

FEDERAL RESERVE BANK  
OF DALLAS



ANNUAL  
REPORT OF OPERATION  
for Year 1917



DIRECTORS

W. F. RAMSEY, Chairman.....	Dallas, Texas
W. B. NEWSOME, Deputy Chairman.....	Dallas, Texas
J. T. SCOTT.....	Houston, Texas
E. K. SMITH.....	Shreveport, La.
B. A. McKINNEY.....	Durant, Okla.
FRANK KELL.....	Wichita Falls, Texas
J. J. CULBERTSON.....	Paris, Texas
H. O. WOOTEN.....	Abilene, Texas
MARION SANSOM.....	Fort Worth, Texas

OFFICERS

R. L. VAN ZANDT.....	Governor
J. W. HOOPES.....	Deputy Governor
LYNN P. TALLEY.....	Cashier
SAM R. LAWDER.....	Assistant Cashier
R. RANDLE GILBERT.....	Assistant Cashier
W. C. WEISS.....	Auditor
C. C. HUFF.....	Counsel
W. F. RAMSEY.....	Federal Reserve Agent
CHAS. C. HALL.....	Assistant Federal Reserve Agent

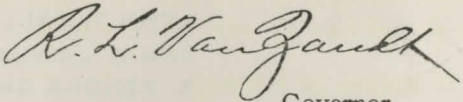
January 10, 1918.

December 31, 1917, marks the close of another twelve months' operations of the Federal Reserve Bank of Dallas, and it is with a feeling of considerable satisfaction that the management of this institution is permitted to render you a report which will not only bear evidence of the expansion of the bank's natural functions, but at the same time demonstrate, in a brief way, what has been done toward meeting our National emergency, through its Liberty Loan and Fiscal Agency operations.

On December 31, 1917, the Federal Reserve Bank was 1,142 days old—nothing more than a mere infant; but through wonderful co-operation afforded, it has been able to materially assist in the greatest plan of National financing any country has ever known, with the least possible disturbance to the business interests, showing conclusively that the Federal Reserve System is proving itself a powerful stabilizing force in the financial world.

I, therefore, take pleasure in presenting herewith certain statistical data in connection with our operations which I trust will be of interest to those who have so loyally supported our efforts in building up the Federal Reserve Bank of the Eleventh District, and who are interested in its welfare.

Very respectfully,

  
Governor.

## COMPARATIVE STATEMENT OF CONDITION.

Resources.	Dec. 31, 1917	Dec. 31, 1916	Dec. 31, 1915
Bills discounted and bought.....	\$ 22,880,546.54	\$ 3,032,115.69	\$ 4,886,810.00
U. S. Bonds to secure circulation.....	2,732,400.00	2,000,000.00	
Other U. S. Bonds and Treasury notes.....	3,193,700.00	3,033,250.00	870,000.00
Investments—Municipal Warrants.....	150,458.74	127,318.87	75,711.19
Bill of Lading drafts.....	682,058.19	11,072.50	
Bank premises .....	136,736.31	144,246.31	144,783.85
Furniture and Fixtures.....	11,000.00	37,164.32	33,255.41
Cash and due from banks (not Reserve).....	5,227,722.99	1,407,448.37	1,970,050.06
Due from other Federal Reserve Banks (net) .....			786,201.41
Federal Reserve Bank notes on hand.....	2,732,400.00	2,000,000.00	
Credit Balance in Gold Settlement Fund.....	24,520,700.00	14,946,500.00	8,341,000.00
Gold with Agent for retirement of outstanding Federal Reserve Notes.....	25,036,675.00	22,862,855.00	11,440,000.00
Gold and lawful money.....	13,896,493.91	5,308,894.50	4,510,515.50
Gold held with foreign agencies.....	1,837,500.00		
Deferred debits .....	6,581,975.95	5,022,023.23	66,035.33
F. R. Banks—Transfers bought (net).....	3,619,774.36		
Total Resources.....	\$113,240,141.99	\$59,932,888.79	\$33,124,362.75
<b>Liabilities.</b>			
Capital Stock .....	\$ 2,794,900.00	\$ 2,696,050.00	\$ 2,752,816.67
Net Profits (earned and unearned).....	217,906.06	33,864.51	113,809.46
Federal Reserve Notes issued.....	47,716,950.00	24,162,855.00	15,145,000.00
Reserve Deposits (net).....	44,155,240.99	25,742,902.95	10,018,864.19
Government Deposits .....	6,609,284.55	1,493,691.05	5,081,935.53
Due to other Federal Reserve Banks (net).....	1,515,970.49	1,292,435.51	
Deferred Credit—Checks and Drafts in process of collection.....	7,497,489.90	2,511,089.77	11,936.90
Federal Reserve Bank Notes (secured by United States Bonds).....	2,732,400.00	2,000,000.00	
Total Liabilities.....	\$113,240,141.99	\$59,932,888.79	\$33,124,362.75

## EARNINGS AND EXPENSES.

Details of earnings for twelve months ending December 31, 1917, compared with same period for 1916, also total earnings since organization.

Source of Earnings.	1917	1916	Since Organization
Bills Discounted—Members .....	\$198,571.22	\$205,232.29	\$ 646,039.47
Rediscounts for other Federal Reserve Banks .....	10,493.44		10,493.44
Acceptances bought in open market.....	138,512.74	10,879.64	149,392.38
United States Bonds and Treasury Notes.....	159,431.61	64,576.25	224,642.74
Municipal Warrants .....	6,832.79	736.80	7,858.49
Profits realized on U. S. securities sold.....	4,007.67		4,007.67
Transfers—Net Earnings .....	34,027.34	7,305.20	42,552.19
Deficient Reserve Penalties.....	12,968.16		12,968.16
Sundry Profits .....	3,747.42	18,144.46	22,177.40
Total .....	\$568,592.39	\$306,874.64	\$1,120,131.94

Detail of Expenses for twelve months ending December 31, 1917, compared with same period for 1916, also total expenses since organization.

Description.	1917	1916	Since Organization
Assessments—Expenses Federal Reserve Board .....	\$ 11,438.78	\$ 9,664.82	\$ 48,314.86
Federal Advisory Council Expenses.....	150.00	752.80	1,346.21
Governors' Conferences .....	398.42	1,300.80	1,699.22
Federal Reserve Agents' Conferences.....	207.64	613.55	821.19
Salaries .....	86,733.27	65,772.99	226,943.26
Directors' Remuneration and Expenses.....	3,521.89	4,259.10	13,705.80
Officers & Clerks' Traveling Expenses.....	1,138.77	1,234.33	4,953.73
Legal Fees .....	2,400.00	2,422.40	5,236.25
Rent .....			10,079.78
Taxes and Fire Insurance.....	927.20		3,439.18
Telephone .....	869.47	871.74	2,388.29
Telegraph .....	584.46	645.24	1,685.73
Postage .....	3,166.32	3,088.43	10,126.45
Expressage .....	8,424.31	10,783.23	30,690.87
Insurance and Premiums on Fidelity bonds	1,517.92	476.73	6,371.14
Light, Heat and Power.....	1,468.24	1,318.65	2,965.29
Printing and Stationery.....	6,327.37	496.97	16,236.07
Repairs and Alterations.....	2,472.86	209.30	3,173.09
Miscellaneous Expenses .....	5,154.00	6,298.69	18,828.57
Total .....	\$136,900.92	\$110,209.77	\$409,004.98
Cost of Federal Reserve Notes issued.....	30,910.82	12,346.43	50,640.81
Total Expenses .....	\$167,811.74	\$122,556.20	\$459,645.79

Total Earnings and Expenses by months for twelve months ending December 31, 1917.

	Earnings	Expenses	Net Earnings	Ratio of Expenses to Earnings
January .....	\$ 20,826.24	\$ 10,022.37	\$ 10,803.87	48%
February .....	24,678.48	9,271.25	15,407.23	38%
March .....	22,942.68	9,406.34	13,536.34	41%
April .....	28,885.59	9,994.29	18,891.30	35%
May .....	34,747.02	8,988.44	25,758.58	26%
June .....	33,119.20	10,626.25	22,492.95	32%
July .....	36,581.32	10,920.99	25,660.33	30%
August .....	45,804.36	13,578.75	32,225.61	30%
September .....	53,031.20	24,952.53	28,078.67	47%
October .....	79,295.50	23,016.78	56,278.72	29%
November .....	88,510.32	17,810.34	70,699.98	20%
December .....	100,170.48	19,223.41	80,947.07	19%
Total.....	\$568,592.39	\$167,811.74	\$400,780.65	30%

## DIVIDENDS AND PROFIT AND LOSS.

During the year 1917 two dividends were declared and paid.

Dividend No. 4—From April 30, 1916 to October 31, 1916—6%.....	\$ 79,835.69
Dividend No. 5—From November 1, 1916 to June 30, 1917—6%.....	107,908.18
Total.....	\$187,743.87

Our credit balance in Profit and Loss account at close of business December 31, 1917, after payment of Dividends Nos. 4 and 5 is..... \$205,353.08, or more than sufficient to pay dividends up to that date, but it is deemed to the best interests of the bank not to pay the entire amount at this time.

Upon authority granted by our Board of Directors, concurred in by the Federal Reserve Board, certain "charge-offs" were made during the year into Profit and Loss, as follows:

Entire Furniture and Equipment Account, except part of cost of vault.....	\$ 32,324.77
Depreciation allowance on bank premises.....	7,500.00
Expenses paid in advance.....	8,313.57
Interest paid on surrendered stock.....	445.31
Premium paid on U. S. Bonds purchased.....	1,406.26
Expenses for year.....	167,811.74
Miscellaneous charge-offs .....	212.50
Total.....	\$218,014.15

## CONDENSED STATEMENT OF PROFIT AND LOSS.

Credit Balance December 31, 1916.....	\$ 41,901.93
Total credits twelve months ending December 31, 1917 .....	569,209.17
Total charges twelve months ending December 31, 1917, including dividends.....	\$611,111.10
Credit balance December 31, 1917.....	405,758.02
Credit balance December 31, 1917.....	\$205,353.08

## MISCELLANEOUS.

### REDISCOUNTED PAPER FOR MEMBER BANKS.

During the year 1917 we accommodated 258 banks, involving a total of.....\$52,052,600.00  
As compared with 1916 with a total of..... 18,512,542.85

An increase of 181% or..... \$33,540,057.15

During the year we rediscounted 11,010 notes for our members, the largest note handled being \$958,000 and the smallest \$10.50.

Rediscounts for 1917 divided by States are as follows:

Texas .....	\$47,269,977.00	90.8%
Oklahoma .....	742,454.00	1.4%
New Mexico .....	3,481,674.00	6.7%
Arizona .....	163,556.00	.3%
Louisiana .....	394,939.00	.8%
Total.....	\$52,052,600.00	100.0%

### BANKERS ACCEPTANCES PURCHASED.

During the year amounted to.....	\$35,028,001.36
During the year 1916 amounted to.....	3,543,046.71
An increase of 889% or.....	\$31,484,954.65

### MATURITIES.

Classification by maturities of all paper rediscounted and purchased during 1917:

Due within 15 days.....	\$34,486,685.99
Due 16 to 30 days.....	7,325,335.16
Due 31 to 60 days.....	29,898,528.15
Due 61 to 90 days.....	15,243,514.05
Due 91 days to six months.....	5,126,574.00
Total.....	\$92,080,637.35

### BILL OF LADING DRAFTS.

Bill of Lading drafts discounted with us for collection during the year amounted to.....	\$5,339,916.91
During the year 1916 amounted to.....	1,187,773.51
An increase of 350% or.....	\$4,152,143.40

Division by commodities during the year of Bill of Lading drafts is as follows:

Grain and grain products.....	\$1,339,365.41
Alfalfa.....	330,495.14
Hay.....	131,273.91
Cotton and cotton products.....	3,259,159.74
Wool.....	192,572.38
Miscellaneous products.....	87,050.33
Total.....	\$5,339,916.91

### MUNICIPAL WARRANTS.

Municipal warrants purchased during the year amounted to.....	\$737,902.33
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### SHIPMENTS OF CURRENCY AND COIN.

The volume of shipments made during the year 1917 is evidence of the fact that our member banks have not been slow to appreciate the benefits to be derived from the facilities offered them by the Federal Reserve Banks. The following table will give some idea of the increase for 1917 over 1916.

	AMOUNT SHIPPED	
	1917	1916
One and two dollar bills.....	\$ 2,768,027.00	\$ 1,413,700.00
Other currency.....	51,429,615.00	42,350,760.00
Silver dollars.....	497,550.00	595,510.00
Fractional silver coins.....	901,490.00	1,043,382.50
Nickels and pennies.....	120,951.00	123,900.00
Total.....	\$55,717,633.00	\$45,527,252.50
Increase in shipments 1917 over 1916.....	10,190,380.50	
or.....	22%	

The maximum monthly amount of total shipments was reached during September, 1917, totaling \$10,919,380.00. The minimum was in January, 1917, totaling \$1,376,001.00.

### DISTRICT CLEARING HOUSE OPERATIONS.

Total items handled during twelve months ending December 31, 1917.

	Total number items handled		Total amount handled	
	With service Chrgs.	Without service Chgs.	With service Chgs.	Without service Chgs.
Jan. ....	286,928	25,427	\$ 32,747,289.20	\$ 26,423,472.78
Feb. ....	246,108	23,113	29,746,051.78	24,853,171.80
March .....	288,075	27,870	34,055,645.75	28,992,748.18
April .....	263,836	26,300	34,073,912.86	29,536,386.94
May .....	242,044	41,135	34,571,703.72	34,146,761.97
June .....	248,329	24,701	34,988,548.71	36,823,190.04
July .....	234,065	24,513	33,209,055.53	30,450,449.85
August .....	239,227	24,586	35,826,134.04	35,947,651.20
Sept. ....	247,739	35,650	43,073,740.10	41,137,358.39
Oct. ....	366,948	39,111	63,987,609.75	73,137,116.06
Nov. ....	326,276	35,030	60,007,754.56	66,319,565.08
Dec. ....	363,095	37,114	65,242,748.78	60,904,236.82
Total.....	3,352,670	364,550	\$501,530,194.78	\$488,672,109.11

A grand total of.....	3,717,220 items, aggregating .....	\$990,202,303.89
Cost of operating District Clearing House.....		\$ 51,262.80
Cost to us per item handled with service charges.....		.01529
Cost to us per item handled including those handled without service charges.....		.01379
Cost to us per \$1,000 including those handled without service charges.....		.05177

### RESERVE CITY CLEARING HOUSE OPERATIONS.

	Average Daily Clearings	Average Daily Balances
January .....	\$2,395,900.14	\$ 847,327.06
February .....	2,331,597.65	907,539.14
March .....	2,366,220.06	932,308.54
April .....	2,486,101.52	970,864.60
May .....	2,529,039.02	1,037,638.21
June .....	2,475,530.00	998,480.35
July .....	2,179,699.40	821,715.55
August .....	2,530,820.40	914,946.26
September .....	3,449,786.01	1,225,966.95
October .....	4,842,166.80	1,961,907.65
November .....	4,856,861.85	2,129,166.58
December .....	4,400,300.89	1,850,823.97
Monthly average for year.....	\$3,070,335.31	\$1,216,557.07

### EXCHANGE OPERATIONS.

	1915	1916	1917
Exchange bought from member banks.....	\$48,000,000	\$244,000,000	\$582,700,000
Exchange sold to member banks.....	24,000,000	210,000,000	388,500,000

# War Loan Operations

A brief summary of the volume of work handled by the War Loan Department during the year 1917 is as follows:

## TREASURY CERTIFICATES OF INDEBTEDNESS.

Number of issues.....	11
Total number of subscriptions received .....	1,726
Amount of certificates sold.....	\$62,960,500

## FIRST LIBERTY LOAN.

Amount of bonds subscribed for by and through non-member banks in this district .....	\$ 9,190,200
Amount of bonds subscribed for by and through member banks in this district.....	39,771,800
Total amount of bonds subscribed for.....	\$48,962,000
Total allotment .....	\$36,461,050
Total number of subscribers, 93,707.	

## SECOND LIBERTY LOAN.

Amount of bonds subscribed for, by and through non-member banks in this district .....	\$20,878,900
Amount of bonds subscribed for, by and through member banks in this district.....	57,020,950
Total amount of bonds subscribed for.....	\$77,899,850
Total allotment .....	\$74,486,000
Total number of subscribers, 250,206.	

## WAR SAVINGS CERTIFICATES AND THRIFT STAMPS.

	Certificates	Stamps
Sold to agencies on consignment.....	\$ 91,876.00	\$ 6,562.50
Sold for cash.....	556,224.00	50,026.75
Total.....	\$648,100.00	\$56,589.25