

10

OPERATION OF

Federal Reserve Bank  
of Kansas City

1920



SIXTH ANNUAL REPORT  
TO THE  
FEDERAL RESERVE BOARD

ANNUAL REPORT  
of the  
Federal Reserve Agent  
of the  
Tenth Federal  
Reserve District  
to the  
Federal Reserve Board



COVERING THE CALENDAR YEAR  
1920

ASA E. RAMSAY,  
Chairman and Federal Reserve Agent

**LETTER OF TRANSMITTAL**

January 22, 1921.

Sir:

I have the honor to transmit herewith the sixth annual report of the Federal Reserve Bank of Kansas City covering the year 1920.

Respectfully yours,

ASA E. RAMSAY,  
Chairman and Federal Reserve Agent.

Hon. W. P. G. Harding, Governor,  
Federal Reserve Board,  
Washington, D. C.

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OF THE  
FEDERAL RESERVE BANK OF KANSAS CITY  
FOR 1921

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# **OPERATIONS OF THE FEDERAL RESERVE BANK OF KANSAS CITY**

**IN 1920**

## **GENERAL BUSINESS CONDITIONS**

Nineteen hundred and twenty began with industry and trade going at high speed and general conditions but little different from those which prevailed through the latter part of 1919. The situation early in the year offered encouragement for a larger output of the products of the Kansas City Federal Reserve District, which are almost exclusively essentials. It called for increased manufacture and more liberal distribution of merchandise to replace supplies exhausted during the war period.

However, many factors unfavorable to healthy business progress were to be reckoned with. First, the tremendously increased financial requirements for doing business on a larger scale than ever before undertaken, and especially with values on many items more than double those of pre-war years, augmented the tendency to further expand credits. Speculation, such as to involve the use of vast sums of money and credits for other than essential business was rampant. Evidences of the extravagances which came with relaxation from the strain of war still existed. Overshadowing all was a spirit of unrest, a protest against living costs which were mounting higher and higher, and a clamor for speedy adjustment of prices on consistent peace time levels.

In the face of these conditions was a determination, shared by all interests of the Kansas City Federal Reserve District, to "carry on" and to make the record of 1920 in industrial and commercial activities surpass the records of preceding years.

With the passing of the war demand for increased production of wheat, a large number of farmers turned their attention to rotation of crops. As a result, 1920 was the best crop year of history in point of production at least, and notwithstanding the reduced wheat acreage the yield was well above the yearly average.

The year's live stock receipts at the markets were but a shade under the average yearly receipts for the ten years preceding the war period. Compared with the heavy receipts at the markets in 1919, however, the record for the last twelve months indicates a loss closely approximating 20% in the number of all animals marketed. This apparently heavy decrease for 1920 is attributed in part to the enforced marketing in 1919 of live stock from regions affected by the drought. There was also a very large marketing of unfinished live stock

in the latter half of 1919 on account of the high cost of feed and pasturage which was out of proportion to the prices paid for live stock at the markets. Notwithstanding the situation at times has been discouraging, growers and breeders have made progress in the building up of their herds and flocks following the heavy drafts on the live stock industry during the war.

Crude oil production in this district was approximately 165,000,000 barrels, which is about 35,000,000 barrels more than was produced in 1919, and about 22,000,000 barrels more than the total production of 1918, the last year of the war.

Former records for ore production in the zinc and lead fields of the district were shattered in 1920, but in production of gold and silver, the year's operations were below those of 1919. The tonnage of coal mined in the fields of Missouri, Kansas, Oklahoma and also in the Rocky Mountain States in this district far exceeds the output of the previous year and closely approximated the tonnage of 1918.

Various lines of manufacture in this district were very active for the major part of the year, and, together with the flour milling and meat packing industries, were about on a normal basis of operation.

Building and construction activities, while restricted by high cost of materials and labor, closed the year slightly ahead of 1919 both in number and value of building permits. Yet building requirements in all of the cities and towns throughout the district were so great—after neglect during the war period—that no appreciable relief from inadequate housing conditions has been apparent.

The volume of mercantile trade, both wholesale and retail, was larger than that of 1919, and in some lines 1920 was the banner year. The knowledge that prices could not long be maintained at abnormally high levels brought an element of uncertainty to the situation. Extreme caution was exercised by retailers in buying from wholesalers and by wholesalers in buying from manufacturers, with the result that buying was on something of a "hand to mouth" basis throughout the entire year. Although the aggregate of sales was very large, it is doubtful if stocks properly invoiced would show any margin of profit, due to the falling prices in the last ninety days of the year.

The outstanding feature of the year 1920 was a decline in prices of commodities. Starting during the midsummer, practically every product of this district was affected, and prices registered an average decrease of approximately 35% from the high levels of February 1. The recession in prices, while necessary in the readjustment to obtain stability, brought about in the last ninety days of the year a depression of the business situation which was keenly felt throughout

this district, and is somewhat reflected in all lines of trade and in every department of industry. It caused the slowing down of mercantile activities, curtailed manufacturing, reduced operation at the metal mines, restricted development operations in the oil fields, increased building stagnation and resulted in a slower movement of grain to the markets, many farmers preferring to hold their grain in anticipation of higher prices.

## **GENERAL REVIEW OF THE SERVICES AND ACTIVITIES DURING 1920**

During the year just closed the volume of business transacted in each of the departments has far exceeded all previous records. At the beginning of the year our loans, on the decline, stood at \$128,280,694.86. Liquidation continued until February 3, when the loans reached the lowest period during the year, \$90,783,586.83, after which they immediately began to increase, every month showing a higher level until, on November 6, the high point was reached, \$164,277,697.84. From November 6 to the end of the year loans have shown some reduction, and on December 31 the total was \$141,572,922.18.

The net earnings of the bank from the year's operations amounted to \$5,540,681.61, or at the rate of 130% per annum on the average paid-in capital for the year, as compared with 99% in 1919.

Except for the months of February and March and the first part of April, this bank was a continuous borrower from other Federal Reserve Banks. Notwithstanding the increased rates effective following the progressive discount rate plan, made operative on April 19, 1920, our rediscounts continued to increase, and on November 3 reached the high point of \$48,230,109.59.

Throughout almost the entire year the combined reserves of the bank were maintained only slightly in advance of the requirements. The number of penalties assessed for deficient reserves made necessary an increase in the penalty rates—effective January 2, 1921.

On April 7, 1920, our Transit Departments handled a total of 244,314 items, aggregating \$55,218,909.19, far exceeding the highest previous record. The daily average number of items was 169,870. The volume of currency and silver shipments has steadily increased until, on December 29, the receipts at the head office reached the maximum amount for any one day, being 197,000 bills, for a total of \$1,430,000. The total head office receipts for the year were 28,000,000 bills, aggregating \$200,000,000, shipments and deliveries totaled 41,000,000 bills, aggregating \$222,000,000.

Fiscal Agency operations consisted principally of sales of Treasury Certificates of Indebtedness and War Savings Securities, and the exchange and transfer of Liberty Bonds; the number of transactions handled during the year being 19,522,220 pieces, having a total value of \$2,532,977,328.61.

Although no active campaign was made for additional State Bank and Trust Company members, there was a net increase in the membership of fifteen. An Examination Department was organized on March 1, and during the latter part of the year, a Library Department was installed. More attention has been given to educational and recreational activities. With the added force at the Oklahoma City Branch, the number of officers and employees of the bank and branches at the close of the year was 886, compared with 583 on December 31, 1919.

Although unavoidable delays have been experienced as to material for the new building, the work is progressing very satisfactorily, and, barring unforeseen contingencies, the occupancy of the building is promised by November, 1921.

## FINANCIAL RESULTS OF OPERATION

The gross earnings from operations for the year were \$7,409,987.31; expenses \$1,857,959.81, leaving net earnings of \$5,552,027.50. Adding net credit to deferred charges of \$233.30 and deducting depreciation of \$11,579.19 on U. S. Bonds carried, the net promits amounted to \$5,540,681.61, which were distributed as follows:

Dividends paid to members.....	\$ 257,672.52
Amount carried to normal surplus.....	2,793,866.64
Amount carried to super surplus.....	248,914.24
Amount paid into Treasury of the Government as a franchise tax.....	2,240,228.21
The gross earnings at the head office were.....	4,614,348.31
At the Omaha Branch.....	2,086,346.52
At the Denver Branch.....	709,292.48
Total expenses at the head office were.....	1,170,887.02
At the Omaha Branch.....	349,068.83
At the Denver Branch.....	181,470.92
At the Oklahoma Branch.....	156,533.04
Net earnings at the head office (deducting Oklahoma City Branch expense of operation).....	3,286,928.25
At the Omaha Branch.....	1,737,277.69
At the Denver Branch.....	527,821.56

Of the total gross earnings of the head office and branches \$6,441,476.47 represented the revenue derived from bills discounted, \$211,974.98 came from discounts on bills bought in the open market, \$505,539.24 from interest on United States securities and \$238,424.89 from penalties on deficient reserves.

The actual operating expenses at the head office and branches for the year were \$1,514,115.57; the cost of issuing



and redeeming federal reserve currency was \$131,381.54; tax on bank notes \$83,421.98; while the furniture, fixtures and equipment, including the Oklahoma City Branch, cost \$126,-707.39.

Comparing the net earnings from operations of \$5,552,-027.50 for 1920, with the net earnings of \$3,775,413.00 for 1919, indicates in a very impressive way the enormously increased volume of business handled during the year. It may be of interest to compare the income for 1920 with that of previous years:

	Amount	Percent
Income for 1915, including a part of year 1914 (deficit).....	\$ 23,480.06	
1916 net income.....	181,568.25	5.8%
1917 net income.....	644,343.00	20.5%
1918 net income.....	2,756,130.88	78.2%
1919 net income.....	3,775,515.55	99.0%
1920 net income.....	5,552,260.80	130.0%

The total gross income since organization has been \$17,250,370.27; total expenditures \$4,364,031.85; leaving net income from November 16, 1914 to close of business December 31, 1920, \$12,886,338.42. In the distribution of this income member banks have been paid \$1,227,366.96 as dividends; amount transferred to surplus account \$9,158,814.24; depreciations \$259,929.01 and amount paid to the United States Government as franchise tax, required by the Act, as amended, \$2,240,228.21.

A comparative detailed statement of income and expenditures for the years 1917, 1918, 1919 and 1920 is given in schedule "B", a recapitulation of which, together with distribution of profits, is given in schedule "BB" as on December 31, 1919 and December 31, 1920.

## DISCOUNT RATES

### Changes in Rates

At the close of business last year our rate on member bank collateral notes, secured by Government securities, was 4½% to 5%; by eligible paper, 5%. The rate on commercial paper from 15 to 90 days was 5%; on six months' agricultural paper 5½%, and on live stock paper 5½%.

The discount rates on some classifications of notes were slightly changed on January 3, January 23, February 26, July 3, and September 28. The most important change was that of January 23, when the member bank notes were placed on a 5½% basis, when secured by Liberty Loan Bonds or Victory Notes, and 6% when secured by eligible paper. The rates on all commercial, industrial and live stock maturities were in-

creased from 5½% to 6%, which rates maintained throughout the year and are now effective.

On September 28, loans secured by Government bonds were increased from 5½% to 6%; the amount advanced against Victory Notes decreased to 95%, and the amount advanced against Liberty Bonds to 85% of their respective face values.

On April 19, this bank adopted that provision of the amended Act which permits the application of progressive rates of discount where members receive accommodations in excess of their basic lines.

### **Progressive Discount Rate**

As early as June 13, 1918, our directors observed a tendency on the part of a comparatively few members to absorb the lending power of this bank, and a resolution was adopted, subject to the approval of the Federal Reserve Board, outlining a plan of progressive rate of discount quite similar to the one now in operation. Council for the Federal Reserve Board was of the opinion, however, that the application of different discount rates to the same class of paper as anticipated in the resolution would be contrary to the provisions of the Federal Reserve Act.

The discount relations with member banks throughout the year 1919 demonstrated more than ever the necessity for the adoption of some regulation whereby the lending power of this bank would be more evenly distributed among the members, since a comparatively few continued to absorb a major portion of the bank's lending power, which, aside from the hazard of making unusually large advances to a few members, left the bank without available funds to extend credit to the vast majority of members which were either not borrowing at all or borrowing only moderately.

The situation prevailing in the Tenth District was not dissimilar to that prevailing in some other districts, and for the purpose of bringing about some regulation of those habitually borrowing in excessive amounts, the Federal Reserve Board embraced in its annual report for 1919 a recommendation to Congress, as a consequence of which the Federal Reserve Act was amended on April 13, 1920, to grant the privilege to any district of adopting what is now called the progressive discount rate.

On April 16, our Board adopted the provisions of the Act, as amended, and the progressive discount rate became effective in the Tenth Federal Reserve District on April 19, 1920. Its adoption was in no sense a desire for greater revenue or to apply a new method to discount transactions with members. Experience had shown that in order to discourage further expansion of loans it would be necessary to adopt



some method of making it unprofitable for members to borrow in excess of their basic lines. The basic line of a member bank is determined by deducting from the amount of its average reserve balance for the preceding month the 35% reserve on deposits which Federal Reserve Banks are required by the Act to maintain; to the remainder is added the amount of capital stock of the Federal Reserve Bank paid in by the member, and this sum multiplied by two and one-half (2½).

How far the progressive discount rate plan has succeeded in bringing about a better distribution of credit among the members is apparent when the status existing on April 19, is compared with any subsequent date. On April 19, 1920, out of a total membership of 1,035, 351 members had borrowed not only the entire lending power of this bank, but an additional ten million dollars represented by rediscounts with other Federal Reserve Banks. On December 31, 1920, 352 of the 684 members, which were not borrowing on April 19, had become borrowers, more than half of those banks never before having had discount relations with the Federal Reserve Bank. Even under the higher discount rates as applied through the progressive rate plan, the demand for loans from members was so strong that this bank was forced to depend upon other Federal Reserve Banks for funds continually throughout the year.

Under the Federal Reserve Bank of Kansas City plan, loans secured by Liberty Bonds and Victory Notes, owned by members, and Treasury Certificates of Indebtedness of any issue do not add to the credit structure upon which the progressive rate is computed. On offerings in excess of a member's basic line the rate is progressed one-half of one per cent for each additional amount of 25% of the basic line; therefore, when a member is borrowing over 100% and not more than 125% of its basic line, the rate on such excess is 6½%, and on borrowings over 125% and not exceeding 150% of the basic line, the rate on that additional excess is 7%, and so on.

Upon the adoption of the progressive discount rate plan, it was necessary to provide some method of adjustment to reimburse member banks for the higher rates of interest paid on unmatured paper carried after the retiring of paper which had been discounted at a comparatively low rate. Accordingly, the Adjustment Department was organized and installed which maintains a daily analysis by rates of the liability of each member bank discounting at the progressive rate, in order that the rates actually paid may be adjusted under the progressive plan.

## DISCOUNT OPERATIONS

The number of discount transactions of the Federal Reserve Bank of Kansas City for the year 1920 was approximately 50% greater than for 1919, which figures in turn were

approximately double those of 1918. Compared with 16,024 transactions for an aggregate of \$1,555,596,621.30 for the year 1919, the total number of discount offerings accepted from member banks in 1920 was 23,454, the aggregate amount being \$1,667,943,229.49. Of this enormous sum, 114 Colorado banks discounted \$222,543,009.98; 171 Kansas banks \$125,642,178.23; 45 Missouri banks \$687,077,598.49; 192 Nebraska banks \$356,963,941.41; 12 New Mexico banks \$10,072,982.42; 257 Oklahoma banks \$240,009,504.65 and 35 Wyoming banks \$25,634,014.31, which makes a total of 826 member banks accommodated out of a total membership of 1,087, as compared with 679 banks accommodated during 1919.

During the month of February \$105,406,440.37 of paper was handled, the least of any month during the year. In October the loans handled amounted to \$163,968,589.43, the largest amount of any one month. The total number of notes discounted was 119,791, or an average of approximately 425 per day. On one day in December there was discounted at the head office 814 notes, while on the same day three years ago there were handled only five notes, a striking contrast of the growth in volume of business handled in this department. In addition to the volume of discounts for member banks, the work of this department was greatly increased due to the many rediscount transactions with other Federal Reserve Banks.

### **Rediscounts With Other Federal Reserve Banks**

Just prior to January 1, 1920 (December 19, 1919), it was necessary to rediscount with other Federal Reserve Banks \$7,000,000, which amount was increased from time to time during the latter part of December until on January 2 it reached \$16,208,500.00, at which time we were carrying Bankers' acceptances, aggregating \$8,086,175.58. On January 26, with the collection of Bankers' acceptances, our rediscounts with other Federal Reserve Banks were entirely eliminated.

During February and the first three weeks of March, we were carrying rediscounts for other Federal Reserve Banks amounting to from \$3,000,000.00 to \$10,000,000.00. On April 16 it was necessary to again rediscount with other Federal Reserve Banks at that time in amount \$6,000,000.00. From that date the amount of rediscounts gradually increased until, on November 3d, they reached the maximum amount of \$48,230,109.59. Since that date they have gradually decreased and on December 31 our rediscounts amounted to \$29,060,531.21. Rediscounts amounting to \$411,637,404.12 with other Federal Reserve Banks were represented through 94 transactions as against 7 transactions for the year 1919, in total amount \$56,500,000.00. A detailed schedule of rediscounts with and for other Federal Reserve Banks as of close of business each Friday during the year 1920 will be found on Schedule "CC."

## Acceptances

There was a slight increase in the use of trade acceptances, principally, however, acceptances of concerns located within the district drawn by manufacturers and wholesalers outside the district. The volume under discount has been very small as compared with the total loans. There were no open market purchases of trade acceptances during the year. The increase in the volume of bankers' acceptances originating within the district has been due almost entirely to the financing of wheat and flour for export. The amount of open market purchases of bankers' acceptances as shown in Schedule "C" consists entirely of acceptances arising out of export transactions.

## Investments

The total United States Securities purchased during the year was \$128,078,650.00, consisting principally of one-day certificates of indebtedness issued by the Treasury to cover overdrafts of the United States with this bank.

## Classification of Paper Discounted

Total trade acceptances handled during the year amounted to \$10,141,682.98; agricultural and live stock paper \$237,761,423.68; industrial and commercial paper \$322,569,467.94 (including—Secured by United States Securities \$48,616,739.38), bankers' acceptances \$368,482.74, while member bank collateral notes aggregated \$1,097,143,972.15, of which amount \$1,065,409,582.06 was secured by United States Securities (Schedule "C").

These figures do not give a correct impression of the proportion of the various classes of paper, as, for instance, the average amount of agricultural and live stock paper, on account of its long maturity, ranges from 55 to 60% of our total average loans. The maximum maturity of member bank collateral notes is fifteen days, and quite frequently such notes are made for a shorter time, or payment is anticipated before maturity. The proceeds of much of this paper classified as commercial and industrial are used for agricultural and live stock purposes. Practically all of the loans made to country bankers and a large part of the loans made to city bankers are for the purpose of furnishing to farmers and stock raisers, funds to produce their crops and to purchase and feed live stock.

## Rejections

The total number of notes rejected was 20,362, amounting to \$79,786,967.07, less than 4½% of the amount of all offerings.

## RESERVES AND PENALTIES

### Reserve Position

The average daily reserves maintained by the Federal Reserve Bank of Kansas City, against the combined Federal Reserve Notes and net deposit liabilities:

January, 1920.....	42.8%
February, 1920.....	45.3%
March, 1920.....	45.2%
April, 1920.....	41.0%
May, 1920.....	41.8%
June, 1920.....	41.2%

Daily average combined reserves maintained during the first six months of 1920, 42.9%.

July, 1920.....	41.0%
August, 1920.....	41.5%
September, 1920.....	40.8%
October, 1920.....	40.9%
November, 1920.....	40.8%
December, 1920.....	40.8%

Daily average combined reserves combined reserves maintained during the last six months of 1920, 41%.

Daily average combined reserves maintained during the whole year of 1920, 41.9%.

Schedule "H" shows the fluctuation of reserves against net deposits during the year, the average for 1920 being 43.5% as compared with 45.2% for 1919 and 55% for 1918. In order to maintain the required reserve, it has, however, been necessary for the Federal Reserve Bank of Kansas City to rediscount with other Federal Reserve Banks continuously since April 16. This is the natural consequence of increased operations and unprecedented demand for accommodations on the part of member banks.

### Deficient Reserves

At one or more times during the year penalty assessments for deficient reserves were assessed against 78 city banks and 715 country banks, a total of 793 banks out of a membership of 1,087, the penalties aggregating \$238,424.89, of which the sum of \$16,947.28 was assessed against 172 banks in Kansas; \$82,770.07 against 42 in Missouri; \$52,891.19 against 166 in Nebraska; \$12,142.04 against 101 in Colorado; \$315.15 against 10 in New Mexico; \$65,484.77 against 263 in Oklahoma and \$7,874.39 against 39 banks in Wyoming. As will be noted on Schedule "B," the amount of penalties for 1920 almost equaled the combined penalties for the years 1917, 1918 and 1919.

So important is the subject, and so serious the consequences to the stability of the Federal Reserve Bank and its power to render aid, that on December 31 the Federal Reserve Board approved revised rates of penalties to be assessed as follows:

Banks located in reserve cities will be assessed at the rate of 2% above the 90-day rate for the first deficiency occurring after January 1, 1921; the penalty rate to increase one-quarter of one per cent for each subsequent weekly deficiency during the calendar year. Banks located in other than reserve cities will be assessed at the rate of 2% above the 90-day rate for the first deficiency occurring after January 1, 1921; the penalty rate to be increased one-half of one per cent for each subsequent semi-monthly deficiency during the year.

### TRANSIT OPERATIONS

The volume of clearing operations has steadily increased, items on all banks in the district being collected at par during the entire year with the exception of the State of Nebraska, which was placed on a par basis on February 20.

During the year the Transit Department at the head office handled a grand total of 30,761,789 country items, or a daily average of 97,601. Clearing house items totaled 3,929,663, or a daily average of 12,929. The maximum volume of business handled during any one day was on April 7, when we handled a grand total, including clearing house and country items, of \$205,335. The minimum day of the year was February 24, when the number of items handled was 69,072. The largest day as to actual value of items handled was March 1, \$55,208,832.67; and the lowest day, November 27, \$14,047,712.29.

Including the branches, the average daily number of country items handled was 149,797, with an average total of \$18,644,472. The average daily number of city items was 20,073, with an average total of \$20,929,295.00.

The number of employees in the Transit Department at the head office during the year varied from 140 to 185. The opening of the Oklahoma City Branch resulted in a decrease in the handling of about 20,000 items per day at the head office, and the number of employees at the close of the year was reduced to 155.

The work in our Wire Transfer Division has increased more than 100%, due to the fact that more member banks are appreciating the service offered of transferring, without cost to them, funds to their correspondents in Federal Reserve and branch cities.

The volume of business transacted through the City and Country Collections Division has materially increased, as mem-



ber banks are availing themselves more freely of the privilege of forwarding for collection through the Federal Reserve Bank, maturing notes and bills and other collection items. Member banks find from experience that we are able to give them satisfactory service on their collections, and in many cases at a saving on exchange charges and an actual saving of time. During 1920 this division at the head office handled a total of 55,301 items, of which 4,371 were returned and 876 now outstanding, making a total of 50,054 items collected, amounting to \$93,787,697.89, which is nearly double the amount handled during the year 1919.

The direct sending privilege, which is granted to member banks and by which they are able to send cash items direct to other Federal Reserve Banks and branches for credit with this bank, has been extended to an increased number of members during 1920, so that at the present time our direct sending banks are forwarding to other Federal Reserve Banks and branches 200 letters daily as against an average of about 40 letters in 1919. This privilege will doubtless be extended to other members as they appreciate the advantage of this service, which will result in the reduction of the volume of items handled at the head office, as these items will not actually pass through our hands.

The total transactions of the Transit Department of the head office and branches combined were enormous, representing the handling of 53,881,602 items, aggregating \$13,011,582,140.00, a daily average of 169,870 items, amounting to \$39,573,767.00. Schedule "R" provides in detail the classified record of the business handled.

## PRIVATE WIRE OPERATIONS

The private wire system connecting all Federal Reserve Banks, their branches and the Federal Reserve Board has proved of inestimable value. On August 2, 1920, a wire was installed connecting the main office with the Oklahoma City Branch.

The daily settlement of balances between the Federal Reserve Banks and branches through the Gold Settlement Fund, made possible through the use of the private wires, has been most beneficial. Some idea of the increase in the volume of business of the private wire system may be obtained from a comparison of the number of outgoing words in December, 1920, as against December, 1919, as follows:

December, 1919, number words outgoing:

Kansas City .....	55,746
Omaha Branch .....	17,260
Denver Branch .....	23,681
Total.....	96,687

December, 1920, number words outgoing:

Kansas City .....	254,181
Omaha Branch .....	43,454
Denver Branch .....	36,752
Total.....	334,387

The wires have been used during the year to effect 13,624 transfers for member banks for a total of \$670,026,395; all without expense to members.

## FISCAL AGENCY OPERATIONS

The Fiscal Agency Department and the Government Savings Organization continued under the direct supervision of the Governor's office, the Government Savings Organization conducting the selling campaign for War Savings securities and the Fiscal Agency Department handling all Bond and Certificate of Indebtedness operations and the accounting of War Savings Securities stocks, sales and deliveries.

The first half of the year was the busiest six months this Department has ever experienced, not even barring those periods during which the Liberty Loans were floated. At the beginning of the year there were collections to make on account of subscriptions to the Victory Liberty Loan. In connection with this loan, deliveries were made of  $4\frac{3}{4}$  coupon notes to subscribers, aggregating 16,731 pieces, or a total of \$1,253,000, and deliveries were made of 5,109 registered notes, aggregating \$3,426,900. Redemptions were also made of 1919 War Savings Securities and deliveries of the new 1920 War Savings Securities. The exchange of temporary for permanent bonds began in March, the handling of which, considering the amount involved, proved during the year to be the largest single operation of the Department. The Exchange and Conversion Divisions were also busily engaged during this period in the exchange of temporary coupon for registered bonds, bondholders taking advantage of the exchange to permanent bonds at this time to have their bonds registered.

During the past year exchanges of temporary bonds for permanent bonds were made as follows:

	No. of Pieces	Amount
Temporary Coupon for Permanent Coupon .....	1,130,154	\$181,419,800
Temporary Coupon for Registered..	161,826	31,372,400
Temporary Coupon for Converted Permanent Coupon .....	170,716	20,508,350
Temporary Coupon for Converted and Registered .....	9,147	1,324,850
Totals.....	1,471,843	\$234,625,400



Exchange transactions affecting registered bonds were made during the year as follows:

Exchange	No. of Pieces	Amount
Coupon for Registered.....	209,247	\$43,961,350
Registered for Coupon.....	26,743	6,470,400
Registered for Registered.....	29,286	8,563,950

Securities on hand in our vaults at close of business December 31 aggregated \$178,705,617.25, as follows:

Delivery stocks .....	\$159,434,361.50
In custody .....	10,725,958.42
In process of being handled.....	8,545,297.33
Total.....	\$178,705,617.25

This Department throughout the past year has also handled the sale of eighteen issues of Certificates of Indebtedness, subscriptions to such issues, aggregating \$120,180,000, as follows:

Issues	Rates	Subscriptions
1.....	4½%	\$ 16,000,000
3.....	4¾%	26,201,000
1.....	5%	1,948,000
1.....	5¼%	3,451,000
1.....	5½%	4,309,000
7.....	5¾%	30,241,500
4.....	6%	38,029,500
18		\$120,180,000

Classified as to regular and tax issues, amounts would be:

	No. of Issues	No. of Subscribers	Total Subscriptions
Tax .....	10	11,025	\$ 80,442,500
Regular .....	8	5,363	39,737,500
	18	16,388	\$120,180,000

The above issues were sold to 458 National Banks, 738 State Banks, 40 Trust Companies, and 9,833 individuals, while subscriptions were made directly through the Department last year by only 60 individuals.

At the close of the year 723 banks of the district were qualified War Loan Depositories. Payments throughout the year were made by credit in War Loan accounts, aggregating \$65,857,661.38, withdrawals from such depositories throughout the year aggregating \$76,559,059.59.

Custodies held to secure war loan accounts have decreased as compared with previous years, the average amount held for the year being \$12,373,690.00.

The transactions in the Government Teller's Division, which embrace the redemption of Government coupons and warrants and the handling of the Treasurer's account, have been very heavy during the entire year. The number of pieces handled by the Government Teller in Kansas City aggregates approximately the same number of pieces as during 1919, but for an amount of \$3,700,000 in excess of 1919.

Including the Omaha and Denver Branches, securities handled by the Government Tellers were as follows:

	No. of Pieces	Amount
Government Coupons .....	5,933,608	\$ 22,415,427.82
Government Warrants .....	1,578,776	146,901,525.91
Checks, Internal Revenue Collectors .....	970,248	161,446,782.49
War Savings Stamps Redeemed	2,585,947	10,678,799.94
Totals.....	11,068,579	\$341,442,536.16

From the above table it is noted that deposits of Internal Revenue Collectors in the Tenth Federal Reserve District during the year aggregate \$161,446,782.49.

The selling campaign for War Savings Securities was conducted by the Government Savings Organization. During the year the activities of this organization included a campaign among the postmasters, so that sales for the entire year are not properly reflected by the transactions conducted through the Fiscal Agency Department, which show a large decrease. Decrease in the aggregate sales of these securities, however, may be partially accounted for at least by the issue of Government securities that have been offered during the year bearing shorter terms and higher rates of interest.

Bonds of various issues have been received from Federal Treasurers for delivery to the Treasury Department for account of the United States Railroad Administration, numbering 69,538 pieces, for an amount totaling \$6,138,300.

War Finance Corporation transactions throughout the year aggregated \$11,914,202.13, with 7,855 pieces involved. These transactions consisted of the re-purchase and redemption of the 5% issue of War Finance Corporation Bonds and the redemption of Certificates of Indebtedness that had been purchased and redeemed on behalf of the Corporation.

As stupendous as it may seem, the grand total of pieces of valuable securities handled by the Fiscal Agency Department during the year was 19,522,220, aggregating \$2,532,977,328.61.

### SUB-TREASURY FUNCTIONS

On December 18, the Secretary of the Treasury authorized this bank to assume all of the functions of a sub-treasury, effective as of December 20. Under this authorization this bank is

empowered to make exchanges, replacements of United States paper currency, receive United States coin, including gold coin, standard silver dollars, subsidiary silver and minor coinage, and to make exchanges and replacements thereof under terms and conditions outlined in detail by the Treasury Department; to cash Government warrants and checks drawn on the Treasury of the United States for disbursing officers, including the postmaster, provided satisfactory identification of the officer be furnished, and that the cash is to be used for payroll and other official purposes; to accept, receipt for and carry in custody account such stocks, bonds, notes, securities or other evidences of indebtedness as may, by direction of the Secretary, from time to time, be deposited therewith by persons, firms and corporations, of officers or agents of the Government; to pay pension and disbursing officers' checks; to solicit and receive subscriptions to all Government issues; to pay and cancel same on presentation and surrender at maturity, and to do any and all other acts heretofore performed by a Sub-Treasury of the United States, except to macerate the currency unfit for circulation.

## **NOTE ISSUES**

### **Federal Reserve Notes**

The amount of Federal Reserve notes outstanding at the end of 1920 shows an increase of \$7,569,720, from the amount outstanding at the end of 1919. The low tide of the year was reached on June 1, at which time the amount outstanding had been reduced to \$102,236,530. The highest amount outstanding was on December 23, when it stood at \$119,756,275.

Detailed statements with reference to Federal Reserve Notes, including the issuance, redemption and expense, are to be found in schedules "L", "M" and "N" of this report.

### **Federal Reserve Bank Notes**

On January 2, 1920, the outstanding Federal Reserve Bank Notes amounted to \$19,928,000 which amount was gradually decreased until December 31, at which time the total outstanding was \$14,854,600.

## **MOVEMENT OF MEMBERSHIP**

During the past year there was a net increase of 51 member banks in this district, 36 of which were National Banks and 15 were State Banks and Trust Companies. This makes the total membership in this district 1,087, of which 669 are served by the parent bank, 260 by the Omaha Branch, and 158 by the Denver Branch. Of the total membership, 1,024 are National Banks and 63 are State Banks and Trust Companies.

The Tradesmens State Bank of Oklahoma City and the Denver Stockyards Bank of Denver, withdrew their memberships on account of conversions to National Banks, and 17 banks

were admitted to the system, making a net gain in membership of State Banks and Trust Companies of 15 for the year, which includes the Midwest Reserve Trust Company of Kansas City, a consolidation of the Midwest National Bank and the National Reserve Bank. A list of these new members is given in schedule "P", from which it is noted that 9 of the additions are Oklahoma banks, no doubt due to the establishment of a branch at Oklahoma City. Two withdrawals were caused through the failure on November 29, 1920, of the Farmers National Bank of Sterling, Colorado, and the failure of the First National Bank of Morris, Oklahoma on December 14, 1920. The First National Bank, Picher, Oklahoma, which suspended business on November 17, 1919, was reorganized as the Picher National Bank, which bank also failed on July 10, 1920, but not having qualified as a member, it was not considered among the withdrawals from the system.

Additions and withdrawals from membership are given in schedule "I" by states.

As a result of the net increase in the number of member banks, and due to additional applications for stock by banks whose capital and surplus had been increased, the capital stock of this bank was increased during the year from \$4,015,550 to \$4,454,950.

## FIDUCIARY POWERS

Under the Phelan amendment of the Federal Reserve Act approved September 26, 1918, considerable interest was manifested by National Banks in this district regarding the exercise of fiduciary powers. Under this amendment and prior to 1920, 54 National Banks were granted permission to exercise the powers applied for, and during the past year the Federal Reserve Board approved applications from 36 National Banks, which in most instances carried all of the powers authorized by the act. Schedule "Q" contains a complete list of banks which have obtained authority during the past year under this new act.

## POWER TO ACCEPT UP TO 100 PER CENT

Five additions were made to the list of banks authorized by the Federal Reserve Board to accept drafts or bills of exchange to 100 per cent of the capital and surplus. The following banks now possess this power:

Name of Bank	Date Application Granted
First National Bank, St. Joseph, Mo.	August 27, 1915
First National Bank, Hutchinson, Kan.	December 19, 1917
First National Bank, Kansas City, Mo.	June 24, 1919
Commerce Trust Company, Kansas City, Mo.	August 19, 1919
National Bank of Commerce, Kansas City, Mo.	September 8, 1919
Lawrence National Bank, Lawrence, Kan.	March 2, 1920
Continental National Bank, Kansas City, Mo.	March 2, 1920
Denver National Bank, Denver, Colo.	April 30, 1920
Fidelity National Bank & Tr. Co., Kansas City, Mo.	April 30, 1920
Security National Bank, Oklahoma City, Okla.	November 9, 1920

## ELECTION OF DIRECTORS

To fill the vacancies caused by the expiration on December 31, 1920, of the terms of C. E. Burnham and H. W. Gibson, as directors of Class A and Class B, respectively, an election was held November 6 to December 1, inclusive, in which only banks of group 3 participated. Mr. C. E. Burnham, being an officer and director of a bank in group 2, was ineligible for re-election as a representative of banks in group 3. The only candidates nominated were E. E. Mullaney of Hill City, Kansas, for Class A director, and H. W. Gibson, of Muskogee, Oklahoma, to succeed himself as Class B director. Each received a total of 171 votes and were duly declared elected for a term of three years, beginning January 1, 1921.

Asa E. Ramsay, Class C director and Chairman of the Board of the Federal Reserve Bank of Kansas City since January 1, 1918, was re-appointed a Class C director by the Federal Reserve Board for a term of three years ending December 31, 1923, and was redesignated Chairman and Federal Reserve Agent for 1921. Fred W. Fleming was redesignated Deputy Chairman for the year 1921.

## INTERNAL ORGANIZATION

### Personnel

In the official staff changes were made during the year as follows: C. A. Worthington, Assistant to Governor, was elected Deputy Governor, effective January 1, 1920. J. W. Helm, Acting Cashier, was elected Cashier, effective the same date. L. H. Earhart, Assistant Cashier, was elected Manager and Director of the Omaha Branch to succeed O. T. Eastman, resigned. C. E. Daniel, Assistant Cashier, was elected Manager and Director of the Oklahoma City Branch. Arthur M. McAdams, formerly employed as Assistant Manager of the Fiscal Agency Department, was elected Assistant Cashier. George H. Pipkin, formerly Manager of the Discount Department, was elected Assistant Cashier. The names of the official staff at the close of the year are given on the first page of this report.

The total number of employees at the close of the year was 864, of whom 548 are at the head office in Kansas City, including the Fiscal Agency Department; 137 at the Omaha Branch; 82 at the Denver Branch; and 97 at the Oklahoma City Branch.

### Officers' Meetings

The practice of holding daily officers' conferences for the purpose of discussing points of interest, which was inaugurated in 1918, has been continued with satisfactory results, and on account of the increased volume of business and multiplied responsibilities it is felt that the harmonious operation of the



many departments has been greatly facilitated through such conferences. Unusual conditions surrounding relations with banks in this district, both member and non-member, have required constant watchfulness on the part of the management of this bank, and the fact that three National Banks and several State Banks have closed during the year without loss of a single dollar to the Federal Reserve Bank is at least partially due to close co-operation of the official staff.

## AUDITING DEPARTMENT

This department, which embraces sub-departments at the Fiscal Agency and each of the Branches, on December 31 employed 49 persons, as against 33 on January 1.

The organization plan of the department embodies a division of the clerks into two main heads; namely, those engaged in current supervision, physical controls and continuous audits, and those whose duty it is to make departmental audits and monthly proofs. The latter feature was added in August, in a limited way, at the Fiscal Agency.

The present purpose is to maintain in the head office and at each branch a physical control of Reserve Cash, Federal Reserve Agent's cash, and securities owned, with record controls of securities held as collateral and for safe-keeping. Substantially the same policy applies at the Fiscal Agency, except that the property controlled consists of United States Bonds, Certificates of Indebtedness and War Savings Stamps.

Continuous audits have been arranged and detail check is made of all items of income and expense, all discount operations, currency and security shipments, Gold Settlement Fund, Bank Premises Account, Gold with Federal Reserve Agent, both Redemption Funds carried by the bank, capital stock subscriptions, and, in fact, any other account whose nature will admit of such an audit.

Current reports relating to operations, including statistical reports made to the Federal Reserve Board and to the Board of Directors, are checked, as well as the regular weekly statements to the Federal Reserve Board reporting the financial condition of the bank for general publication.

Department audits, which embrace outstanding cash letters, collections handled, bills discounted and unearned discount, collateral held, and the major divisions of the Fiscal Agency, are made quarterly, or as nearly so as possible. The current supervisory work of each Branch Auditor is supplemented by a complete balance sheet audit, also made quarterly by the head office force; seven such audits have been made during the year. The department as a whole, which includes the Branch Auditors, has made 122 departmental audits and 609 monthly proofs.

In October, a meeting of Branch Auditors and Local Department Managers was held at the head office, at which steps were taken to apply the decisions reached at the General Auditors' Conference, which was held in September in Chicago.

Internally, the several sub-departments have been more closely co-ordinated, their work standardized and, to a greater extent, systematized. Certain operating functions previously exercised have been relinquished to the proper operating departments, and while no attempt has been made to establish the line of demarcation between Auditing and Operating matters, the volume of the latter class which is now handled has been reduced to a negligible minimum.

Cordial relations and close co-operation have existed during the year with the several operating departments of the bank.

### **EXAMINATION DEPARTMENT.**

The Examination Department of this bank was organized on March 1, 1920, with Mr. M. F. Cockrell in charge as Manager. This department has immediate supervision of all examinations of state bank members, applications of state banks for membership, reports of condition and reports of earnings and dividends of all state bank members. It also makes examinations of national bank members when occasion demands. On September 15 an additional examiner was added and the work of the department has developed to that point where it calls for the appointment of another examiner at this time.

As far as practicable, it will be the purpose of our Examination Department to make examinations of State Bank members jointly with the state authorities, but our experience during the past year indicates that this cannot be done in all cases, as it is frequently not convenient for the State Department to make examinations at a time when we feel obliged to do so to protect our own interest. It is the intention of this department in the future to make independent examinations of all state banks applying for membership, which it has been impracticable to do in the past, making it necessary for us to act upon the reports of examinations by state banking departments when admitting state banks to membership. This department, since its organization, has made 44 examinations, as follows:

- 4 State Banks for admission independently
- 1 State Bank for admission jointly with State Authorities
- 3 State Bank members independently
- 33 State Banks jointly with State Authorities
- 3 National Banks independently

### **CREDIT DEPARTMENT**

During 1920, this department has been placed upon a more satisfactory basis, and its operation has been of invaluable



assistance to the Executive Committee in determining the eligibility and desirability of the increased volume of rediscount offerings from member banks. A campaign for the better preparation of financial statements of borrowers, which was inaugurated in the latter part of 1919, was continued throughout 1920 with very satisfactory and gratifying results. As the year progressed the requirements governing the preparation of financial statements and the furnishing of complete information were closely followed by a majority of the member banks and larger borrowers, and greater efforts were made to furnish such information as is necessary to enable the Executive Committee to determine the desirability of paper offered.

Many members who formerly viewed the efforts of the Federal Reserve Bank in this connection as unwarranted interference with their credit methods, have now come to the realization that the campaign of education which has been conducted has resulted in much benefit to themselves, their credit files being in better condition than ever before. Even such banks as formerly looked upon the requirement of a financial statement as an insult to their customers, have, in several instances, expressed a reversal of the opinion formerly held and now show their entire willingness to co-operate.

On account of the present unsatisfactory conditions and the enormous depreciation in the value of many lines of merchandise, member banks and borrowers have been advised that inventories should be taken at the current market values rather than cost prices, whenever there has been a depreciation, and that if inventories are for any reason taken at cost prices, the market value must also be given for comparison. It is felt that this suggestion will prove of much benefit to members, some of whom have, in the past, hesitated to require such information from their borrowers.

On December 27, 1920, General Letter No. 284 was issued, outlining the present requirements of the Federal Reserve Bank of Kansas City in connection with the preparation of financial statements. It is provided therein that statements which are merely balance sheets or trial balances, which it has heretofore been the custom of many borrowers to furnish, will not be acceptable. The majority of our member banks are enthusiastically following the provisions of this General Letter.

### **CURRENCY DEPARTMENT**

The year of 1920 has recorded a substantial increase in the volume of money handled by the Currency Department. There were received from all sources 28,000,000 bills, amounting to \$200,000,000, an increase over the preceding year of 6,000,000 pieces, or \$56,000,000.00. The number of bills shipped and delivered totaled 41,000,000, amounting to \$222,000,000.00, an increase over 1919 of 12,000,000 pieces or \$49,000,000.00.

In this connection, it is noted that the record month of 1919 was surpassed by the lowest month of 1920. On Decem-

ber 29, the Receiving Teller passed all previous records for a day's receipts, receiving 197,000 bills, for a total of \$1,430,000.00.

Member banks are using more and more the privileges extended to them by the Federal Reserve Bank in connection with currency transactions. Especially is this true of city banks. There was shipped, however, to country banks during 1920, \$60,000,000.00 and the receipts amounted to \$42,000,000.00. The cost of the transportation charges on such shipments, amounting to \$22,467.00, was absorbed by the Federal Reserve Bank.

The standard maintained in the assorting of currency as to "fit and unfit" and our policy of paying out new money only when our supply of currency fit for circulation is exhausted, conserved our reserve supply to such an extent that at no time was it in danger of being depleted except as to \$1.00 bills during September and October. In order to be able to supply member banks with a few bills of this denomination at all times, it became necessary to request member banks to accept a portion of such orders in currency of the \$2.00 denomination.

## **EDUCATIONAL AND RECREATIONAL**

### **Federal Reserve Act Class**

The Federal Reserve Act class of the Kansas City Chapter of the American Institute of Banking, which was organized in the fall of 1919, continued each week during the winter and spring of 1920, under the management and instruction of the officers of the Federal Reserve Bank of Kansas City. At the close of 1919-1920 study, examination was held on April 28, and cash prizes offered by the bank, aggregating \$75.00, were distributed to those passing the best eight grades. During the latter part of September, 1920, a thorough and systematic campaign was made for members by the organization committee of the local American Institute of Banking chapter, resulting in an enrollment of 935 members, an increase of 131% over the previous year. Of this number, 313 are employees of the Federal Reserve Bank.

In organizing for the second year's study of the Federal Reserve Act, arrangements were made by the Kansas City Chapter for the officers of the Federal Reserve Bank to again take charge of the class and instruction. It was also announced that the course of study was intended particularly for junior officers and senior clerks, and that a highly practicable and a most intensive study would be made of the purposes and operating functions of the Federal Reserve Bank. Arrangements were made for the use of the lecture room of the Grand Avenue Temple on Tuesday evenings, the class to begin at 6:30.

The attendance at the opening night, October 5, 1920, of 251 established a new record not only for the Federal Reserve Act class, but was greatly in excess of the attendance of any class of the local chapter. Thus far this year, 189 employees

of the Federal Reserve Bank have attended this class and 196 officers and employees from 44 other banks of Kansas City. The average attendance for the first 13 weekly classes was 159.

In passing, it may be of interest to know that a large number of the students that were members of the first class are again studying the Federal Reserve Act with this year's class. A great deal more interest is shown this year during the class meetings, and the students seem to be getting more real benefit from the questions and lectures. The method of instruction of last year, i. e., the assignment of a certain section for each meeting, together with printed questions passed out one week in advance, is being followed with even greater success than last year.

It is planned to close this winter's study with a written examination, those passing the best grades to be rewarded with cash prizes to be given by the Federal Reserve Bank.

### **Choral Club.**

The Federal Reserve Choral Club was organized September, 1919, with John R. Jones, Director of the Kansas City Community Chorus, in charge. Its membership from the time of its organization to the period of summer vacations during 1920, ranged from 60 to 75.

Two rehearsals a week, held on Tuesdays and Fridays from 8:30 to 9:30 in the morning, were granted by the bank. This work has proven beneficial and conducive to a better spirit among the employees.

In conjunction with five other choral associations, under the direction of Mr. Jones, our club, on February 5, May 24 and 25, appeared in public concerts, given at Convention Hall.

On May 18, our club gave its first annual concert at the First Christian Church.

After the summer vacation, the club was reorganized with a membership of approximately 200. Larger quarters were necessary and the auditorium of the Theosophical Society, 920 Grand Avenue, was secured. Rehearsals continue to be held on Tuesdays and Fridays of each week, the average attendance being approximately 125 members.

The Federal Reserve Choral Club has announced a play entitled "Greetings", at the Little Theatre on Troost Avenue, for the entertainment of the directors, officers and employees of this bank.

### **Athletics**

A Bowling League is composed of 40 employees of the Bank, divided into 8 teams of 5 members each. The tournament games are played on Thursday evening of each week from 5:30

to 8 o'clock during the season, beginning in September and ending in March. The teams are recruited from the various departments of the bank, and the players have shown great interest in this healthful sport.

During the season our Basket Ball Team was a member of the Bankers' Basket Ball League, and while our team was not very successful as to the number of games won, a great deal of interest was created among the employees of the Transit Department, of which it was chiefly composed.

During the summer we had a Baseball Club which was a member of the Bankers' Baseball League. We found a number of good players among our employees, but unfortunately our pitching staff was not very strong, and as a consequence we did not make a very good showing in the League. During the season, about 30 employees, mostly from the Transit Department, engaged in this sport.

## **OPERATION OF BRANCHES**

The operation of all branches is under direct control and supervision of the head office, and the policies formulated by the management of the Federal Reserve Bank of Kansas City are closely followed at the branches.

During the year an additional branch was established at Oklahoma City, opening for business on August 2, 1920. The operations of this branch are limited to the clearing and collection of checks and the handling of shipments of currency to and from member banks in that portion of Oklahoma located within the Tenth District, being all but eight counties. The Omaha and Denver Branches have direct relations with the member banks in their respective territories in all current and ordinary transactions, with the exception of membership and fiscal agency operations and various applications to be approved by the Federal Reserve Board and handled through the Federal Reserve Agent. The volume of business transacted at the branches at Omaha, Nebraska, and Denver, Colorado, has tremendously increased during the year, particularly at Omaha, as is shown by the following separate reports.

### **Omaha Branch**

The increased service rendered has been adequately reflected in the operation of the Omaha Branch. In all departments an increase of activity has taken place during 1920. The Omaha zone comprises the entire states of Nebraska and Wyoming, where the shrinkage in values, particularly agricultural products and live stock, has been pronounced. This fact has caused heavy demands by member banks, especially during the latter part of the year; the volume of loans, however, at the Omaha Branch at the close of 1920, shows a decrease of six millions compared with the figures at the close of 1919.

The volume of paper, secured by Government obligations, has been gratifying in that its holdings of this class of paper have decreased over ten million dollars, but against this reduction in Governments, there has been an increase of approximately four million dollars in loans of other classes.

The highest point which loans reached during the year was \$42,267,730.57, on November 6, which was also the greatest amount of loans held by the branch since its establishment. The least amount of loans held during the year was \$28,243,019.87, on February 11. The urgent demands for loans in the Omaha zone kept the volume throughout the year in excess of 30 million dollars, except during the months of February and March. A total of 32,969 notes was discounted during the year, aggregating \$382,597,955.72. There were rejected 5,768 notes, aggregating \$25,609,576.81.

Out of a total membership of 260 banks, 227 received accommodations. Of this number, 153 were at some time during the year affected by the progressive rate.

The reserve balances reached their highest amount on March 6, aggregating \$24,880,875.27. From that time a steady decline in the amount of reserve balances set in, the lowest point, \$12,671,679.38 being reached November 3. The aggregate average balances maintained by members in the Omaha zone was \$16,702,309.00 as against the required average daily reserves of \$16,287,075. Penalties aggregating \$60,765.58 were collected from 225 members for deficient reserves.

The reserves of members in the Omaha zone were not a sufficient basis upon which to issue Federal Reserve Notes in the amount necessary to supply the demand of such members for loans, as a consequence of which the branch has shown, throughout the year, heavy indebtedness to the parent bank, the average amount being \$18,574,306.81. The largest debit against the branch for any one day was \$28,373,365.74; the smallest amount was \$11,144,716.48.

The Transit Department handled 7,844,887 items, a daily average of 24,329. In March the daily average handled was 26,354 items, but this average gradually decreased until, during December, the average was 25,506 items per day. On October 13, 42,598 items were handled, this being the greatest number for any single day.

During the year the Collection Department handled 10,525 collections, aggregating \$36,371,000.00; of this amount 9,242 items were collected, having an aggregate value of \$34,229,000.00.

The volume of currency handled during the year was \$17,083,000.00, of which the Omaha banks received \$7,432,000.00. Subsidiary silver to the amount of \$340,000.00 was supplied to members. The total amount of currency received



from members during the year was \$11,091,000.00, of which \$7,810,000.00 was deposited by Omaha banks. The branch had currency transactions with 134 members; 2,764 currency shipments were made and 2,191 shipments received.

On May 10, the Farnum Building, situated at the southeast corner of Farnum and Thirteenth Street, in Omaha, was purchased as a permanent home for the Omaha Branch for a consideration of \$165,000.00. The building is of granite base and brick superstructure, has five stories and basement, contains 40,421 square feet of available floor space, of which the branch had under lease 6,215 square feet, at the monthly rental of \$692.50. The purchase of the building afforded the opportunity of taking over additional space greatly needed to accommodate the increased number of employees. We are now using 15,282 square feet, covering certain parts of the basement, first and second floors, while all of the third, fourth and fifth floors are leased to tenants at a net revenue of \$10,200.00 per annum.

During February, our former Manager, Mr. O. T. Eastman, resigned to accept an official position with a commercial banking institution. Mr. L. H. Earhart, Assistant Cashier of the head office, was elected manager of the branch and immediately assumed his duties.

During the month of April, our former Cashier, Mr. E. D. McAllister, resigned to form a commercial banking connection. Mr. P. R. Fredman, at that time Cashier of our Denver Branch, was elected Cashier of the Omaha Branch, and immediately assumed the duties of that position.

In May, Mr. G. A. Gregory, Acting Assistant Cashier, was made Assistant Cashier, and in June, Mr. W. D. Lower was appointed Assistant Cashier.

### **Denver Branch**

The year 1920 has been an active one at the Denver Branch and has shown a large increase in the volume of business transacted.

Many members which had not previously used the discount facilities of the branch received accommodations during the year just closed, 126 of the 158 members having had discount transactions as compared with 86 out of the 145 in the year 1919. The branch discounted 15,331 notes, having a total value of \$232,615,992.40, while 2,868 notes, having a value of \$7,700,497.38 were rejected. Beginning the year with \$11,436,380.03, the loans increased by January 22 to \$14,789,987.93, due to the demand incidental to the cattle and sheep feeding industry. As this stock began to move to market, a gradual decline in the loan account was shown until April 12, when the loans reached the minimum of the year, \$4,438,498.85. Shortly thereafter, the demand of the farmers for crop raising again started the account upward, a

fairly gradual increase being noticed until October 2, when the maximum for the year was reached, \$18,793,081.68.

The funds paid to the farmers for the sugar beet crop and for such wheat as was sold caused a liquidation in discounts which, on November 24, had been reduced to \$10,805,-356.26. The demand, due to the feeding season, again started the account upward, and on December 31 the branch was carrying loans aggregating \$13,258,647.74.

The decline of deposits having been more rapid than the reduction of loans made it difficult for member banks to maintain their required reserves, and resulted in an increased number of penalties. During the year, 110 banks were penalized for deficient reserves, as compared with 74 in 1919. In this connection, it should be kept in mind that in 1920, penalties were assessed for weekly periods for reserve city banks and semi-monthly periods for other banks, while in 1919, all were on a monthly basis.

Other facilities of the branch have also been used more freely during the year. During 1920, currency receipts from member banks amounted to \$32,696,000.00, as compared with \$23,725,000.00 for 1919, and currency shipments to member banks were \$23,781,000.00, as compared with \$14,048,000.00 for 1919.

The number of items handled by our Transit Department has shown a gradual increase. During the month of December, 1919, the daily average was 17,957 items, while during the same month of 1920, the daily average was 21,293, the record month of the year. The largest number handled in any one day was on March 15, when there were 37,502 items, amounting to \$8,231,372.47. The clearings of checks on Denver Banks, for the year, amounted to \$766,677,648.00, as compared with \$481,477,676.14 in 1919.

The Government Division at the branch has handled 198,-318 United States Treasury Warrants, amounting to \$29,166,-512.14; 870,047 coupons from Liberty Loan Bonds and Victory Notes, and 497,425 War Savings Stamps, aggregating \$2,-181,163.74. It has received deposits from the Collector of Internal Revenue, containing 130,646 items and aggregating \$37,-273,337.17.

The collection department has shown a large increase in items handled. During the year, 8,244 collections were received, aggregating \$22,403,891.05. Of these, 680 were returned unpaid, while 7,416 involving the sum of \$19,843,634.05 were collected.

The increased volume of business handled by the various departments has necessitated continued increase in the number of employees. At the close of business December 31, 1920, the employees of the branch numbered 82, as compared with 56 at the close of 1919.



On May 15, Mr. P. R. Fredman, Cashier of the Branch, was transferred to the Omaha Branch. On May 27, Mr. Jos. E. Olson was appointed Cashier to succeed him and at the same time, Mr. A. J. Conway was appointed Assistant Cashier. On June 17, Mr. Olson was elected Secretary of the Board.

### **Oklahoma City Branch**

Mention was made in the last Annual Report of the order of the Federal Reserve Board, dated December 17, 1919, requiring this bank to establish a branch office at Oklahoma City, particularly to expedite shipments of currency to and from member banks in the state of Oklahoma and to provide better facilities for intra-state clearing of checks, the Board reserving the right to discontinue the branch at any time if its operations should be found unsatisfactory. The branch was not authorized to carry deposit accounts, and any deposits received by it from member banks were to be transmitted daily by wire or otherwise to the head office for the credit of the accounts of the depositing banks. The authorization of the Board provided that the banks which could not advantageously transact their business with Oklahoma City, particularly those in the eastern part of Oklahoma, might continue to send their items to the head office. The branch was authorized to receive notes, bills and drafts offered by members for rediscount, but the actual transactions were to be passed upon and final decision of such applications to be determined at the head office.

Under this authorization a contract was entered into for the second story of the Continental Building, Second and Broadway, which building was then under reconstruction, the completion of which was contemplated not later than April 15. Scarcity of material and labor strikes delayed work on the building, and the space was not finished for occupancy until August 2, on which date the branch was opened for business with C. E. Daniel, formerly Assistant Cashier of the parent bank, as Manager, and R. O. Wunderlich, Cashier, and 48 employees.

The volume of business handled by the branch at the beginning was in excess of that anticipated, and it was found necessary to immediately increase the force and to purchase additional equipment. Due to the fact that practically the entire force was inexperienced, it was necessary to employ a larger number than would ordinarily be required to handle the same volume of business. The number of employees gradually increased to 105, as of October 25. As the help became more experienced, we were enabled to handle about the same volume of business with the number of employees in the Transit Department reduced to 89, as of December 31.

The smallest number of items passing through our Transit Department at Oklahoma City was on the opening day when 15,588 items, having a total value of \$1,570,595.02, were handled. The record day was September 20, with a total of 69,588 items aggregating \$12,166,640.01. From the date of opening

to December 31, 4,628,271 items, having a total value of \$982,-458,801.00 passed through the Transit Department.

The opening of the Currency Department of the Oklahoma City Branch was delayed until December 1, on account of the failure of the contractors to deliver the steel chests which they had agreed to furnish by July 1. That department, during the month of December, handled 314,000 bills, having a value of \$2,029,975.00, the average number of bills handled each business day being 12,560, with an average value of \$67,665.00.

### MISCELLANEOUS.

The increased activities during the year made it necessary to enlarge our Credit and Analysis Departments.

With the Adjustment Department as a nucleus, it is proposed to install at an early date a strictly Statistical Department to compile and maintain currently statistics and analysis relating to practically every phase of the operation of the bank.

A Library Department has been installed with a trained Librarian in charge. This department will have custody of all general letters of the Board, official correspondence between the officers and the Board, financial periodicals, library books, and such other matter as should be properly filed within it.

On March 1, the employees of this bank organized a co-operative association under the title name of "The Glendale Mercantile Company, unincorporated," for the purpose of furnishing, at the actual cost, merchandise, particularly groceries, to those employees desiring to participate in the plan. The capital stock of the company was subscribed by 281 employees. The store is operated very successfully at a considerable saving for those making purchases.

Especially constructed trucks have been purchased for the Omaha Branch and the head office to facilitate transportation and to give better protection to our money and security shipments.

Since the beginning of 1918, at its own expense, the bank has carried a policy of group insurance, covering the lives of its employees in an amount equal to one year's salary. The bank, being the beneficiary under this policy may, at its discretion, appropriate the proceeds of the death claims as it may see fit. It frequently happens that other than the technically legal heirs of a deceased employee are more justly entitled to the benefits. During the time this policy has been in force, we have had four deaths in our organization, as follows:

Hugo T. Johnson, Omaha Branch, insured for \$1,020.00, one-half of which amount was turned over to his mother and one-half to his father on February 20, 1920.

Anna Eisenberg died February 6, 1920, insured for \$960.00; this amount having been paid to Mrs. Bessie Eisenberg, mother, and Miss Rose Eisenberg, sister.

A. D. Fairley died February 8, 1920, insured for \$2,000.00, which was paid to Mrs. Leila Fairley, his wife, on May 28, 1920.

Ercel Wilkerson died August 25, 1920, insured for \$1,-260.00. This money, under the supervision of the officers of the Federal Reserve Bank, was invested in the house and lot occupied by the mother of the deceased, and a deed conveying the property to her, free and clear of any incumbrance, was delivered to her.

During the year 50 general letters were issued, numbered from 236 to 285, both inclusive. Five of these letters were concerning rates of discount; one, Time and Demand Deposits; three, regarding Progressive Discount Rate; three, Oklahoma City Branch; two, money shipments; one, financial statement; one, Penalty for Deficient Reserves; and thirty-four, regarding Fiscal Agency matters.

### **NEW BANK BUILDING.**

The new building of the Federal Reserve Bank of Kansas City now in course of construction at the corner of Grand Avenue and Tenth Street, occupies a lot 145 ft. x 115 ft. and rises to a total height from sidewalk to parapet of 300 feet 9 inches. The building actually contains sixteen complete working stories above the sidewalk line, all of which in the interest of light and ventilation have been made greater in height than the average office building story with the result that the building is actually the equivalent of a full twenty-two story building and overtopping by many feet the highest building thus far constructed in Kansas City. The building in its exterior character is severely formal and plain, depending for its effect upon massiveness of outline and simplicity of surface treatment, with careful avoidance of unnecessary ornament. In view of the fact that the building is in a sense a public institution, representing the public interest of the entire Federal Reserve District, it is felt that the building should primarily produce an effect of simplicity and dignity. The architectural elements may be said to be classic, being inspired from the best examples of the Greek and Roman architecture, sufficiently modified to be thoroughly adapted to modern requirements. The principal feature of the lower stories is a colonnade of free standing Doric columns supporting an entablature which is in turn crowned by an Attic treatment two stories in height. These exterior columns are 41 feet in height with a diameter of 5 feet 4 inches and are of great massiveness of effect. The general effect of the entire exterior will be that of a field of windows grouped two by two surrounded by a heavy stone frame and tied together across the top by a sloping pediment, forming an effect of strength and solidity. It is believed that this feature, which was made possible by the open character of the internal plan, is a very unusual one among buildings of office type. The three upper stories beneath the pediment form a decorative feature outlined by pilasters with a Greek capital in harmony with the

main columns of the lower stories. The material of the exterior is Bedford stone throughout except for the alley and light court on the back. A feature of special interest and which will appear to great advantage, due to the handsome and durable character of the material, is the decorative panel at each end of the Grand Avenue front. These panels carry the seal and eagle, symbolizing the power of a Governmental institution, and support figures with upraised arms typifying the Spirit of Commerce and the Spirit of Industry, these two main ideas being represented by appropriate symbols. The architectural treatment as above described, including the decorative panels, was chosen with a view to producing in this building an effect such that the passerby, including the youngest school boy, would realize in viewing the building that here stands a building representing some thing greater and more important than an ordinary commercial institution.

On entering the main entrance on Grand Avenue the spectator finds himself in a public lobby 32x110 feet around which are grouped all the various detailed activities and the principal officials dealing directly with the public. To the right are the offices of the Governor and the Deputy Governor; to the left the offices of the Chairman and Federal Reserve Agent, and the Assistant Federal Reserve Agent. One feature of the arrangement, which it is believed will greatly expedite the business of the institution, is the arrangement of an open counter in front of the private offices, permitting the officers to transact business either in the open next to the public counter or in private conference. The main hall, of which the public lobby forms the center, will be a notable feature among bank rooms of this country. The principal aim in its design was not the creation of an overpowering architectural effect, but rather the achievement of a banking room which would be open, spacious, well day-lighted and well ventilated. This main room, 73 feet in width by 132 feet in length, rises to a height of 38 feet and is divided into a central space and two side spaces by a double row of Doric columns lighter in treatment, but of the same general character as the columns of the exterior. Around the hall over the officers' rooms and working spaces is a balcony, averaging 16 feet in width, which will be used as working space, and which comes directly beneath the 17 great windows which light this fine hall. Travelers who have visited the great colonnaded hall of the Temple of Karnak in Egypt will understand at once the general effect and impressiveness of this arrangement.

One of the principal features of the institution will naturally be the security vaults. Without publishing the details of these vaults, it can be said that they are of a size and capacity far beyond anything thus far constructed in the Middle West and will be surrounded with protective features the equal of anything thus far constructed and fully in accord with the importance of the securities which they are to house.

The upper stories of the building consist primarily of great open work rooms, each room covering the entire area of the lot, except for the light court on the ally side and except for a few offices for the managers in charge of the different departments. The elevator equipment, consisting of ten elevators, is intended to give the swiftest and most convenient means of transportation to all parts of the building.

The one feature which has had the most thought given to it from the beginning is the establishment of the best possible working conditions for the large staff which will occupy this building. Unusually high ceilings, unusually ample daylight, together with the most modern devices for artificial ventilation, are provided in the interest of a complete workshop fully up to the most modern sanitary requirements. The welfare features have been equally well taken care of, including rest rooms, gymnasium, roof playground. The high stone parapet appearing on the exterior is an expression of the gymnasium which forms a room 30 feet in height and which opens toward the rear on the roof playground.

The reproach, so frequently and justly levelled at managers of our big institutions in the past, has been that they have failed to foresee the future by preparing for an adequate expansion to meet the country's growth. In the case of the Federal Reserve Bank of Kansas City, it may safely be said that the building now under way is an unusual example of business foresight. The arrangement of the entrance and elevator lobbies and the layout of the upper stories of the building are based upon the renting of space to certain selected tenants as a temporary measure, thus permitting the bank officials at all times to have at their disposal suitable space for the expansion of the various departments as fast as circumstances require. It applies not only to the upper stories of the building, but applies equally to the main banking room which is so designed as to permit flooring over all the main balcony, thereby developing the bank area accessible to the public. Similar arrangements make possible the vault facilities in the basement.

On account of the fact that the solid rock comes close to the surface, the expensive deep basements frequently found in large buildings of office building type have in this case been omitted and have been replaced by a storage floor placed immediately above the main banking room where it incidentally serves to permit a handsome exterior treatment in the way of a massive entablature without loss of needed daylight.



# FEDERAL RESERVE BANK OF KANSAS CITY.

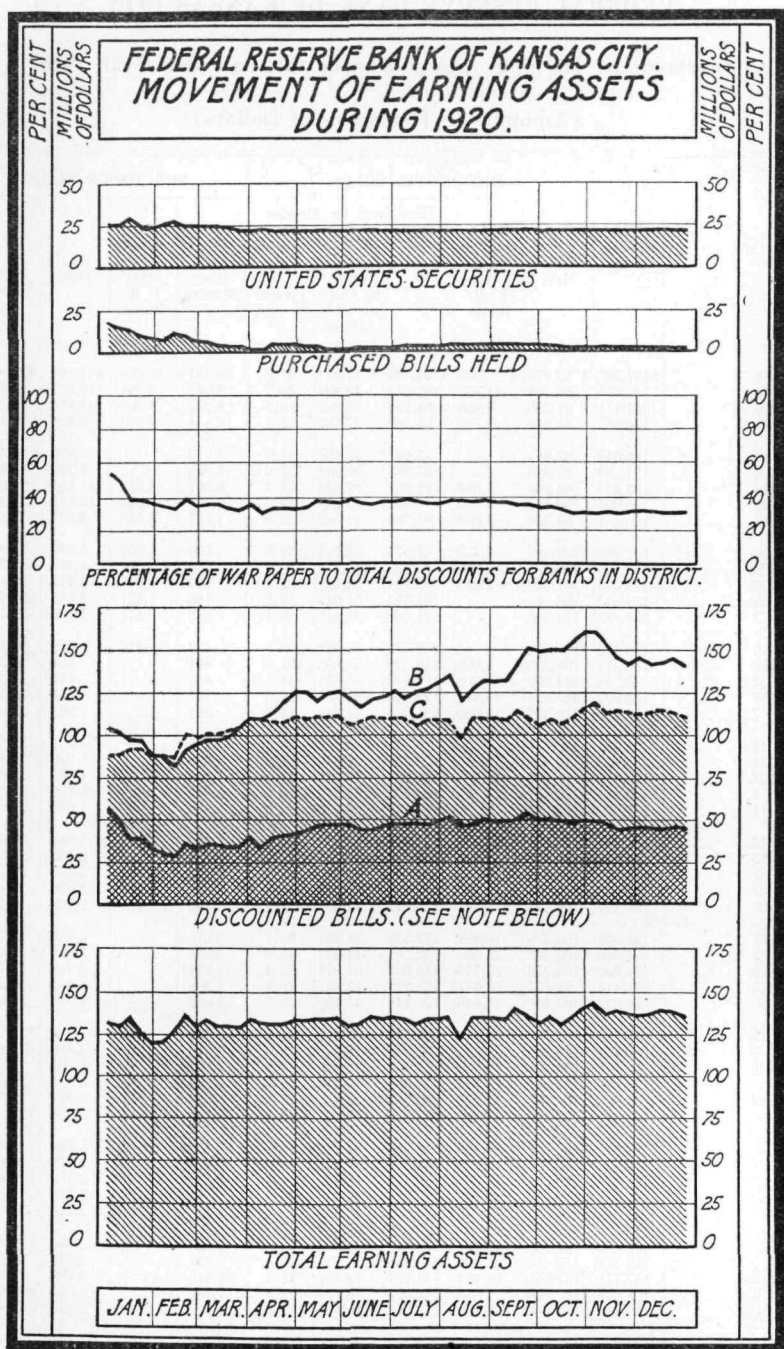
## Movement of Earning Assets During the Calendar Year 1920.

(Amounts in Thousands of Dollars)

Date	Total Earning Assets	DISCOUNTED BILLS						PURCHASED BILLS			
		Total Held	Redis- counted with other F. R. Banks	Discounted for Member Banks in this District			Pur- chased in Open Market	Pur- chased from other F. R. Banks	Total Held	U. S. Securi- ties	
				A	B	C					
				Total	Secured by Gov't war obli- gations	Percent B ÷ A					
Jan. 2	\$131,597	\$ 88,176	\$ 16,209	\$104,385	\$ 55,953	53.6	\$9,481	\$8,086	\$17,567	\$25,854	
Jan. 9	130,075	89,164	11,850	101,014	49,204	48.7	8,947	6,264	15,211	25,700	
Jan. 16	135,411	91,750	5,000	96,750	38,262	39.5	8,977	5,036	14,013	29,648	
Jan. 23	126,037	91,819	3,750	95,569	37,582	39.3	8,534	990	9,524	24,694	
Jan. 30	120,048	87,947		87,947	32,806	37.3	7,910		7,910	24,191	
Feb. 6	121,239	87,885		87,885	30,741	35.0	7,246		7,246	26,108	
Feb. 13	126,852	86,964	—5,000	81,964	27,636	33.7	6,801	5,050	11,851	28,037	
Feb. 20	136,095	100,501	—9,950	90,551	35,888	39.6	5,265	5,050	10,315	25,279	
Feb. 27	130,261	98,569	—5,000	93,569	32,762	35.0	1,787	5,050	6,837	24,855	
Mar. 5	132,805	102,447	—4,470	97,977	35,741	36.5	500	5,050	5,550	24,808	
Mar. 12	130,128	100,988	—4,300	96,688	35,479	36.7	650	3,726	4,376	24,764	
Mar. 19	129,775	102,599	—3,685	98,914	33,062	33.4	700	2,617	3,317	23,859	
Mar. 26	128,945	104,542		104,542	34,019	32.5	780	1,871	2,651	21,752	
Apr. 2	134,482	111,360		111,360	39,413	35.4	882	447	1,329	21,793	
Apr. 9	132,369	108,772		108,772	33,323	30.6	432	447	879	22,718	
Apr. 16	130,914	108,228	6,000	114,228	38,658	33.8	461		461	22,225	
Apr. 23	130,748	108,072	11,800	119,872	40,855	34.1	461		461	22,215	
Apr. 30	133,073	110,625	15,871	126,496	42,407	33.5	461		461	21,987	
May 7	132,613	110,319	15,000	125,319	43,244	34.5	361		361	21,933	
May 14	134,421	112,118	7,000	119,118	45,681	38.3	361		361	21,942	
May 21	133,630	110,808	14,248	125,056	47,370	37.9	920		920	21,902	
May 28	135,139	111,970	13,865	125,835	46,748	37.1	1,309		1,309	21,860	
June 4	129,981	106,737	15,430	122,167	47,076	38.5	1,396		1,396	21,848	
June 11	131,202	107,664	9,779	117,443	42,970	36.6	1,696		1,696	21,842	
June 18	134,561	110,500	11,144	121,644	43,953	36.1	1,989		1,989	22,072	
June 25	134,186	110,138	12,958	123,096	46,245	37.6	2,102		2,102	21,946	
July 2	134,507	110,415	15,936	126,351	47,376	37.5	2,379		2,379	21,713	
July 9	134,105	109,882	12,767	122,449	47,092	38.5	2,616		2,616	21,807	
July 16	130,867	106,384	19,493	125,877	47,577	37.8	2,736		2,736	21,747	
July 23	133,500	108,678	18,861	127,539	46,861	36.7	3,070		3,070	21,752	
July 30	133,966	109,199	22,902	132,101	48,627	36.8	3,016		3,016	21,751	
Aug. 6	134,902	109,276	25,756	135,032	51,819	38.4	3,916		3,916	21,710	
Aug. 13	123,413	97,695	23,534	121,229	45,831	37.8	4,005		4,005	21,713	
Aug. 20	135,322	109,608	17,640	127,248	47,499	37.3	4,016		4,016	21,698	
Aug. 27	135,381	109,704	22,247	131,951	50,412	38.2	3,984		3,984	21,693	
Sept. 3	135,424	110,220	21,018	134,238	48,592	37.0	3,510		3,510	21,694	
Sept. 10	134,489	109,094	22,842	131,936	49,038	37.2	3,701		3,701	21,693	
Sept. 17	139,886	114,277	26,729	141,006	50,240	35.6	3,874		3,874	21,735	
Sept. 24	135,000	109,785	41,175	150,960	53,849	35.7	3,521		3,521	21,694	
Oct. 1	132,332	107,104	41,986	149,090	50,101	33.6	3,534		3,534	21,694	
Oct. 8	134,647	109,793	40,166	149,959	51,242	34.2	3,160		3,160	21,694	
Oct. 15	130,899	106,727	43,063	149,790	48,667	32.5	2,478		2,478	21,694	
Oct. 22	134,653	110,687	45,784	156,471	46,567	29.8	2,272		2,272	21,694	
Oct. 29	139,786	115,777	44,895	160,672	49,436	30.8	2,313		2,313	21,696	
Nov. 5	143,203	119,194	41,878	161,072	48,971	30.4	2,316		2,316	21,693	
Nov. 12	136,536	112,508	40,503	153,011	48,020	31.4	2,335		2,335	21,693	
Nov. 19	139,346	115,318	29,969	145,287	43,606	30.0	2,335		2,334	21,694	
Nov. 26	137,171	113,664	28,464	142,128	44,684	31.4	1,818		1,818	21,689	
Dec. 3	135,938	112,598	32,030	144,628	46,191	31.9	1,651		1,651	21,689	
Dec. 10	137,442	113,818	28,265	142,083	44,807	31.5	1,935		1,935	21,689	
Dec. 17	139,025	115,535	27,764	143,299	44,396	31.0	1,741		1,741	21,749	
Dec. 23	138,026	114,434	31,000	145,434	45,203	31.1	1,904		1,904	21,688	
Dec. 30	134,799	111,094	29,086	140,180	43,897	31.3	2,017		2,017	21,688	

—Minus sign indicates paper discounted for other Federal Reserve Banks.

Adjusted percentages are calculated after increasing or reducing reserves held by the amount of accom-  
modation extended to or received from other Federal Reserve Banks.



*A. Paper secured by Government War Obligations discounted for Banks in District.  
B. Total Paper discounted for Banks in District. C. Total Discounted Paper held.  
Space between lines B and C represents - where above line B - Paper discounted for,  
and - where below line B - Paper rediscounted with, other Federal Reserve Banks.*

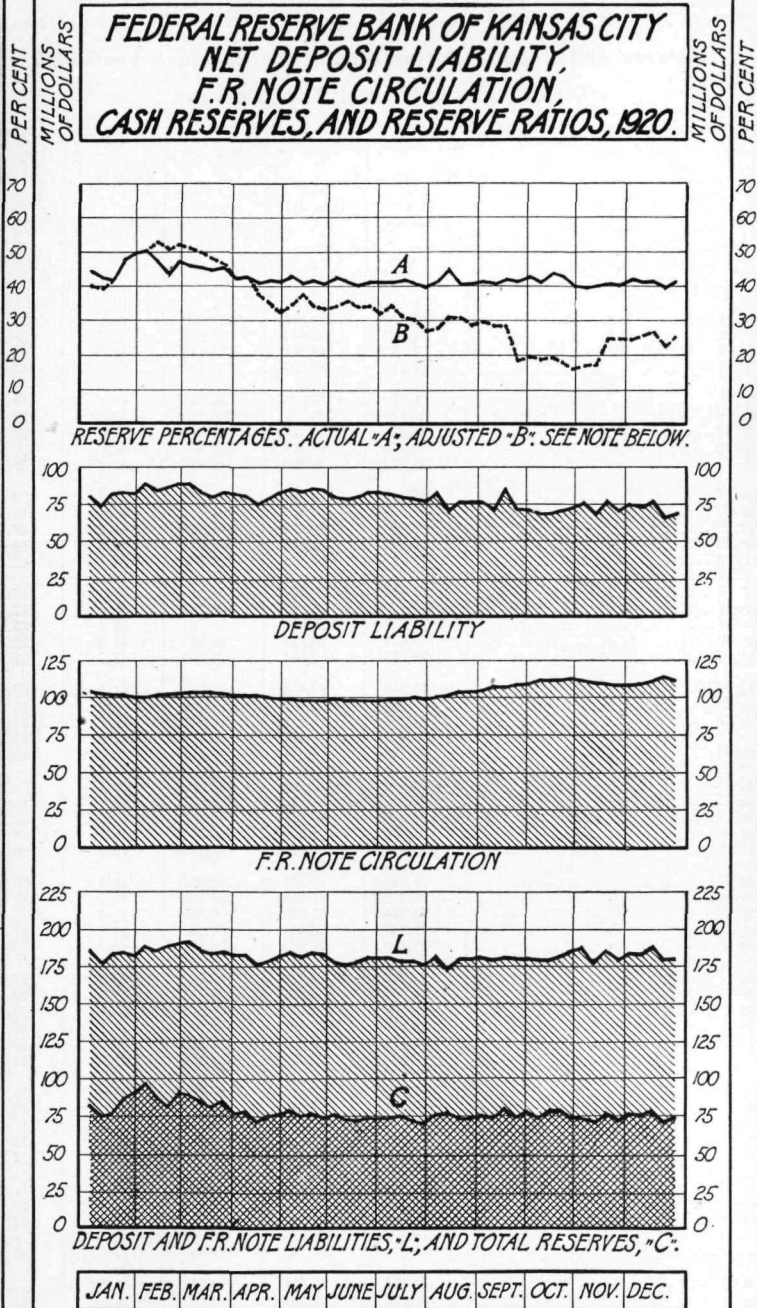
# FEDERAL RESERVE BANK OF KANSAS CITY.

## Movement of Net Deposit Liability, Federal Reserve Note Circulation, Cash

### Reserves and Reserve Ratios During the Calendar Year 1920.

(Amounts in Thousands of Dollars)

DATE	Total Cash Reserves	Net Deposits	F. R. Notes in Circulation	Reserve	Percentages
				Actual	Adjusted ¶
Jan. 2.....	\$ 81,696	\$ 81,175	\$103,680	44.2	39.8
Jan. 9.....	74,501	73,834	102,214	42.3	39.1
Jan. 16.....	76,561	81,901	101,485	41.7	41.8
Jan. 23.....	86,019	82,697	100,728	46.9	45.4
Jan. 30.....	90,016	81,831	99,565	49.6	49.6
Feb. 6.....	96,130	88,761	100,259	50.9	50.9
Feb. 13.....	87,427	85,296	100,539	47.0	52.5
Feb. 20.....	81,096	87,157	101,563	43.0	50.9
Feb. 27.....	89,922	89,295	102,214	47.0	52.2
Mar. 5.....	87,816	89,061	103,190	45.7	50.6
Mar. 12.....	83,528	82,586	102,784	45.1	49.4
Mar. 19.....	80,854	80,028	102,731	44.2	47.7
Mar. 26.....	83,532	82,934	101,613	45.3	46.3
Apr. 2.....	77,317	82,341	101,407	42.1	42.3
Apr. 9.....	77,659	80,557	101,846	42.6	42.8
Apr. 16.....	72,199	75,043	100,561	41.1	37.7
Apr. 23.....	74,706	78,923	99,593	41.8	35.2
Apr. 30.....	75,834	83,339	98,850	41.6	32.9
May 7.....	78,735	85,884	98,703	42.7	34.5
May 14.....	75,088	84,478	98,375	41.1	37.2
May 21.....	77,082	85,909	98,036	41.9	34.2
May 28.....	74,383	84,986	97,572	40.7	33.1
June 4.....	75,977	79,494	99,089	42.5	33.9
June 11.....	72,652	78,444	97,913	41.2	35.7
May 18.....	71,599	80,209	98,364	40.1	33.8
June 25.....	74,317	83,346	97,622	41.1	33.9
July 2.....	74,340	83,177	98,102	41.0	32.2
July 9.....	74,356	82,309	98,651	41.1	34.0
July 16.....	74,522	78,728	99,190	41.9	30.9
July 23.....	71,797	78,158	99,621	40.4	29.8
July 30.....	70,089	77,460	98,887	39.7	26.8
Aug. 6.....	75,518	81,643	100,454	41.5	27.3
Aug. 13.....	77,272	70,634	101,832	44.8	31.2
Aug. 20.....	72,689	76,297	103,655	40.4	30.6
Aug.....	73,230	76,213	103,780	40.7	28.3
Sept. 3.....	74,903	76,247	105,151	41.3	29.7
Sept. 10.....	72,693	71,675	106,508	40.8	28.0
Sept. 17.....	80,010	83,967	106,711	42.0	27.9
Sept. 24.....	74,362	72,477	107,621	41.3	18.4
Oct. 1.....	76,856	71,026	108,823	42.7	19.4
Oct. 8.....	73,217	67,774	110,566	41.1	18.5
Oct. 15.....	77,685	67,650	111,394	43.4	19.3
Oct. 22.....	77,669	71,227	111,456	42.5	17.4
Oct. 29.....	74,235	72,528	111,575	40.3	15.9
Nov. 5.....	73,798	76,288	110,750	39.5	17.1
Nov. 12.....	70,854	68,321	109,161	39.9	17.1
Nov. 19.....	75,889	76,122	109,329	40.9	24.8
Nov. 26.....	72,201	71,207	108,336	40.2	24.4
Dec. 3.....	76,481	74,643	108,002	41.9	24.3
Dec. 10.....	75,279	74,143	108,856	41.1	25.7
Dec. 17.....	77,825	76,551	110,768	41.5	26.7
Dec. 23.....	71,495	66,307	113,553	39.8	22.5
Dec. 30.....	74,274	67,583	111,874	41.4	25.2



*Adjusted percentages are calculated after increasing or reducing reserves held - by the amount of accommodation extended to or received from other Federal Reserve Banks*

**STATEMENT OF CONDITION**  
**FEDERAL RESERVE BANK OF KANSAS CITY AND BRANCHES**  
**At Close of Business Dec. 31, 1917, 1918, 1919 and 1920**

ASSETS	December 31, 1920.	December 31, 1919.	December 31, 1918.	December 31, 1917.
1. Cash:				
Federal Reserve Bank (Gold).....	\$ 33,395,897.54	\$ 36,802,439.36	\$ 27,273,189.98	\$ 42,105,945.00
Federal Reserve Agent (Gold).....	40,768,690.00	39,408,970.00	54,483,690.00	42,025,170.00
Silver Coin, Certificates and Legal Tender.....	2,332,424.70	364,699.60	101,461.00	58,000.00
Nickels and Cents.....	61,596.97	40,143.08	514.43	3.63
	<u>\$ 76,558,609.21</u>	<u>\$ 76,616,252.04</u>	<u>\$ 81,858,855.41</u>	<u>\$ 84,189,118.63</u>
2. Other Currency:				
Due from U. S. Treas. 5% Fund.....	\$ 915,590.00	\$ 957,460.00	\$ 565,600.00	\$ 400,000.00
National Bank Notes and Notes of other Federal Reserve Banks.....	481,550.00	1,136,100.00	1,839,565.00	216,300.00
Unassorted Currency.....	4,426,374.00	2,739,301.00		
	<u>\$ 5,823,514.00</u>	<u>\$ 4,832,861.00</u>	<u>\$ 2,405,165.00</u>	<u>\$ 616,300.00</u>
3. Loans and Discounts:				
Rediscounts and Loans, Member Banks.....	\$110,341,124.54	\$ 93,380,730.66	\$ 57,453,637.39	\$ 30,051,150.34
Rediscounts for other Federal Reserve Banks.....				5,003,293.86
Acceptances Bought in Open Market.....	2,171,266.43	18,691,464.20	14,203,695.36	1,337,928.75
	<u>\$112,512,390.97</u>	<u>\$112,072,194.86</u>	<u>\$ 71,657,332.75</u>	<u>\$ 36,392,372.95</u>
4. Investments:				
U. S. Bonds and Certificates of Indebtedness:.....	\$ 21,688,350.00	\$ 23,934,750.00	\$ 13,245,450.00	\$ 10,633,090.00
	<u>\$ 21,688,350.00</u>	<u>\$ 23,934,750.00</u>	<u>\$ 13,245,450.00</u>	<u>\$ 10,633,090.00</u>
5. Due from Banks and Bankers:				
F. R. Banks—Transfers Bought.....			\$ 9,877,492.89	\$ 6,688,918.65
Transit Items.....	\$ 50,212,828.30	\$ 77,800,762.51	51,341,628.29	20,712,511.97
Exchange for Clearing House and Other Cash Items.....	531,458.65	1,753,203.02	1,819,882.32	233,680.87
Overdrafts.....		42,856.28	119,854.93	
	<u>\$ 50,744,286.95</u>	<u>\$ 79,596,821.81</u>	<u>\$ 63,158,858.43</u>	<u>\$ 27,635,111.49</u>
6. Sundries:				
Furniture and Fixtures Recoverable.....			\$ 13,042.18	\$ 13,750.00
Bank Premises.....	\$ 1,041,325.66	\$ 461,686.76	400,000.00	
War Loan Expense Reimbursable.....	112,033.06	407,176.18	449,452.85	86,449.96
Accrued Interest Receivable, U. S. Securities.....	176,569.40	164,385.32	62,257.78	60,504.90
Due from Employees—L. L. Subscriptions.....		5,772.50	16,749.50	13,071.00
	<u>\$ 1,329,928.12</u>	<u>\$ 1,039,020.76</u>	<u>\$ 941,502.31</u>	<u>\$ 173,775.86</u>
<b>TOTAL ASSETS</b>	<u><b>\$268,657,079.25</b></u>	<u><b>\$298,091,900.47</b></u>	<u><b>\$233,267,163.90</b></u>	<u><b>\$159,639,768.93</b></u>



**STATEMENT OF CONDITION**  
**FEDERAL RESERVE BANK OF KANSAS CITY AND BRANCHES**  
**At Close of Business Dec. 31, 1917, 1918, 1919 and 1920**

LIABILITIES	December 31, 1920.	December 31, 1919.	December 31, 1918.	December 31, 1917.
1. Capital.....	\$ 4,454,950.00	\$ 4,015,550.00	\$ 3,659,450.00	\$ 3,396,750.00
2. Surplus.....	\$ 9,158,814.24	\$ 6,116,033.36	\$ 1,210,713.35	
Profit and Loss.....				\$ 293,407.40
	\$ 9,158,814.24	\$ 6,116,033.36	\$ 1,210,713.35	\$ 293,407.40
3. Deposits:				
Reserve Balances.....	\$ 74,318,225.25	\$ 90,406,431.51	\$ 67,317,512.25	\$ 72,976,491.13
Cashier's Checks, Non-members.....				
Clearing Accounts, etc.....	486,223.96	253,701.00	691,193.26	996,853.20
Foreign Government Credits.....	192,000.00	3,470,114.70		
Deferred Credits:				
Members and Non-members.....	36,738,417.82	40,017,982.37	17,434,210.00	4,726,170.00
	\$111,734,867.03	\$134,148,229.58	\$ 85,442,915.51	\$ 78,699,514.33
4. Government Deposits.....	\$ 4,909,019.88	\$ 1,789,829.90	\$ 5,450,293.54	\$ 7,860,957.17
5. Due to Other Federal Reserve Banks:				
Gold Settlement Suspense.....		\$ 11,249,008.19	\$ 5,803,451.18	
Other Items.....	\$ 10,891,890.03	16,490,713.98	5,982,943.13	\$ 5,896,630.98
	\$ 10,891,890.03	\$ 27,739,722.17	\$ 11,786,394.31	\$ 5,896,630.98
6. Federal Reserve Bank Notes:				
Outstanding.....	\$ 14,854,600.00	\$ 19,980,000.00	\$ 12,172,000.00	\$ 8,000,000.00
Less: On Hand and Forwarded for Redemption.....	633,700.00	447,300.00	723,519.00	
	\$ 14,220,900.00	\$ 19,532,700.00	\$ 11,448,481.00	\$ 8,000,000.00
7. Federal Reserve Notes:				
Outstanding.....	\$118,125,475.00	\$110,555,755.00	\$120,317,330.00	\$ 58,023,420.00
Less: On Hand and Forwarded for Redemption.....	6,547,200.00	6,466,500.00	7,872,040.00	2,650,710.00
	\$111,578,275.00	\$104,089,255.00	\$112,445,290.00	\$ 55,372,710.00
8. Discount and Interest:				
Unearned.....	\$ 1,212,953.51	\$ 549,091.77	\$ 612,912.83	\$ 119,799.05
9. Reserve for Depreciation:				
U. S. Securities.....	\$ 84,466.59	\$ 72,887.40		
10. Sundries.....	\$ 410,942.97	\$ 38,601.29	\$ 1,210,713.36	
<b>TOTAL LIABILITIES</b> .....	<b>\$268,657,079.25</b>	<b>\$298,091,900.47</b>	<b>\$233,267,163.90</b>	<b>\$159,639,768.93</b>

At Close of Business December 31, 1920, December 31, 1919, December 31, 1918, and December 31, 1917

	December 31, 1920.	December 31, 1919.	December 31, 1918.	December 31, 1917.
<b>EARNINGS FROM:</b>				
Bills discounted for member banks.....	\$6,441,476.47	\$3,888,839.25	\$2,643,990.71	\$ 438,831.43
Bills Bought, acceptances.....	211,974.98	340,875.06	157,982.45	171,112.15
United States Bonds.....	505,539.24	405,399.83	312,442.84	256,792.18
Municipal Warrants.....				5,136.63
Transfers bought and sold.....	1,749.90	198,748.86	202,521.45	45,569.84
Sundry profits.....	14,321.63	20,914.39	11,576.59	1,111.99
Deficient reserve penalties (including interest).....	238,424.89	106,704.52	99,928.66	37,395.78
Service charges, net.....			23,493.43	
<b>TOTAL EARNINGS</b> .....	<b>\$7,409,987.31</b>	<b>\$4,961,481.91</b>	<b>\$3,451,936.13</b>	<b>\$ 955,950.00</b>
<b>EXPENSES:</b>				
Federal Reserve Board Assessments.....	\$ 34,221.40	\$ 28,150.57	\$ 17,998.37	\$ 13,118.24
Federal Advisory Council.....	330.00	300.00	270.00	370.00
Governors' Conferences.....	626.23	497.74	430.09	605.23
Federal Reserve Agents' Conferences.....	120.61	360.49	327.87	
Salaries:				
Bank officers.....	116,273.96	91,604.11	68,045.47	37,781.97
Clerical staff.....	794,286.34	453,258.48	188,679.56	39,684.21
Special officers and watchmen.....	25,275.01	14,423.07	5,609.11	
All others.....	35,693.82	11,697.97	784.50	1,570.05
Directors' fees.....	7,285.00	6,735.00	8,260.00	3,975.00
Per diem allowance.....	7,290.00	6,438.25	3,675.00	3,660.00
Traveling expenses.....	4,956.79	5,101.83	6,553.24	4,192.65
Officers' and clerks traveling expenses.....	28,085.33	13,959.06	2,425.80	1,203.09
Legal fees.....	2,542.50	1,225.00	1,225.00	775.00
Rent.....	41,326.18	31,819.50	21,262.71	8,849.96
Taxes and fire insurance.....	4,216.85	645.62	169.04	
Telephone.....	5,627.27	3,734.18	2,481.04	810.40
Telegraph.....	37,309.48	12,233.45	4,454.90	565.11
Postage.....	115,505.65	78,769.04	63,782.23	8,838.00
Postage and insurance on gold concentration.....	1,633.71	17,804.26	35,800.81	
Postage and insurance on silver concentration.....	115.16	2,789.41	1,076.30	
Currency shipments.....	57,425.27	27,075.04	1,412.27	
Expressage.....	2,144.22	2,467.58	466.38	1,233.64
Fidelity Bond premiums and group insurance.....	29,206.64	20,805.92	6,004.52	1,871.00
Light, heat and power.....	5,720.45	4,546.41	2,522.58	1,184.56
Printing and stationery.....	94,787.13	49,781.97	26,181.58	7,314.00
Repairs and alterations.....	18,147.32	11,508.67	5,020.04	286.74
All other expenses not specified herein.....	43,963.25	20,287.03	18,617.18	17,388.17
<b>TOTAL EXPENSES</b> .....	<b>\$15,141,115.57</b>	<b>\$ 9,186,619.65</b>	<b>\$ 4,993,535.50</b>	<b>\$ 155,337.02</b>

## INCOME—PROFIT AND LOSS ACCOUNT

	December 31, 1920.	December 31, 1919.	December 31, 1918.	December 31, 1917.
<b>EXTRAORDINARY EXPENSES:</b>				
Cost of Federal Reserve notes issued.....				\$ 48,679.35
Cost of Federal Reserve notes issued and unissued.....	\$ 97,477.12	\$ 131,339.12	\$ 98,542.01	
Miscellaneous charges on Federal Reserve currency (including taxes on Federal Reserve Bank notes).....	117,326.40	81,820.72	57,017.18	20,885.26
Depreciation furniture and equipment.....	126,707.39	54,289.85	46,710.47	38,353.22
Transit department disbursements, net deficiency.....				8,196.09
Bank premises.....	2,333.33			
Total extraordinary expenses.....	\$ 343,844.24	\$ 267,449.69	\$ 202,269.66	\$ 116,113.92
Total all chargeable expenses.....	\$1,857,959.81	\$1,186,089.34	\$ 695,805.25	\$ 271,450.94
Net earnings.....	\$5,552,027.50	\$3,775,412.57	\$2,756,130.88	\$ 684,499.06
Profit and loss account.....			293,407.40	91,381.23
Sundry entries to profit and loss account.....			2,351.68	
Total earnings for distribution.....	\$5,552,027.50	\$3,775,412.57	\$3,051,889.96	\$ 775,880.29
<b>LESS:</b>				
Dividends paid.....	\$ 257,672.52	\$ 228,755.50	\$ 309,729.25	\$ 364,502.73
Premiums on United States Bonds.....				75,462.42
Cost of unissued Federal Reserve notes.....				42,507.74
Depreciation on Bank premises.....			100,000.00	
Reserve depreciation on United States Bonds.....	11,579.19		220,734.00	
Total deductions.....	\$ 269,251.71	\$ 228,755.50	\$ 630,463.25	\$ 482,472.89
Net credit to profit and loss account during year 1919 (Transferred from the account previously estab- lished for depreciation on United States Bonds).....	\$ 233.30	\$ 147,949.58		
Net credit to profit and loss acct. "Deferred Charges".....	5,282,775.79	3,546,657.07	\$2,421,426.71	\$ 293,407.40
Net earnings to profit and loss account.....	\$5,283,009.09	\$3,694,606.65	\$2,421,426.71	\$ 293,407.40
Carried to surplus.....	\$2,793,866.64	\$3,694,606.65	\$2,421,426.71	
Carried to super-surplus.....	248,914.24			
Paid to U. S. Government as 1920 Franchise Tax.....	2,240,228.21			
	\$5,283,009.09	\$3,694,606.65	\$2,421,426.71	

## Schedule "BB"

# EARNINGS AND EXPENSES FOR CALENDAR YEARS 1919 AND 1920, ALSO PROFIT AND LOSS ON DECEMBER 31, 1919, AND DECEMBER 31, 1920

	December 31, 1920	December 31, 1919
Earnings as shown on Form 95.....	\$7,409,987.31	\$4,961,481.91
Expense of operation of bank proper.....	\$1,514,115.57	\$ 918,619.65
Cost of Federal Reserve currency issued (including expressage, insurance, etc.).....	97,477.12	131,339.12
Miscellaneous charges account note issues (including taxes).....	117,326.40	81,820.72
Depreciation on furniture and equipment.....	126,707.39	54,289.85
Bank premises .....	2,333.33	1,186,069.34
	<hr/>	<hr/>
Net earnings for year.....	\$5,552,027.50	\$3,775,412.57
Sundry credits to profit and loss account during years.....	233.30	147,949.58
	<hr/>	<hr/>
Less:	\$5,552,260.80	\$3,923,362.15
Reserve for depreciation on U. S. Bonds.....	\$ 11,579.19	

## Schedule "BB"—Continued.

**EARNINGS AND EXPENSES FOR CALENDAR YEARS 1919 AND 1920, ALSO PROFIT AND LOSS ON  
\*DECEMBER 31, 1919, AND DECEMBER 31, 1920**

	December 31, 1920	December 31, 1919
Dividends paid:		
June 30, 1919, for period Jan. 1, 1919, to June 30, 1919.....		111,811.73
Dec. 31, 1919, for period June 30, 1919 to Dec. 31, 1919.....		116,943.77
June 30, 1920, for period Jan. 1, 1920, to June 30, 1920.....	125,088.86	
Dec. 31, 1920, for period June 30, 1920, to Dec. 31, 1920.....	132,583.66	
Total deductions.....	269,251.71	228,755.50
Undistributed profits, Dec. 31, 1920 and 1919.....	\$5,283,009.09	\$3,694,606.65
Carried to surplus fund.....	2,793,866.64	
Carried to super-surplus.....	248,914.24	
	\$3,042,780.88	
Paid to U. S. Government as 1920 Franchise Tax.....	2,240,228.21	
	\$5,283,009.09	
Balance of surplus account Dec. 31, 1920 and 1919.....	\$8,909,900.00	6,116,033.36
Balance of super-surplus account Dec. 31, 1920.....	248,914.24	
	\$9,158,814.24	



## Schedule "C"

**DISCOUNT OPERATIONS FOR THE YEAR 1920**  
**REDISCOUNTS FOR MEMBER BANKS, DISTRIBUTED BY STATES**

State	Number Member Banks	No. Banks Accommodated	Offerings Accepted	Distribution by States of Paper Discounted	Volume by Months	
					January,	February,
					\$118,779,298.17	105,406,440.37
					March,	130,262,598.04
					April,	142,073,435.69
					May	133,478,129.08
Colorado.....	145	114	3,092	\$ 222,453,009.98	June	142,708,173.88
Kansas.....	271	171	4,210	125,536,743.23	July,	147,852,801.88
Missouri.....	58	45	3,041	687,210,848.49	August	145,550,168.77
Nebraska.....	210	192	7,052	10,162,982.42	September,	158,104,969.35
New Mexico.....	13	12	202	239,981,689.65	October,	163,968,589.48
Oklahoma.....	340	257	5,169	356,931,607.29	November,	140,572,768.07
Wyoming.....	50	35	688	25,666,348.43	December,	139,185,856.71
Total.....	1,087	826	23,454	\$1,667,943,229.49		\$1,667,943,229.49

**Classification of Paper Discounted**

Trade Acceptances .....	\$ 10,141,682.98
Bankers' Acceptances .....	368,482.74
Agricultural .....	50,906,423.11
Agricultural, secured by live stock.....	186,855,000.57
Industrial and Commercial:	
Secured by U. S. Securities.....	48,616,739.38
All other .....	273,910,928.56
Member Bank Collateral Notes:	
Secured by U. S. Securities.....	1,065,409,582.06
Otherwise secured .....	31,734,390.09
Total.....	\$1,667,943,229.49

**Miscellaneous**

Number of notes rediscounted.....	104,687
Average amount of above.....	\$5,450
Number of collateral loans made.....	15,104
Average amount of above.....	\$72,630
Maximum amount of paper held—Nov. 6.....	\$164,277,697.84
Minimum amount of paper held—Feb. 3.....	90,783,586.83
Rejected in Part:	
5,881 offerings, 18,760 notes, amounting to	74,470,227.31
Rejected in Whole:	
578 offerings, 1,602 notes, amounting to....	5,316,739.76

## Schedule "CC"

# **REDISCOUNT TRANSACTIONS WITH AND FOR OTHER FEDERAL RESERVE BANKS**

As of Close of Business Each Friday During Year 1920.

	Rediscounted with other Federal Reserve Banks	Rediscounted for other Federal Reserve Banks
January 2.....	\$16,208,500.00	.....
January 9.....	11,850,000.00	.....
January 16.....	5,000,000.00	.....
January 23.....	3,750,000.00	.....
January 30.....	.....	.....
February 6.....	.....	.....
February 13.....	.....	\$ 5,000,000.00
February 20.....	.....	9,950,000.00
February 27.....	.....	5,000,000.00
March 5.....	.....	4,470,000.00
March 12.....	.....	4,300,000.00
March 19.....	.....	3,685,000.00
March 26.....	.....	.....
April 2.....	.....	.....
April 9.....	.....	.....
April 16.....	6,000,000.00	.....
April 23.....	11,800,300.00	.....
April 30.....	15,871,800.00	.....
May 7.....	15,000,000.00	.....
May 14.....	7,000,000.00	.....
May 21.....	14,248,500.00	.....
May 28.....	13,864,500.00	.....
June 4.....	15,430,300.00	.....
June 11.....	9,779,000.00	.....
June 18.....	11,144,000.00	.....
June 25.....	12,958,000.00	.....
July 2.....	15,935,789.81	.....
July 9.....	12,766,949.04	.....
July 16.....	19,493,084.38	.....
July 23.....	18,861,174.30	.....
July 30.....	22,902,386.86	.....
August 6.....	25,755,903.97	.....
August 13.....	23,534,115.20	.....
August 20.....	17,639,768.28	.....
August 27.....	22,247,117.47	.....
September 3.....	21,017,916.68	.....
September 10.....	22,841,692.04	.....
September 17.....	26,729,377.04	.....
September 24.....	41,175,220.02	.....
October 1.....	41,984,910.69	.....
October 8.....	40,165,977.64	.....
October 15.....	43,063,438.57	.....
October 22.....	45,783,758.19	.....
October 29.....	44,894,420.04	.....
November 5.....	41,877,694.59	.....
November 12.....	40,502,981.41	.....
November 19.....	29,968,382.09	.....
November 26.....	28,463,142.86	.....
December 3.....	32,030,661.93	.....
December 10.....	28,264,550.74	.....
December 17.....	27,763,285.74	.....
December 24.....	31,373,468.21	.....
December 31.....	29,060,531.21	.....

## Schedule "D"

## OPEN MARKET TRANSACTIONS FOR THE YEAR 1920

## Bills Discounted—Bought (Bankers' Acceptances)

619 items purchased in above period, total.....\$17,173,430.35

## At the following discount rates:

## Amounts.

5 per cent.....	\$ 100,000.00
5½ per cent.....	881,347.94
6 per cent.....	11,000,738.48
6½ per cent.....	2,549,112.11
7 per cent.....	2,642,231.82

Total .....\$17,173,430.35

## By maturities at date of purchase:

Up to 30 days.....	\$ 3,473,695.70
30 to 60 days.....	10,302,639.03
60 to 90 days.....	3,397,095.62

Total .....\$17,173,430.35

## Classification:

Domestic.....	\$ 1,258,919.45
Export or import.....	15,914,510.90

Total .....\$17,173,430.35

## BANKERS' ACCEPTANCES ACQUIRED FROM OTHER FEDERAL RESERVE BANKS

162 items acquired from Federal Reserve Bank, Boston, aggregating.....\$5,049,540.83 at 5¼ per cent

## Classification:

Domestic.....	\$1,449,480.47
Foreign.....	3,600,060.36

\$5,049,540.83

## By maturities at date of purchase:

Up to 30 days.....	\$1,253,908.35
31 to 60 days.....	3,348,463.08
61 to 90 days.....	447,169.40

Total .....\$5,049,540.83

## MUNICIPAL WARRANTS.

Purchased.....None

## Schedule "E"

## SCHEDULE OF CHANGES IN DISCOUNT RATES AND DATES EFFECTIVE DURING 1920

	Jan. 3	Jan. 23	Feb. 26	April 19 Progressive Rate became effective See Text Page —	July 3	Sept. 28
Member Banks' 15 Days Notes:						
Secured by Treasury Certificates of Indebtedness....	4¾ %	4¾ %	5 %	5 %	Rate of Certificate Minimum 5 %	Rate of Certif. Minimum 5 %
Member Banks' 15 Days Notes:						
Secured by Liberty Bonds or Victory Notes.....	5½ %	5½ %	5½ %	5½ %	5½ %	6 %
Member Banks' 15 Days Notes:						
Secured by Eligible Paper.....	5½ %	6 %	6 %	6 %	6 %	6 %
Rediscounts:						
Secured by Liberty Bonds or Victory Notes.....	5½ %	5½ %	5½ %	5½ %	5½ %	6 %
Rediscounts:						
Secured by Certificates of Indebtedness.....	4¾ %	4¾ %	5 %	5 %	Rate of Certificate Minimum 5 %	Rate of Certif. Minimum 5 %
Rediscounts:						
Commercial Paper maturing 15 days or less.....	5½ %	6 %	6 %	Normal Rate 6 %	Normal Rate 6 %	Normal Rate 6 %
Commercial Paper maturing 16 to 90 days.....	5½ %	6 %	6 %	6 %	6 %	6 %
Agricultural or Live Stock Paper maturing 15 days or less.....	5½ %	6 %	6 %	6 %	6 %	6 %
Agricultural or Live Stock Paper maturing 16 to 90 days.....	5½ %	6 %	6 %	6 %	6 %	6 %
Agricultural or Live Stock Paper maturing 91 days to 6 months.....	6 %	6 %	6 %	6 %	6 %	6 %
Trade Acceptances maturing 15 days or less.....	5½ %	6 %	6 %	6 %	6 %	6 %
Trade Acceptances maturing 16 to 90 days.....	5½ %	6 %	6 %	6 %	6 %	6 %

## Schedule "F"

## OPEN MARKET TRANSACTIONS FOR THE YEAR 1920

## UNITED STATES SECURITIES

## PURCHASES

3½	per cent	United States	Liberty Loan Bonds (1st issue), 1947	None
4	per cent	United States	Liberty Loan Bonds (2nd issue), 1942	None
2	per cent	United States	Special Certificates of Indebtedness	\$112,000,000.00
4¼	per cent	United States	Liberty Loan Bonds (4th issue), 1938	None
4¾	per cent	United States	Victory Loan Bonds (5th issue), 1923	150.00
4¼	per cent	United States	Certificates of Indebtedness (Sundry Issues)	40,000.00
4½	per cent	United States	Certificates of Indebtedness (Sundry Issues)	4,914,500.00
5	per cent	War Finance	Corporation Bonds, 1920	None
4¾	per cent	United States	Certificates of Indebtedness (Sundry Issues)	2,912,500.00
5	per cent	United States	Certificates of Indebtedness (Sundry Issues)	191,000.00
5¼	per cent	United States	Certificates of Indebtedness (Sundry Issues)	400,000.00
5½	per cent	United States	Certificates of Indebtedness (Sundry Issues)	222,000.00
5¾	per cent	United States	Certificates of Indebtedness (Sundry Issues)	3,255,500.00
6	per cent	United States	Certificates of Indebtedness (Sundry Issues)	4,143,000.00
Total				\$128,078,650.00

## SALES

United States Liberty Loan Bonds to secure Participation Certificates				\$	50.00
War Finance Corporation Bonds					None
4¼	per cent	United States	Certificates of Indebtedness (Sundry Issues)		59,000.00
4½	per cent	United States	Certificates of Indebtedness (Sundry Issues)		3,219,000.00
4¾	per cent	United States	Certificates of Indebtedness (Sundry Issues)		2,776,000.00
5	per cent	United States	Certificates of Indebtedness (Sundry Issues)		181,500.00
5¼	per cent	United States	Certificates of Indebtedness (Sundry Issues)		400,000.00
5½	per cent	United States	Certificates of Indebtedness (Sundry Issues)		202,000.00
5¾	per cent	United States	Certificates of Indebtedness (Sundry Issues)		3,256,000.00
6	per cent	United States	Certificates of Indebtedness (Sundry Issues)		4,142,500.00
Total				\$	14,236,050.00



## Schedule "F"—Continued.

## UNITED STATES SECURITIES ON HAND DECEMBER 31, 1920

3	per cent United States Conversion Bonds, 1916-1946.....	\$	16,600.00
3	per cent United States Conversion Bonds, 1917-1947.....		821,900.00
4	per cent United States Bonds, 1925.....		825,000.00
2	per cent Panamas, 1936.....		20,000.00
2	per cent Consols, 1930.....		7,155,000.00
3½	per cent United States Liberty Loan Bonds (1st issue), 1947.....		20,050.00
4¼	per cent Converted United States Liberty Loan Bonds (2nd issue), 1942.....		8,000.00
4¼	per cent United States Liberty Loan Bonds (4th issue), 1938.....		400.00
4¾	per cent United States Victory Loan Notes (5th issue), 1923.....		600.00
	Liberty Loan Bonds to secure Participation Certificates.....		300.00
4¼	per cent United States Certificates of Indebtedness (Sundry Issues).....		None
4½	per cent United States Certificates of Indebtedness (Sundry Issues).....		None
2	per cent Special United States Certificates of Indebtedness.....		12,820,000.00
6	per cent United States Certificates of Indebtedness (Sundry Issues).....		500.00
Total.....		\$	21,688,350.00

## Schedule "G"

## AVERAGE OF EACH CLASS OF EARNING ASSETS HELD, TOTAL EARNINGS and AVERAGE ANNUAL RATES THEREON

	Average Holdings	Earnings	Average Rate
Bills discounted, members.....	\$106,404,891.00	\$6,441,476.47	.06053
Bills bought in open market.....	3,887,909.00	211,974.98	.05452
United States securities.....	22,771,594.00	505,539.24	.02220
Total.....	\$133,064,394.00	\$7,158,990.69	.05380

## Schedule "H"

## RESERVE POSITION—NET DEPOSITS

(Monthly Averages)

Month	Percentages Carried		Percentage Required	Percentage Excess Over Requirements	
	1920	1919		1920	1919
January.....	48.2	50.6	35	13.2	15.6
February.....	54.5	52.4	35	19.5	17.4
March.....	49.9	47.5	35	14.9	12.5
April.....	40.3	42.9	35	5.3	7.9
May.....	41.8	43.5	35	6.8	8.3
June.....	41.4	43.4	35	6.4	8.4
July.....	41.3	44.1	35	6.3	9.1
August.....	42.7	46.7	35	7.7	11.7
September.....	40.3	44.9	35	5.3	9.0
October.....	41.2	41.2	35	6.2	6.2
November.....	40.8	42.8	35	5.8	7.8
December.....	40.5	42.8	35	5.5	7.9
Yearly averages.....	43.5	45.2	35	8.5	10.2

# MEMBERSHIP—ADDITIONS AND WITHDRAWALS AND EFFECT ON THE TOTAL CAPITAL STOCK.

## Additions

State	Number of Banks	Capital Subscription Federal Reserve Bank of Kansas City	Capital and Surplus of Member Banks
Colorado.....	13	\$ 65,800.00	\$1,096,000.00
Kansas.....	20	173,900.00	2,897,500.00
Missouri.....	1	132,000.00	2,200,000.00
Nebraska.....	5	24,500.00	407,500.00
New Mexico.....	1	1,200.00	60,000.00
Oklahoma.....	30	143,100.00	2,385,700.00
Wyoming.....	5	27,400.00	456,500.00
Total.....	75	\$567,900.00	\$9,503,200.00

## Withdrawals

State	Number of Banks	Capital Surrendered	Capital and Surplus of Member Banks
Colorado.....	1	\$ 17,000.00	\$ 282,500.00
Kansas.....	3	81,000.00	1,350,000.00
Missouri.....	4	157,500.00	2,625,000.00
Nebraska.....	3	11,600.00	192,500.00
New Mexico.....	1	11,100.00	185,000.00
Oklahoma.....	12	47,100.00	784,700.00
Wyoming.....			
Total.....	24	\$325,300.00	\$5,419,700.00

**MEMBER-BANK DEPOSITS**

(Net daily reserve balance for the year 1920)

Month	Amount
January .....	\$89,104,000.01
February .....	90,976,310.22
March .....	90,143,289.19
April .....	87,959,695.93
May .....	83,815,830.32
June .....	82,654,706.35
July .....	83,334,843.88
August .....	81,101,776.40
September .....	79,130,199.62
October .....	75,872,776.12
November .....	77,552,894.88
December .....	77,142,370.40
Yearly Average.....	\$83,232,391.11

**DEFICIENT RESERVES**

(Daily average for the year 1920)

Period	Number of Banks	Daily Average Deficiency	Amount of Penalties
January.....	190	\$1,455,894.00	\$ 11,428.88
February.....	220	1,267,870.00	8,318.84
March.....	237	1,610,964.00	12,887.29
April.....	240	3,121,627.00	21,965.17
May.....	218	2,087,850.00	15,984.46
June.....	235	1,606,789.00	14,617.44
July.....	195	980,758.00	8,823.49
August.....	290	2,016,461.00	17,500.60
September.....	333	3,321,130.00	28,820.38
October.....	395	3,991,982.00	39,406.91
November.....	367	3,976,460.00	35,146.44
December.....	341	2,512,773.00	23,524.99
For the Year 1920.....		\$2,327,602.00	\$238,424.89

## Schedule "K"

## GOVERNMENT ACCOUNT FROM JANUARY 1, 1920, TO DECEMBER 31, 1920

(Including balance to credit of U. S. Treasurer

December 31, 1919, and December 31, 1920)

Balance to credit of U. S. Treasurer December 31, 1919.....		\$ 1,283,251.75
Transfers from Treasurer through Gold Settlement Fund.....	\$ 88,520,000.00	
Transfers of excess balances from Government Depositories.....	20,134,380.40	
Receipts from sale of Treasurer's Certificates of Indebtedness.....	120,180,000.00	
Receipts from sale of Spec. Certificates of Indebtedness.....	112,000,000.00	
Withdrawals from Special Depositories.....	76,559,059.59	
Deposits from Internal Revenue Collectors.....	95,146,420.69	
War Finance Corporation Collections.....	7,479,053.00	
War Savings Certificates deposited for credit K. C. Postmaster.....	2,102,686.19	
Amount checks received from U. S. Treasurer for collection.....	5,647,283.01	
Receipts from sale of War Savings Securities.....	929,745.21	526,698,628.09
Miscellaneous credits to U. S. Treasurer.....		28,408,408.97
Total.....		\$558,390,288.81
Government warrants paid.....	\$ 91,287,693.29	
Government coupons paid.....	19,186,957.85	
Treasury Certificates of Indebtedness redeemed.....	138,356,500.00	
Special Certificates of Indebtedness redeemed.....	112,000,000.00	
War Savings Certificates redeemed.....	2,102,686.19	
Deposited with Special Depositories.....	65,857,661.38	
Transferred by order U. S. Treasurer.....	81,797,907.00	
Currency shipped to Treasurer.....	21,758,000.00	
F. R. Notes delivered to Treasurer through F. R. Board.....	10,880,000.00	
Cash refund to War Savings Securities Agents.....	874,086.63	542,101,492.34
Miscellaneous debits to U. S. Treasurer.....		10,039,446.92
Balance to credit of U. S. Treasurer Dec. 31, 1920.....		4,249,349.55
Total.....		\$558,390,288.81



## Schedule "L"

**FEDERAL RESERVE AGENT'S STATEMENT OF FEDERAL RESERVE NOTES ON HAND, OUTSTANDING, RECEIVED FROM COMPTROLLER OF THE CURRENCY, CANCELLED AND  
COVERAGE OF TOTAL ISSUE AS OF DECEMBER 31, 1920  
RESOURCES**

Federal Reserve notes on hand.....	\$ 3,820,000.00
Federal Reserve notes outstanding.....	118,125,475.00
Rediscounts to secure Federal Reserve notes.....	112,247,331.79
Credit balance in gold-redemption fund.....	3,408,690.00
Credit balance with Federal Reserve Board.....	37,360,000.00
Federal Reserve notes sent to Comptroller of Currency for cancellation and destruction.....	147,554,525.00
<b>Total.....</b>	<b>\$422,516,021.79</b>

**LIABILITIES**

Federal Reserve notes from Comptroller of Currency—gross amount .....	\$269,500,000.00
Collateral received from Federal Reserve Bank: Eligible paper.....	112,247,331.79
Gold.....	40,768,690.00
<b>Total.....</b>	<b>\$422,516,021.79</b>

## Schedule "M"

## FEDERAL RESERVE NOTES RECEIVED AND RETURNED

(Amounts of Federal Reserve Notes of the several denominations received from and returned to other Federal Reserve Banks for redemption or credit by the Federal Reserve Bank of Kansas City during the period since January 1, 1920.)

Exchanged with Federal Reserve Bank of—	FIVES		TENS		TWENTIES		FIFTIES	
	Received from	Returned to	Received from	Returned to	Received from	Returned to	Received from	Returned to
Boston.....	\$ 288,000	\$ 94,000	\$ 348,800	\$ 277,000	\$ 435,100	\$ 254,000	\$ 35,500	\$ 89,450
New York.....	1,027,000	643,000	1,611,000	1,669,000	3,278,800	1,502,000	337,700	454,750
Philadelphia.....	279,000	112,000	352,500	270,000	663,500	410,000	34,000	103,650
Cleveland.....	671,500	274,500	727,000	584,000	815,500	1,136,000	60,400	310,000
Richmond.....	274,900	103,500	571,200	214,000	1,532,350	356,000	26,100	130,700
Atlanta.....	418,250	293,500	577,000	562,000	820,500	874,000	50,550	73,600
Chicago.....	3,538,500	3,219,500	4,152,000	4,997,000	4,252,000	5,870,000	222,500	550,850
St. Louis.....	2,825,320	2,121,000	3,505,680	2,660,000	4,375,720	2,852,000	425,150	290,400
Minneapolis.....	513,500	891,500	687,000	1,134,000	1,012,000	1,048,000	43,500	40,300
Dallas.....	1,300,500	1,377,500	2,186,100	2,011,000	2,860,000	2,910,000	169,350	414,450
San Francisco.....	1,355,265	1,252,500	1,900,440	1,481,000	3,264,440	2,642,000	248,400	264,200
Total.....	\$12,491,735	\$10,382,500	\$16,618,720	\$15,868,000	\$23,309,910	\$19,854,000	\$ 1,653,150	\$ 2,722,350

## Schedule "M"—Continued.

## FEDERAL RESERVE NOTES RECEIVED AND RETURNED

(Amounts of Federal Reserve Notes of the several denominations received from and returned to other Federal Reserve Banks for redemption or credit by the Federal Reserve Bank of Kansas City during the period since January 1, 1920.)

Exchanged with Federal Reserve Bank of—	HUNDREDS		FIVE HUNDREDS		THOUSANDS		TOTAL AMOUNTS	
	Received from	Returned to	Received from	Returned to	Received from	Returned to	Received from	Returned to
Boston.....	\$ 45,600	\$ 72,900	\$ 1,500	\$ 1,000	\$ 7,000	\$ 8,000	\$ 1,161,500	\$ 796,350
New York.....	656,900	493,400	53,000	30,000	76,000	98,000	7,040,400	4,940,150
Philadelphia.....	52,000	122,100	4,500	.....	6,000	3,000	1,391,500	1,020,750
Cleveland.....	84,900	94,500	15,000	3,500	16,000	4,000	2,390,300	2,406,500
Richmond.....	31,700	70,300	3,000	2,000	2,000	1,000	2,441,250	877,500
Atlanta.....	58,500	59,400	8,000	.....	14,000	11,000	1,946,800	1,873,500
Chicago.....	265,000	308,900	11,000	29,000	17,000	68,000	12,458,000	15,043,250
St. Louis.....	246,600	182,400	43,000	15,000	41,000	74,000	11,462,470	8,203,800
Minneapolis.....	89,500	68,600	4,000	3,500	12,000	20,000	2,361,500	3,205,900
Dallas.....	186,900	353,900	16,500	18,000	22,000	16,000	6,741,350	7,100,850
San Francisco.....	429,900	293,500	21,000	25,500	28,000	38,000	7,247,445	5,996,700
Total.....	\$ 2,147,500	\$ 2,119,900	\$ 180,500	\$ 127,500	\$ 241,000	\$ 341,000	\$56,642,515	\$51,465,250

# Schedule "N"

## FEDERAL RESERVE NOTES—FEDERAL RESERVE AGENT

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Issued to bank, 1920.....	\$72,570,000.00
Received by Comptroller for cancellation and destruction.....	60,640,280.00
Federal Reserve Notes on hand, now, unissued.....	3,820,000.00
Cost of issued and unissued notes for the year.....	97,477.12

The cost of issued notes was made on the following basis:

### DENOMINATIONS

	Cost per \$1,000
Fives .....	\$2.61
Tens .....	1.32
Twenties .....	.71
Fifties .....	.33
Hundreds .....	.21
Five Hundreds .....	None
Thousands .....	None

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## Schedule "O"

## OFFICIAL AND CLERICAL STAFF

	1920	1919
Number of Officers.....	22	18
Number of employees in various departments.....	864	565

## MONTHLY PAY ROLL EMPLOYEES

Department	1920		1919	
	Number	Monthly Salaries	Number	Monthly Salaries
Federal Reserve Agent's office.....	13	\$ 2,345.00	6	\$ 758.34
General Clerical force, including discount, auditing and all other departments except transit.....	322	31,756.75	204	22,160.00
Transit Department.....	338	27,512.75	199	17,180.00
Fiscal Agency Department (recoverable through U. S. Treasurer).....	191	23,095.00	156	16,240.84
Total.....	864	\$84,709.50	565	\$56,339.18



## Schedule "P"

**STATE BANKS AND TRUST COMPANIES ADMITTED TO MEMBERSHIP IN FEDERAL RESERVE BANK  
OF KANSAS CITY DURING 1920**

State	City	Name of Bank	Date Admitted to System
Missouri.....	Kansas City.....	Midwest Reserve Trust Company.....	10- 4-20
Nebraska.....	Aurora.....	Fidelity State Bank.....	11-22-20
	Meadow Grove.....	Meadow Grove State Bank.....	11- 3-20
	Meadow Grove.....	Security Bank.....	2-11-20
	Oakland.....	Oakland State Bank.....	9-17-20
Oklahoma.....	Ardmore.....	Guaranty State Bank.....	2- 5-20
	Billings.....	Citizens Bank.....	4- 4-20
	Bixby.....	Bixby State Bank.....	3-27-20
	Clinton.....	Clinton State Bank.....	3-29-20
	Cordell.....	Oklahoma State Bank.....	3-20-20
	Kingfisher.....	Citizens State Bank.....	3- 1-20
	Okarche.....	First Bank of Okarche.....	8- 2-20
	Oklahoma City.....	First State Bank.....	2-14-20
	Okmulgee.....	American State Bank.....	4- 3-20
	Stigler.....	First State Bank.....	4- 2-20
Wyoming.....	Evanston.....	Stockgrowers Bank.....	7- 8-20
	Mountain View.....	Uinta Co. State Bank.....	7-13-20

Schedule "Q"

**BANKS GRANTED FIDUCIARY POWERS DURING 1920,  
UNDER SECTION 11 (k) OF THE FEDERAL RESERVE  
ACT, AS AMENDED BY THE ACT OF  
SEPT. 26, 1918**

State	City	Name of Bank
Colorado	Akron	First National Bank
	Colorado Springs	Colorado Springs National Bank
	Denver	Hamilton National Bank
	Denver	Stockyards National Bank
	Fort Collins	Fort Collins National Bank
	Gunnison	First National Bank
	Lamar	Lamar National Bank
	Montrose	Montrose National Bank
	Sterling	Logan County National Bank
	Telluride	First National Bank
	Trinidad	Trinidad National Bank
Kansas	Emporia	Commercial Natl. Bank & Trust Co.
	Emporia	Citizens National Bank
	Pratt	First National Bank
	Wichita	First National Bank
Missouri	Kansas City	Continental National Bank of Jackson County
	King City	First National Bank
	Maryville	First National Bank
	Columbus	First National Bank
	Emerson	First National Bank
Nebraska	Nebraska City	Nebraska City National Bank
	Randolph	First National Bank
	South Omaha	Stockyards National Bank
New Mexico	Las Vegas	First National Bank
Oklahoma	Enid	American National Bank
	Hominy	National Bank of Commerce
	Lawton	First National Bank
	*Muskogee	First National Bank
	McAlester	First National Bank
	Oklahoma City	First National Bank
	Oklahoma City	Southwest National Bank
	Sallisaw	First National Bank
	Shawnee	Shawnee National Bank
	Casper	National Bank of Commerce
	Cheyenne	American National Bank
Wyoming	Thermopolis	First National Bank
	Powell	Powell National Bank

\*Granted supplementary powers.

## Schedule "R"

## FEDERAL RESERVE BANK OF KANSAS CITY.

## OPERATIONS OF CHECK CLEARING AND COLLECTION DEPARTMENT.

Detailed Classification of Number and Amount of Items Handled, by Months, During 1920.

## Items Drawn on Banks in Own District.

Month.	Located in F. R. Bank and Branch Cities.		Located Outside F. R. Bank and Branch Cities.		Items drawn on Treasurer of United States.		Items Forwarded to Other F. R. Banks and Their Branches.		Totals. (a)	
	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.		
January.....	429,423	\$ 486,935	2,820,266	\$ 342,974	91,510	\$ 10,649	334,360	\$ 128,181	3,675,559	\$ 968,739
February.....	411,526	468,728	2,719,114	326,084	84,959	11,720	314,119	111,992	3,529,718	918,524
March.....	507,152	559,129	3,140,794	408,240	66,317	10,397	349,512	125,315	4,063,775	1,103,081
April.....	647,892	570,363	3,333,457	403,395	135,178	13,583	388,930	126,287	4,505,457	1,113,628
May.....	654,507	500,744	3,214,690	350,625	218,147	11,497	369,104	108,308	4,456,448	971,174
June.....	586,886	478,335	3,096,632	341,539	110,288	9,696	361,049	108,462	4,154,855	938,232
July.....	497,215	503,454	3,144,250	355,686	147,939	12,443	373,421	113,048	4,162,825	984,631
August.....	488,720	521,429	3,392,731	341,454	99,300	12,859	404,235	103,518	4,384,986	979,260
September ..	478,945	584,802	3,862,256	355,422	78,682	10,753	468,884	114,111	4,888,767	1,065,088
October.....	466,099	599,533	3,872,011	368,490	149,754	13,031	448,923	119,709	4,936,787	1,100,763
November.....	459,914	555,508	3,778,534	331,985	220,550	17,152	425,108	106,486	4,884,106	1,011,131
December.....	449,990	491,114	3,864,163	301,594	128,938	11,567	478,171	108,087	4,921,262	912,362
Totals.....	6,078,269	\$6,320,074	40,238,898	\$4,227,488	\$1,531,562	\$145,547	4,715,816	\$1,373,504	52,554,545	\$12,066,613

(a) Exclusive of duplication on account of items handled by both parent bank and branch.

## Schedule "S"

## SUBSCRIPTIONS TO CERTIFICATES OF INDEBTEDNESS FOR THE YEAR 1920

Series	Dated	Maturity	National Banks	State Banks	Trust Companies	Number	Amount	Total
Td-1920	1- 2-20	12-15-20	\$ 5,229,500	\$ 1,626,000	\$ 1,333,000	499	\$ 4,848,000	\$ 13,036,500
TM4-1920	2- 2-20	3-15-20	8,531,000	3,642,000	376,500	420	3,450,500	16,000,000
TM-1921	3-15-20	3-15-21	3,174,500	1,766,500	269,000	557	2,025,500	7,235,500
E-1920	4- 1-20	7- 1-20	3,081,000	1,219,000	202,500	221	1,426,500	5,929,000
F-1920	4-15-20	7-15-20	1,015,500	479,000	247,500	57	206,000	1,948,000
G-1920	4-15-20	10-15-20	1,634,500	750,500	69,000	407	997,000	3,451,000
H-1920	5-17-20	11-15-20	2,395,500	467,000	305,000	239	1,141,500	4,309,000
A-1921	6-15-20	1- 3-21	3,854,500	388,000	552,000	275	393,000	5,187,500
TJ-1921	6-15-20	6-15-21	8,323,500	1,169,500	836,000	989	1,083,500	11,412,500
B-1921	7-15-20	1-15-21	4,515,000	489,500	217,000	287	573,500	5,795,000
TM2-1921	7-15-20	3-15-21	465,000	279,500	501,000	396	965,000	2,210,500
C-1921	8-16-20	8-16-21	2,544,500	920,500	298,500	914	2,236,500	6,000,000
TM3-1921	9-15-20	3-15-21	458,000	182,500	44,000	116	1,002,000	1,686,500
TS-1921	9-15-20	9-15-21	4,501,000	1,177,000	1,238,000	1315	2,397,500	9,313,500
TM4-1921	10-15-20	3-15-21	1,693,500	330,000	1,044,000	616	1,677,000	4,744,500
D-1921	11-15-20	5-16-21	1,576,000	504,000	2,818,500	731	2,219,500	7,118,000
TJ2-1921	12-15-20	6-15-21	1,329,000	148,000	366,500	406	1,656,000	3,499,500
TD-1921	12-15-20	12-15-21	5,810,500	812,000	1,580,000	1388	3,101,000	11,303,500
Total.....			\$60,132,000	\$16,350,500	\$12,298,000	9833	\$31,399,500	\$120,180,000
Number of National Banks in District.....	1,024	Number subscribing .....	458	Per cent subscribing.....	44.72			
Number of State Banks in District.....	3,342	Number subscribing .....	738	Per cent subscribing.....	22.06			
Number of Trust Companies in District..	112	Number subscribing .....	40	Per cent subscribing.....	35.71			

## Schedule "T"

## CERTIFICATES OF INDEBTEDNESS—REGULAR ISSUES

Series	Dated	Due	Rate	No. of Subscribers	Paid by Credit	Total Subscriptions
E-1920	April 1, 1920.....	July 1, 1920.....	4¾ %	531	\$ 2,799,346.30	\$ 5,929,000
F-1920	April 15, 1920.....	July 15, 1920.....	5 %	219	1,118,535.31	1,948,000
G-1920	April 15, 1920.....	October 15, 1920.....	5¼ %	790	1,742,690.88	3,451,000
H-1920	May 17, 1920.....	November 15, 1920.....	5½ %	570	2,696,500.00	4,309,000
A-1921	June 15, 1920.....	January 3, 1921.....	5¾ %	547	3,534,547.36	5,187,500
B-1921	July 15, 1920.....	January 15, 1921.....	5¾ %	503	5,170,950.54	5,795,000
C-1921	August 16, 1920.....	August 16, 1921.....	6 %	1286	3,994,000.00	6,000,000
D-1921	November 15, 1920.....	May 16, 1921.....	5¾ %	917	2,850,000.00	7,118,000
<b>Total....</b>				<b>5363</b>	<b>\$23,906,570.39</b>	<b>\$39,737,500</b>



## Schedule "U"

## CERTIFICATES OF INDEBTEDNESS—TAX ISSUES

Series	Dated	Due	Rate	No. of Subscribers	Paid by Credit	Total Subscription
TD-1920	January 2, 1920.....	December 15, 1920.....	4¾ %	1265	\$ 5,671,725.42	\$13,036,500
TM4-1920	February 2, 1920.....	March 15, 1920.....	4½ %	986	6,980,742.81	16,000,000
TM-1921	March 15, 1920.....	March 15, 1921.....	4¾ %	1095	2,701,720.11	7,235,500
TJ-1921	June 15, 1920.....	June 15, 1921.....	6 %	1899	7,914,168.71	11,412,500
TM2-1921	July 15, 1920.....	March 15, 1921.....	5¾ %	599	1,525,085.89	2,210,500
TS-1921	September 15, 1920.....	September 15, 1921.....	6 %	1831	5,377,539.73	9,313,500
TM3-1921	September 15, 1920.....	March 15, 1921.....	5¾ %	227	907,000.00	1,686,500
TM4-1921	October 15, 1920.....	March 15, 1921.....	5¾ %	822	2,894,000.00	4,744,500
TJ2-1921	December 15, 1920.....	June 15, 1921.....	5¾ %	431	1,503,500.00	3,499,500
TD-1921	December 15, 1920.....	December 15, 1921.....	6 %	1870	6,475,608.32	11,303,500
Total.....				11025	\$41,951,090.99	\$80,442,500

# TEMPORARY-PERMANENT EXCHANGES—FISCAL AGENCY DEPARTMENT January 1, 1920, to December 31, 1920

	Temporary Bonds Received		Permanent Bonds Delivered	
	No. of Pieces	Amount	No. of Pieces	Amount
Temporary Coupon for Permanent Coupon:				
First 4's.....	4,150	\$ 440,600	3,476	\$ 438,900
First 4¼'s.....	40,952	8,448,000	32,326	8,435,450
First-Second 4¼'s.....	40	10,150		
Second 4's.....	38,060	4,567,350	25,224	4,550,550
Second 4¼'s.....	181,400	48,592,200	142,534	48,492,150
Third 4¼'s.....	745,454	99,957,650	572,870	99,886,050
Fourth 4¼'s.....	120,098	19,403,850	26,106	6,438,000
Total.....	1,130,154	\$181,419,800	802,536	\$168,241,100
Temporary Coupon for Registered:				
First 4's.....	433	\$ 47,700	302	\$ 77,150
First 4¼'s.....	3,967	880,000	2,175	904,300
First-Second 4¼'s.....	9	700	7	550
Second 4's.....	1,766	187,450	1,605	252,250
Second 4¼'s.....	15,570	4,297,750	10,435	4,664,050
Third 4¼'s.....	72,057	10,672,900	49,093	11,251,700
Fourth 4¼'s.....	68,024	15,285,900	33,563	15,664,750
Total.....	161,826	\$ 31,372,400	97,180	\$ 32,814,750
For Conversion and Exchange:				
First 4's—Coupon for Coupon.....	32,362	\$ 3,656,300	27,873	\$ 3,647,150
Second 4's—Coupon for Coupon.....	138,354	16,852,050	112,213	16,795,800
First 4's—Coupon for Registered.....	1,510	198,400	1,040	202,900
Second 4's—Coupon for Registered.....	7,637	1,126,450	5,200	1,098,000
Total.....	179,863	\$ 21,833,200	146,326	\$ 21,743,850
GRAND TOTAL.....	1,471,843	\$234,625,400	1,046,042	\$222,799,700

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