

**THIRD ANNUAL REPORT**

**FEDERAL RESERVE BANK OF MINNEAPOLIS**

Minneapolis, January 1, 1918.

TO SHAREHOLDERS:

We are submitting herewith a comparative statement of your bank at the close of business on December 31, 1915, December 31, 1916, and December 31, 1917. The statement shows to you in a concrete way the development of the business during the past three years.

Your directors and officers are gratified that they are able to report to you earnings sufficient to pay all cumulative dividends to shareholders; provide for proper depreciation; charging off of the furniture and fixtures, other than vault, the liquidation of which the Federal Reserve Board believes should be provided for over a period of years; leaving a small sum, one-half of which, in accordance with the law, is to be paid to the Government, and one-half carried to surplus fund.

During the past year our Government entered into the greatest war of history; nearly six billion of dollars was raised through issue and sale of bonds; a vast army was put in training; the means of production, manufacture and distribution have been crowded to the utmost, yet credit has been available for all legitimate needs; a circulating medium has been furnished the people in sufficient volume, as and when needed; interest rates have been stable; confidence has been maintained, and the establishing of the Federal Reserve System thoroughly justified.

The figures in connection with the selling and distribution of Liberty Bonds and Treasury Certificates give you but an inkling of the vast amount of work which we have been able to perform as fiscal agents on behalf of the Government.

We take this opportunity of thanking you for your co-operation, support and good-will, without which the results obtained in 1917 could not have been secured.

Respectfully,

THEODORE WOLD,  
Governor.

**STATEMENT OF CONDITION, DECEMBER 31, 1917.**

**RESOURCES.**

	Condition Dec. 31, 1917.	Condition Dec. 31, 1916.	Condition Dec. 31, 1915.
Bills Discounted and Collateral Loans to Members....	\$8,082,327.78	\$1,985,182.75	\$1,244,615.71
Bankers' Acceptances .....	7,166,677.76	6,199,999.55	477,806.40
Rediscounts for other Federal Reserve Banks.....	4,988,121.23	.....	.....
United States Securities .....	3,228,490.00	3,178,687.85	1,328,820.00
Municipal Warrants .....	25,380.00	569,664.72	910,513.28
Accrued Interest on United States Securities.....	17,841.63	15,607.73	6,473.42
Furniture and Equipment (including vault and safes)..	29,501.00	59,274.19	54,159.64
Organization Expenses .....	.....	.....	32,341.71
Cost of Federal Reserve Notes, Unissued.....	12,915.48	16,295.18	19,932.85
Expenses paid in advance .....	2,127.12	1,250.00	.....
Disbursements for Treasury Department (to be re- imbursed) .....	54,126.89	.....	.....
Due from other Federal Reserve Banks.....	13,247,610.72	3,598,997.07	4,390,694.20
Due from Banks and Bankers, also deferred debits to member banks .....	4,403,830.21	3,449,929.61	.....
National Bank Notes and Federal Reserve Notes, other banks .....	169,361.00	18,800.00	8,945.00
Federal Reserve Notes on hand.....	1,420,865.00	2,374,585.00	868,390.00
Mutilated Federal Reserve Notes, forwarded for re- demption .....	171,000.00	.....	.....
Other Lawful Money .....	413,165.61	179,552.47	21,416.95
Gold Certificates and Gold Coin.....	15,837,955.00	8,775,637.00	2,747,298.00
Gold held with Foreign Agency.....	2,100,000.00	.....	.....
Gold in Settlement Fund.....	19,486,500.00	7,064,000.00	4,355,000.00
Gold with Federal Reserve Agent.....	32,909,950.00	20,484,045.00	14,000,000.00
<b>Total .....</b>	<b>\$113,767,746.43</b>	<b>\$57,971,508.12</b>	<b>\$30,466,407.16</b>

**LIABILITIES.**

	Condition Dec. 31, 1917.	Condition Dec. 31, 1916.	Condition Dec. 31, 1915.
Capital .....	\$2,620,150.00	\$2,609,700.00	\$2,546,850.00
Profit and Loss .....	75,157.13	44,541.27	.....
Discount and Interest Unearned .....	94,280.60	36,274.45	18,963.25
Discount and Premium on U. S. Bonds.....	20,682.39	22,534.74	7,069.14
Withheld for Federal Income Tax.....	.....	176.25	.....
Reserved for Abrasion on Gold.....	6,500.00	.....	.....
Government Deposits .....	8,716,529.47	886,437.51	.....
Cashier's Checks .....	31,488.47	5,680.45	1,822.20
Due to other Federal Reserve Banks.....	10,524,486.54	4,347,156.58	26,340.33
Due to Member Banks .....	40,603,711.83	29,534,961.87	13,865,362.24
Due to Non-Member Banks .....	68,810.00	.....	.....
Federal Reserve Notes Outstanding .....	51,005,950.00	20,484,045.00	14,000,000.00
<b>Total .....</b>	<b>\$113,767,746.43</b>	<b>\$57,971,508.12</b>	<b>\$30,466,407.16</b>

**PROFIT AND LOSS ACCOUNT, DECEMBER 31, 1917.**

Balance in account, January 1, 1917.....		\$44,541.27
Gross earnings, January 1, 1917, to December 31, 1917.....	\$628,338.44	
Less:		
Assessment for expenses Federal Reserve Board.....	\$10,196.14	
Cost of Fed. Res. Notes issued during year and redemption exp. ....	43,735.82	
Operating expenses .....	114,904.96	168,836.92
Excess of Earnings over Current Expenses.....		459,501.52
<b>Total .....</b>		<b>\$504,042.79</b>
Less the following items charged off:		
Reduction of Furniture and Equipment.....	\$41,364.25	
Reduction of Bonds to Market Value.....	15,000.00	
Reserved for Abrasion on Gold.....	6,500.00	
Dividends for period July 1, 1915, to December 31, 1917.....	366,021.41	428,885.66
Balance carried forward .....		\$75,157.13

**GROSS EARNINGS BY MONTHS.**

	1917	1916	1915		1917	1916	1915
January .....	\$32,120.87	\$11,471.21	\$4,269.52	July .....	\$49,421.86	\$20,350.25	\$9,038.91
February .....	31,310.36	10,909.70	4,014.08	August .....	60,826.02	25,074.83	10,766.40
March .....	31,094.02	11,724.58	4,932.92	September .....	70,234.08	27,170.94	10,966.71
April .....	34,081.81	12,480.69	5,109.33	October .....	58,688.36	30,212.02	13,371.14
May .....	43,184.05	15,782.63	5,942.45	November .....	83,835.51	28,660.58	12,333.42
June .....	39,952.37	17,154.86	6,741.82	December .....	93,589.13	27,116.39	12,122.61
Total earnings, 1917...\$628,338.44			Total earnings, 1916...\$238,108.68			Total earnings, 1915... 99,609.31	

**VOLUME OF DISCOUNTS FOR 1917.**

	Minnesota	North Dakota	South Dakota	Wisconsin	Montana	Michigan	Totals
No. of pieces re-discounted....	6,198	1,859	935	419	1,639	77	11,127
Total amount re-discounted....	\$70,234,993	\$3,060,613	\$2,357,925	\$1,204,175	\$2,815,187	\$481,822	\$80,154,717
Total amount 1916.....	4,284,590	527,890	768,393	157,801	215,893	27,501	6,522,068

**CLEARING STATISTICS.**

**Number of Items and Amount Handled During 1917.**

Within District.			Other Districts.		
	No. of Items	Total		No. of Items	Total
Twin City Banks .....	70,043	\$454,802,703.13	Federal Reserve Banks....	213,645	\$320,427,397.70
Member and Non-Member.	3,404,195	290,462,808.51	Direct to Member Banks..	3,023	18,983,383.53
Paid for U. S. Government	65,516	12,958,737.27			
Total .....	3,539,754	\$758,224,248.91	Total .....	216,668	\$339,410,781.23
Total Volume of Transactions Handled in Bank During 1917 .....			\$4,999,014,319.02		
Total Deposits to Credit of U. S. Government, 1917.....			273,104,000.00		

**FISCAL AGENCY DEPARTMENT.**

**Treasury Certificates of Indebtedness Sold Through This Bank During 1917.**

Number of Issues .....	13
Total number of subscriptions.....	1,235
Amount Sold .....	\$47,814,000.00

**War Savings Certificates and U. S. Thrift Stamps Sold Through This Bank During Dec., 1917.**

	Certificates	Stamps
Received .....	980,000	985,000
Delivered .....	63,888	238,350

**BONDS—(SUBSCRIPTIONS AND PAYMENTS.)**

	First Liberty Loan		Second Liberty Loan	
	Bonds	Interim Receipts	4% Conversion Bonds	
Subscriptions .....	\$67,780,450	.....	.....	\$140,801,050
Allotments .....	49,509,050	.....	.....	131,763,950
Paid on Allotments .....	49,500,181	.....	.....	112,659,005
Received from Treasury Department....	32,174,300	\$62,869,900	\$9,331,900	63,500,000
Delivered to Subscribers.....	29,142,600	49,500,000	9,171,400	41,916,900
Surrendered for Conversion to 4%.....	2,315,700	10,233,500	.....	.....

**BONDS—(DELIVERED BY DENOMINATIONS.)**

Denom-ination	First Liberty Loan			No. Four per cent Conversion	Second Liberty Loan No. Coupon Bonds
	No. Coupon Bonds	No. Interim Receipts	No. Reg. Bonds		
\$50	92,506	1,738	.....	47,364	173,168
\$100	48,107	5,926	4,946	30,147	118,000
\$500	5,964	1,569	736	2,741	9,419
\$1,000	12,309	4,766	698	2,133	11,759
\$5,000	.....	1,854	107	33	798
\$10,000	.....	1,900	72	12	100
\$50,000	.....	100	8	.....	.....
\$100,000	.....	100	12	.....	.....
Total in Dollars	\$24,727,000	\$49,500,000	\$4,415,600	\$9,171,400	\$41,916,900

Attest: HOWARD HALL, Auditor.

**FEDERAL RESERVE BANK OF MINNEAPOLIS**

**NINTH DISTRICT**

**OFFICERS**

**THEODORE WOLD, Governor**  
**R. A. YOUNG, Asst. to Governor**  
**S. S. COOK, Cashier**  
**FRANK C. DUNLOP, Asst. Cashier**  
**GRAY WARREN, Asst. Cashier**  
**HOWARD HALL, Auditor**

**DIRECTORS**

**JOHN H. RICH, Chairman and Federal Reserve Agent**  
**W. H. LIGHTNER, Vice Chairman**  
**J. C. BASSETT, Aberdeen, S. D.**  
**F. R. BIGELOW, St. Paul, Minn.**  
**JOHN W. BLACK, Houghton, Mich.**  
**E. W. DECKER, Minneapolis, Minn.**  
**L. B. HANNA, Fargo, N. D.**  
**F. P. HIXON, La Crosse, Wis.**  
**N. B. HOLTER, Helena, Mont.**

**CURTIS L. MOSHER,**

**Assistant Federal Reserve Agent**

**MEMBER ADVISORY COUNCIL**

**JOHN R. MITCHELL, St. Paul**

**COUNSEL**

**A. UELAND**