

**SEVENTH ANNUAL REPORT**  
**FEDERAL RESERVE BANK OF MINNEAPOLIS**

Minneapolis, January 1, 1922.

TO OUR SHAREHOLDERS:

We present herewith a statement covering the condition of your bank as at close of business December 31, 1921. The figures shown include those of our Helena, Montana, branch opened on February 1, 1921. Gross earnings for the year are given with the disposition thereof. Volume of our more important functions is also given and comparisons made with one year ago.

You will shortly be forwarded by the Chairman of our Board of Directors, a detailed report covering all our operations for the year 1921.

We wish at this time to thank our member banks for the splendid co-operation given during the trying year just ended.

Respectfully,

R. A. YOUNG,  
Governor.

**STATEMENT OF CONDITION, DECEMBER 31, 1921**

**RESOURCES**

|   | Condition<br>Dec. 31, 1921 | Condition<br>Dec. 31, 1920 |
|---|----------------------------|----------------------------|
| Bills Discounted and Collateral Loans to Members.....             | \$51,211,618.68            | \$81,653,725.82            |
| Bankers' Acceptances Purchased.....                               | .....                      | 1,313,331.39               |
| Municipal Warrants.....   | 88,995.60                  | .....                      |
| United States Securities.....                                     | 4,565,561.00               | 8,595,561.00               |
| Accrued Interest on United States Securities.....                 | 45,729.34                  | 85,654.66                  |
| Furniture and Equipment (including vault and safes).....          | 1.00                       | 1.00                       |
| Bank Premises.....  | 763,456.96                 | 590,000.00                 |
| Expenses Paid in Advance.....                                     | 17,848.60                  | 10,814.12                  |
| Disbursements for Treasury Department (to be reimbursed).....     | 8,737.05                   | 54,306.77                  |
| Due from Federal Reserve Banks and other Banks and Bankers.....   | 13,750,422.94              | 20,680,421.87              |
| Due from Treasury Department.....                                 | 124,655.01                 | .....                      |
| National Bank Notes and Notes of other Federal Reserve Banks..... | 279,300.00                 | 665,615.00                 |
| Five Per Cent Redemption Fund for Federal Reserve Bank Notes..... | 201,150.00                 | 480,150.00                 |
| Our Federal Reserve Bank Notes on hand.....                       | 102,544.00                 | 174,030.00                 |
| Federal Reserve Notes on hand.....                                | 2,355,640.00               | 743,780.00                 |
| Mutilated Federal Reserve Notes forwarded for redemption.....     | 1,332,400.00               | 1,144,500.00               |
| Other Lawful Money.....   | 1,961,875.45               | 608,109.36                 |
| Gold Certificates and Gold Coin.....                              | 11,904,455.93              | 10,488,148.00              |
| Gold held with Foreign Agencies.....                              | .....                      | 89,100.00                  |
| Gold held in New York Assay Office.....                           | .....                      | 1,740,126.84               |
| Gold in Settlement Fund.....                                      | 31,115,656.91              | 8,455,953.55               |
| Gold with Federal Reserve Agent.....                              | 16,856,240.00              | 25,904,820.00              |
| <b>Total</b> .....  | <b>\$136,686,288.47</b>    | <b>\$163,478,149.38</b>    |

**LIABILITIES**

|  | Condition<br>Dec. 31, 1921 | Condition<br>Dec. 31, 1920 |
|--|----------------------------|----------------------------|
| Capital .....  | \$3,568,950.00             | \$3,460,850.00             |
| Surplus .....  | 7,468,477.80               | 6,979,948.18               |
| Discount and Interest Unearned.....                      | 460,218.35                 | 548,737.67                 |
| Discount and Premium on United States Bonds.....         | 54,775.55                  | 53,802.56                  |
| Reserve for Sundry Expenses.....                         | 928.42                     | 688.86                     |
| Reserve for Depreciation New Building.....               | 100,000.00                 | 100,000.00                 |
| Reserve for Taxes other than Franchise Tax.....          | 10,158.08                  | 19,534.01                  |
| Special Reserve.....                                     | 500,000.00                 | .....                      |
| Government Deposits.....                                 | 3,477,539.71               | 2,393,579.02               |
| Cashier's Checks.....                                    | 99,367.19                  | 288,021.36                 |
| Due to Member Banks—Reserve Account.....                 | 43,524,104.65              | 43,520,054.69              |
| Due to Non-member Banks.....                             | 157,514.01                 | 202,658.22                 |
| Due to Foreign Governments and Banks.....                | 216,000.00                 | 108,000.00                 |
| Due to other Federal Reserve Banks and Member Banks..... | .....                      | .....                      |
| Deferred Credits .....                                   | 12,248,814.71              | 16,587,254.81              |
| Federal Reserve Bank Notes Outstanding.....              | 4,322,200.00               | 7,829,200.00               |
| Federal Reserve Notes Outstanding.....                   | 60,477,240.00              | 81,385,820.00              |
| <b>Total</b> .....                                       | <b>\$136,686,288.47</b>    | <b>\$163,478,149.38</b>    |

**PROFIT AND LOSS ACCOUNT, DECEMBER 31, 1921**

|   |              |                       |
|---|--------------|-----------------------|
| Gross Earnings, January 1, 1921 to December 31, 1921..... | .....        | \$4,983,991.86        |
| Less:   |              |                       |
| Assessment for expenses Federal Reserve Board.....        | \$25,553.89  |                       |
| Cost of Federal Reserve Currency.....                     | 141,135.82   |                       |
| Taxes on Federal Reserve Bank Note circulation.....       | 26,979.64    |                       |
| Expended for Furniture and Equipment.....                 | 53,368.10    |                       |
| Bond Department Expense assumed since July 1.....         | 35,622.28    |                       |
| Operating Expenses .....                                  | 1,044,904.25 |                       |
|   |              | <u>1,327,563.98</u>   |
| Excess of Earnings over Current Expenses.....             | .....        | \$3,656,427.88        |
| Disposition of Excess Earnings:                           |              |                       |
| Reduction of Bank Premises—Helena.....                    | \$1,893.23   |                       |
| Reduction of New Building Account—Minneapolis.....        | 3,381.40     |                       |
| Transferred to Special Reserve.....                       | 500,000.00   |                       |
| Dividends for year 1921.....                              | 211,657.03   |                       |
| Transferred to Surplus.....                               | 488,529.62   |                       |
| Paid to Government as a Franchise Tax.....                | 2,450,966.60 |                       |
| <b>Total</b> .....  | .....        | <u>\$3,656,427.88</u> |

(Figures For Minneapolis and Helena Combined)

**GROSS EARNINGS BY MONTHS**

|                           | 1921           | 1920         |                           | 1921         | 1920           |
|---------------------------|----------------|--------------|---------------------------|--------------|----------------|
| January .....             | \$512,697.90   | \$339,915.12 | July .....                | \$424,100.14 | \$495,251.83   |
| February .....            | 446,411.90     | 320,333.60   | August .....              | 425,657.05   | 503,593.68     |
| March .....               | 423,170.48     | 352,255.08   | September .....           | 400,350.82   | 508,293.72     |
| April .....               | 427,274.98     | 387,157.76   | October .....             | 400,168.94   | 534,967.07     |
| May .....                 | 445,638.45     | 423,311.14   | November .....            | 348,948.94   | 495,351.44     |
| June .....                | 423,190.52     | 433,187.63   | December .....            | 306,381.74   | 515,750.70     |
| Total Earnings, 1921..... | \$4,983,991.86 |              | Total Earnings, 1920..... |              | \$5,309,368.77 |

**VOLUME OF RE-DISCOUNTS 1921**

| No. Pieces                 | Minnesota     | North Dakota | South Dakota | Montana      | Wisconsin    | Michigan     | Total         |
|----------------------------|---------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Re-discounted 1921         | 40,644        | 14,945       | 24,395       | 19,718       | 3,717        | 815          | 104,234       |
| 1920                       | 36,268        | 8,546        | 12,939       | 13,032       | 2,108        | 382          | 73,275        |
| Total amount re-discounted |               |              |              |              |              |              |               |
| 1921                       | \$474,338,000 | \$67,058,000 | \$91,838,000 | \$65,498,000 | \$20,397,000 | \$11,530,000 | \$730,659,000 |
| 1920                       | 735,151,000   | 50,331,000   | 87,875,000   | 53,592,000   | 19,516,000   | 6,924,000    | 953,389,000   |

**COLLECTION OPERATIONS**

|                                | 1921          | 1920          |
|--------------------------------|---------------|---------------|
| Number of Items Received.....  | 282,189       | 154,923       |
| Number of Items Collected..... | 266,834       | 148,749       |
| Amount Collected .....         | \$109,689,726 | \$125,044,297 |

**VOLUME OF CURRENCY HANDLED**

(Number of Bills)

|   |            |
|---|------------|
| Number Received and Counted.....                  | 36,288,000 |
| Sent Treasurer for Redemption.....                | 13,400,000 |
| Paid out by Bank.....                             | 19,100,000 |
| Total Number Bills Handled .....                  | 68,788,000 |
| Number of Currency Shipments to Member Banks..... | 7,403      |

**CLEARING STATISTICS**

**Number and Amount of Items Handled During 1921**

|                           | Within District |                    | Other Districts         |                            |
|---------------------------|-----------------|--------------------|-------------------------|----------------------------|
|                           | Number          | Amount             | Number                  | Amount                     |
| Clearings .....           | 3,257,494       | \$1,479,298,551.37 | Federal Reserve Banks.. | 1,098,602 \$278,069,081.71 |
| Member & Non-member.....  | 18,721,095      | 1,108,032,258.33   | Sent direct by Member   |                            |
| Paid for U. S. Gov't..... | 543,685         | 75,225,491.59      | Banks .....             | 1,262,222 197,917,351.50   |
| Total .....               | 22,522,274      | \$2,662,556,301.29 | Total .....             | 2,360,824 \$475,986,433.21 |

Daily average number of items handled: 1919, 35,354; 1920, 71,015; 1921, 77,956.

Twin City Clearings handled through Federal Reserve Bank in 1921.....\$2,397,663,683.28

Wire Transfers, 1920, number, 16,130; amount, \$1,373,289,000; 1921, number, 22,380; amount, \$1,298,000,000.

Amount of Balances settled through Gold Settlement Fund .....

**Securities handled by Custody Department..... \$483,000,000**

**FISCAL AGENCY DEPARTMENT**

**Treasury Certificates and Notes Sold Through This Bank During 1921**

|                                |              |
|--------------------------------|--------------|
| Total Number of Issues.....    | 18           |
| Total Number Subscribing ..... | 1,779        |
| Amount Sold .....              | \$87,635,600 |

**FEDERAL RESERVE BANK OF MINNEAPOLIS  
NINTH DISTRICT**

**OFFICERS**

**R. A. YOUNG, Governor**  
**W. B. GEERY, Deputy Governor**  
**S. S. COOK, Deputy Governor**  
**FRANK C. DUNLOP, Controller**  
**B. V. MOORE, Cashier**  
**GRAY WARREN, Assistant Cashier**  
**F. G. NORTON, Assistant Cashier**  
**H. C. CORE, Assistant Cashier**  
**H. F. BROWN, Assistant Cashier**

**CURTIS L. MOSHER,**  
**Assistant Federal Reserve Agent**

**HARRY YEAGER,**  
**Field Representative**

**C. T. JAFFRAY, Minneapolis,**  
**Member Advisory Council**

**DIRECTORS**

**JOHN H. RICH, Chairman and Federal Reserve Agent**  
**W. H. LIGHTNER, Deputy Chairman**  
**J. C. BASSETT, Aberdeen, South Dakota**  
**C. H. BENEDICT, Lake Linden, Michigan**  
**F. R. BIGELOW, St. Paul, Minnesota**  
**F. P. HIXON, La Crosse, Wisconsin**  
**N. B. HOLTER, Helena, Montana**  
**W. C. McDOWELL, Marion, North Dakota**  
**THEODORE WOLD, Minneapolis, Minnesota**

**J. F. EBERSOLE,**  
**Assistant Federal Reserve Agent**

**F. M. BAILEY,**  
**Manager Bank Examination Department**

**ANDREAS UELAND,**  
**Legal Counsel**

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**HELENA BRANCH (HELENA, MONTANA)**

**OFFICERS**

**O. A. CARLSON, Manager**  
**R. E. TOWLE, Cashier**  
**L. E. RAST, Assistant Cashier**  
**H. L. ZIMMERMAN, Auditor and Assistant  
Federal Reserve Agent**

**DIRECTORS**

**L. M. FORD, Great Falls, Montana**  
**R. O. KAUFMAN, Helena, Montana**  
**CHAS. J. KELLY, Butte, Montana**  
**THOMAS MARLOW, Helena, Montana**  
**H. W. ROWLEY, Billings, Montana**