	19
Cashiers.....	2	2	2	2	2	2	2	2	2	2	3	3
Credit.....	9	9	9	11	11	11	11	10	10	10	9	9
D. C. H.....	69	71	68	70	72	74	73	73	70	81	110	132
F. R. A.....	7	8	8	10	11	11	11	9	10	10	10	11
Governor's.....	2	2	2	2	2	2	2	2	2	2	2	2
Loan and Discount.....	21	22	20	20	19	19	18	16	15	14	14	14
Mailing.....	10	12	11	10	11	12	12	11	12	13	14	15
Office Service.....	51	53	52	50	51	56	61	61	58	57	62	62
Trust.....	8	8	8	8	8	8	8	7	7	6	6	8
War Loan.....	134	135	132	120	116	114	100	94	87	78	79	80
TOTAL.....	357	368	358	352	351	357	354	340	329	328	366	395

SCHEDULE 37

SCHEDULE 38

Department	Males	Females	Total	Males	Females	Total
Office Service.....				49	13	62
Telephone & Tele- graph.....	4	2	6			
Utility.....	10	0	10			
Guards.....	8	0	8			
Porters.....	8	0	8			
Equipment & Sup- ply.....	11	1	12			
Operating.....	7	4	11			
Stenographic.....	1	6	7			
Fed. Res. Agent's..	2	1	3	7	4	11
Examination.....	2	2	4			
Statistical.....	3	1	4			
Trust.....					6	8
Bookkeeping.....				11	6	17
Cash.....				8	11	19
Cashiers.....				2	1	3
Credit.....				6	3	9
D. C. H.....				94	38	132
Governor's.....				1	1	2
Loan & Discount.....				12	2	14
Mailing.....				14	1	15
Auditing.....				16	7	23
Bank.....	13	3	16			
War Loan.....	3	4	7			
War Loan.....				51	29	80
Accounting.....	5	0	5			
Bond Issue.....	8	4	12			
Certificates of In- debtedness.....	5	5	10			
Certificates of Sales.....	1	1	2			
Conversion.....	7	3	10			
Depository.....	3	5	8			
Mail & Files.....	6	1	7			
Shipping.....	5	1	6			
War Savings.....	7	8	15			
Assistant Mana- gers.....	2	0	2			
Detached Clerks..	2	1	3			
Total.....				273	122	395

SCHEDULE 39

NUMBER OF CHECKS AND AMOUNTS HANDLED BY D. C. H.
DURING 1919.

Dallas	Number	Amount
1- 1-19 to 1-15-19	306,663	137,172,401.46
1-16-19 to 2-15-19	719,888	272,064,037.96
2-16-19 to 3-15-19	721,842	238,977,694.56
3-16-19 to 4-15-19	815,096	281,180,696.24
4-16-19 to 5-15-19	729,844	301,253,394.86
5-16-19 to 6-15-19	689,690	312,855,912.97
6-16-19 to 7-15-19	694,861	292,562,388.52
7-16-19 to 8-15-19	761,434	297,806,019.46
8-16-19 to 9-15-19	756,002	307,271,010.84
9-16-19 to 10-15-19	939,084	292,836,104.75
10-16-19 to 11-15-19	1,333,947	559,704,233.38
11-16-19 to 12-15-19	1,515,056	502,911,328.61
12-16-19 to 12-31-19	848,169	280,577,419.41
Totals for Year..	10,831,576	4,077,172,643.02
El Paso Branch		
1- 1-19 to 1-15-19	72,429	13,624,266.94
1-16-19 to 2-15-19	147,992	30,342,529.62
2-16-19 to 3-15-19	141,856	27,054,469.64
3-16-19 to 4-15-19	183,666	31,971,179.51
4-16-19 to 5-15-19	193,122	31,718,392.79
5-16-19 to 6-15-19	180,139	35,422,097.24
6-16-19 to 7-15-19	178,372	33,574,021.75
7-16-19 to 8-15-19	190,300	34,313,735.83
8-16-19 to 9-15-19	162,489	34,689,954.55
9-16-19 to 10-15-19	192,045	36,764,818.32
10-16-19 to 11-15-19	228,142	45,844,795.40
11-16-19 to 12-15-19	224,682	45,925,538.17
12-16-19 to 12-31-19	134,359	25,246,317.15
	2,229,593	426,492,116.91
Houston Branch		
7-16-19 to 8-15-19	94,894	22,612,487.45
8-16-19 to 9-15-19	113,569	49,215,924.57
9-16-19 to 10-15-19	170,077	66,295,748.64
10-16-19 to 11-15-19	257,518	87,933,200.06
11-16-19 to 12-15-19	274,765	87,693,875.60
12-16-19 to 12-31-19	177,400	48,576,230.37
	1,088,223	362,327,466.69
Combined totals....	14,149,392	\$4,965,992,226.62

DISTRICT CLEARING HOUSE COST PER ITEM

(Including par campaign expense)

	Dallas:	El Paso:	Houston:	Combined:
Year 1919.....	.0138	.0136	.0168	.0140

SCHEDULE 40

STATEMENT SHOWING, BY WEEKS, THE GOLD SETTLEMENT
FUND SETTLEMENTS AND RESULTANT BALANCES, BOTH
DEBIT AND CREDIT, FOR YEAR 1919.

Week ending	Funds wired by us	Funds wired to us	Net loss	Net gain
January 10.....	\$24,866,389.76	\$30,003,662.91		\$ 5,137,273.15
January 17.....	32,418,928.66	35,204,822.46		2,785,893.80
January 24.....	37,380,028.66	33,428,633.05	\$ 3,951,395.61	
January 31.....	29,552,884.61	26,535,688.56	3,017,196.05	
February 7.....	29,775,995.70	29,885,329.49		109,333.79
February 14.....	22,629,016.79	24,759,260.82		2,130,244.03
February 20.....	28,700,898.59	30,673,918.55		1,973,019.96
February 28.....	29,452,244.13	25,895,507.30	3,556,736.83	
March 7.....	27,647,785.87	33,817,422.10		6,169,636.23
March 14.....	31,417,544.00	28,663,175.02	2,754,368.98	
March 21.....	34,530,083.38	30,337,420.50	4,192,662.88	
March 28.....	35,184,464.60	39,268,639.39		4,084,174.79
April 4.....	35,896,126.89	38,642,194.48		2,746,067.59
April 11.....	28,001,580.29	21,311,566.94	6,690,013.35	
April 18.....	48,863,351.94	42,362,839.31	6,500,512.63	
April 25.....	26,840,836.81	25,141,274.94	1,699,561.87	
May 2.....	49,593,111.64	50,090,035.61		496,923.97
May 9.....	40,040,835.92	38,184,565.14	1,856,270.78	
May 16.....	40,766,073.02	41,678,534.54		912,461.52
May 23.....	61,471,594.48	62,936,130.29		1,464,535.81
May 30.....	33,989,871.62	34,257,825.58		267,953.96
June 6.....	59,333,546.03	58,830,484.49	503,061.54	
June 13.....	42,134,504.90	41,949,942.33	184,562.57	
June 20.....	57,906,218.36	57,444,769.06	461,449.30	
June 27.....	46,510,352.79	48,568,659.49		2,058,306.70
July 3.....	33,288,519.56	32,346,514.43	942,005.13	
July 11.....	32,539,686.90	37,874,934.21		5,335,247.31
July 18.....	36,888,730.25	32,620,903.78	4,267,826.47	
July 25.....	30,558,665.68	35,576,713.04		5,018,047.36
August 1.....	32,144,134.00	28,774,963.55	3,369,170.45	
August 8.....	60,268,299.15	60,281,698.20		13,399.05
August 15.....	44,782,602.26	44,420,086.58	362,515.68	
August 22.....	44,904,924.61	45,554,117.19		649,192.58
August 29.....	42,169,333.96	42,896,039.45		726,705.49
September 5.....	41,318,591.49	42,502,744.83		1,184,153.34
September 12.....	54,343,769.95	54,669,691.08		325,921.13
September 19.....	58,940,545.41	58,072,367.86	868,177.55	
September 26.....	72,361,936.88	71,959,237.60	402,699.28	
October 3.....	55,932,288.55	58,510,039.84		2,577,751.29
October 10.....	67,942,962.73	72,059,236.25		4,116,273.52
October 17.....	55,926,568.19	54,299,438.07	1,627,130.12	
October 24.....	76,924,779.18	78,169,631.10		1,244,851.92
October 31.....	73,420,806.43	64,078,771.79	9,342,034.64	
Novemehr 7.....	47,434,750.15	61,380,718.50		13,945,968.35
November 14.....	55,672,709.94	64,426,212.33		8,753,502.39
November 21.....	70,159,130.54	69,051,405.08	1,107,725.46	
November 28.....	55,755,397.76	51,333,406.85	4,421,990.91	
December 5.....	68,803,906.14	74,905,180.41		6,101,274.27
December 12.....	68,140,815.56	64,283,576.27	3,857,239.20	
December 19.....	72,042,455.79	64,852,573.09	7,189,882.70	
December 26.....	62,323,444.34	63,903,516.02		1,580,071.68
Total for year	\$2,349,894,024.84	\$2,358,676,019.75	\$73,126,190.07	\$81,908,184.98
Net for year.....		8,781,994.91		8,781,949.91

SCHEDULE 41

Intra district movements of currency for the year 1919, from and to the Federal Reserve Bank of Dallas, including branches.

Month	Shipped to member banks	Shipped to non member banks	Total	Received from member banks	Received from non member banks	Total
Jan.	\$2,117,268	\$ 80,000	\$2,197,268	\$11,473,270	\$177,613	\$11,650,883
Feb.	3,353,447	202,985	3,556,432	6,781,794	94,389	6,876,183
March..	4,386,500	326,200	4,712,700	5,239,358	103,725	5,343,083
April...	4,163,472	180,000	4,343,472	5,401,786	80,903	5,482,689
May....	4,450,025	131,130	4,581,155	4,910,046	65,070	4,975,116
June....	7,002,935	179,500	7,182,435	3,514,344	64,224	3,578,568
July....	6,378,849	126,535	6,505,384	5,922,361	30,568	5,952,929
August..	6,365,131	782,260	7,147,391	4,742,869	32,985	4,775,854
Sept....	13,455,247	641,093	14,096,340	4,900,582	32,858	4,933,440
Oct....	13,939,515	864,490	14,804,005	5,782,271	544,982	6,327,253
Nov....	12,812,802	657,982	13,470,784	4,165,751	951,222	5,116,973
Dec....	11,840,325	373,728	12,214,053	9,683,159	1,032,710	10,715,869
Totals	\$90,265,516	\$4,545,903	\$94,811,419	\$72,517,591	\$3,211,249	\$75,728,840

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