

NINTH ANNUAL REPORT  
OF THE  
*FEDERAL RESERVE AGENT*  
OF THE  
NINTH FEDERAL  
RESERVE DISTRICT  
TO THE  
*FEDERAL RESERVE BOARD*



COVERING THE CALENDAR YEAR  
1923

Federal Reserve Bank of Minneapolis,  
Office of Federal Reserve Agent.  
Minneapolis, Minn., January 25, 1924.

To Governor D. R. Crissinger,  
Federal Reserve Board,  
Washington, D. C.

Sir:

In conformity with your letter of November 26, 1923, I have the honor to submit herewith the Ninth Annual Report of the Federal Reserve Agent of the Federal Reserve Bank of Minneapolis, relating to operations during the twelve months which ended December 31, 1923.

Respectfully submitted,

JOHN H. RICH,  
Federal Reserve Agent.

R E P O R T  
OF THE  
FEDERAL RESERVE AGENT  
AT MINNEAPOLIS  
1 9 2 3

Agricultural and Business Conditions in 1923

This year was characterized by some readjustment in major farm operations in the Northwest and by generally excellent business in the cities. The acreage devoted to spring wheat and rye was reduced and that of corn and flax was greatly increased with fortunate results, for prices of the former have continued to fall as a result of a world sufficiency of bread grains and prices of the latter, which are dependent on domestic factors, have risen. Larger crop incomes have resulted, except in North Dakota, where the loss from a poor and weedy wheat crop more than offset gains in corn and flax. In the livestock industry there were record runs of hogs and calves and large marketings of cattle, although smaller than in 1922, but sheep were held on the farms and ranges and the run of sheep at South St. Paul was smaller than in any year since 1917.

In the cities the building industry led a general advance in activity, which reached a peak in May and June. Manufacturing of linseed products and lumber and retail and wholesale trade increased and flour milling outside of Minneapolis held its own. Mining output also increased. The effect was to carry the money volume of urban business (individual debits at city banks) 7.6 per cent above 1922. The larger volume of business did not create sufficiently larger profits to prevent a continuation of the large volume of business failures.

Financial Conditions in 1923

Banking conditions in this territory improved during the year, mainly on the side of writing off large losses in the rural districts, which had not hitherto been recognized as such. As a result a considerable number of banks were forced to close, but the remaining banks are in a better competitive position. In the cities, also, a healthier condition was shown by more normal seasonal fluctuations in deposits, loans and Federal reserve bank credit extensions. Loans and deposits of city banks declined in the first half of the year and increased in the fall, but were smaller at the end of the year than at the beginning. Security holdings and borrowings were increased during the year.

Discount rates in Minneapolis were weak during the first three months of 1923, but rose slightly in April and remained practically unchanged, if seasonal variations are allowed for during the remainder of the year. Average quotations on thirteen classes of paper at Minneapolis for the last five years have been as follows: 1919, 5.53; 1920, 7.04; 1921, 7.08; 1922, 5.55; 1923, 5.36.

## Operations of Minneapolis Federal Reserve Bank in 1923

### A. General Survey

The history of this bank's operations during 1923 falls naturally into four divisions, according to the fluctuations in demand for accommodation and the position of this bank's assets and liabilities.

During the first period, January 3 to February 28, loans declined five and a quarter millions and notes outstanding declined nearly four millions. Member bank deposits declined four and one-half millions and United States securities over five millions. Five million dollars' worth of bills were purchased in the open market. Cash reserves reached a peak of \$90,389,000, on January 24, but declined steadily thereafter with a net decline for the first two months of nearly two millions.

The second period, from the first of March to the middle of August, includes the mid-summer seasonal expansion of loans, due to the expenses incident to the preparation of the crop. In this period, loans increased from the low point of the year, sixteen millions on March 1, to the high point of the year, thirty millions plus on August 15. Bills purchased prior to March 1 were entirely disposed of by the middle of May. United States securities owned and Federal reserve notes outstanding declined slightly, but member bank deposits increased two millions, while our cash reserves declined twelve and one-half millions.

Loans to member banks, United States securities owned and member bank deposits remained practically unchanged at the August 15 level during the third period, August 15 to October 24, except that both loans and deposits declined three millions for one week early in September. Federal Reserve notes in actual circulation under the influence of crop-moving demands increased over four millions, and cash reserves nearly five millions.

During the fourth period, beginning with the last week of October and continuing to the end of the year, loans rapidly declined to \$19,597,000 on December 12 and later increased to \$22,831,000. United States securities holdings declined during this period to \$7,390,000, the low for the year, and gradually increased to \$8,653,000. Holdings of bills purchased in the open market which had been nominal since early in October, were increased, reaching \$623,500 on December 31. Notes in cir-

ulation steadily increased during this period and on December 26 amounted to \$66,750,000, the highest point since April 8, 1921. Member bank reserve deposits reached a high point in this period of \$51,885,000 on November 7, and then gradually declined to \$47,118,000. Accompanying the decrease in United States securities owned and the high point of member bank deposits, early in this period, cash reserves increased nearly 17 millions, and on December 12 the total rose above ninety millions for the second time this year, and the second time since March 7, 1919.

The net effect of these operations on our balance sheet for the year ending December 31, 1923, was as follows: Bills discounted and United States securities owned each declined over \$3,000,000, while bills purchased increased \$600,000, making a net decline in total earning assets of \$5,700,000. Despite an increase of \$1,600,000 in government deposits, total deposits declined \$1,200,000, owing to declines of \$2,400,000 in member bank reserve deposits and \$500,000 in all other deposits. Federal reserve notes in actual circulation increased more than \$6,000,000, and total reserves increased nearly \$8,000,000.

This bank did not borrow from, nor lend to, other Federal reserve banks at any time during 1923. Our cash reserves did not fall below \$65,800,000 at any time during the summer months, when the demand for accommodation is the greatest, and increased to approximately \$90,000,000 at the end of the year. The percentage of cash reserves against total deposits and Federal Reserve notes in circulation increased from 74.7% at the beginning of the year to 78.4% at the close of the year.

The discount rate of this bank remained unchanged at 4½% throughout the year.

## **B. Earnings and Expenses**

The gross earnings of this bank during 1923 were but \$1,749,253 as compared with \$1,969,248 in 1922. Current expenses during 1923 were \$1,082,137, as compared with \$1,084,942 in 1922. Current expenses in 1923 included \$50,627 representing the cost of Federal reserve currency, as compared with \$84,359 in 1922. After setting aside a reserve for depreciation on United States bonds of \$53,855, and allotting \$200,000 to the special reserve, the net earnings available for dividends, surplus and franchise taxes were \$349,988. Dividends totaling \$212,733 were declared at the rate of six per cent per annum on our paid up stock and paid to member banks. There was transferred to surplus account \$11,272, and the remainder of \$101,450 was paid to the United States Government as a franchise tax.

## **C. Departmental Statistics of Volume**

The Check Collection department handled 27,405,000 items during 1923, amounting to \$3,367,911,000, as compared with 25,068,000 items during 1922, amounting to \$2,942,578,000.

The Collection department received 340,345 items during 1923 and collected 327,135 items, amounting to \$140,052,864. In 1922 this department received 327,486 items and collected 313,715 items, amounting to \$133,640,327.

The Currency department handled 71,044,746 bills in 1923, as compared with 61,917,537 bills in 1922. During 1923, 13,958 shipments of currency were made to member banks, as compared with 11,020 in 1922.

The Custody department handled securities during 1923 amounting to \$201,223,932 as compared with \$433,000,000 in 1922.

This bank, during 1923, made for member banks 33,134 wire transfers, amounting to \$1,786,186,000 as compared with 28,150, amounting to \$1,640,524,000 in 1922. Transfers for the 5% gold redemption fund are not included in these figures.

The Discount department received in 1923 offerings or requests from 559 member banks, or 57.1% of the total number of member banks in the district. In 1922, 706 member banks were served, representing 70% of the total membership. Over 35,000 pieces of discounted paper were handled in 1923, as compared with nearly 48,000 in 1922, and the dollar amount involved in 1923 was \$290,000,000 as compared with \$193,000,000 in 1922.

Of the total bills discounted for all member banks, the percentages in amount divided by state lines in the years 1923 and 1922 were as follows:

	1923	1922
Minnesota .....	80.0%	50.5%
South Dakota .....	6.9	14.4
Montana .....	6.2	14.7
North Dakota .....	4.9	10.8
Wisconsin .....	1.2	5.4
Michigan .....	.8	4.2

### Fiscal Agency Functions

The fiscal agency operated by us for the United States Government redeemed 6,486,513 government coupons, war savings stamps, and thrift stamps in 1923, amounting to \$34,006,825, as compared with 3,463,050 items in 1922, amounting to \$15,526,443. Redemptions of 3,168 treasury certificates and notes, amounted to \$19,797,500 in 1923, or slightly more than amounts handled in 1922.

Bonds received for conversion, exchange, and redemption in 1923 amounted to \$60,113,400 as compared with a total of \$83,375,700 in 1922.

This bank assisted in the allotment of eight issues of treasury certificates of indebtedness, treasury notes and bonds in 1923, as compared with thirteen issues in 1922. In the operation of this department, 4,133 individual allotments were made in 1923, amounting to \$62,381,800, as compared with 4,335 allotments in 1922, amounting to \$104,896,200. In addition to handling the ori-

ginal allotments of United States securities, this department handled 2,263 repurchases and 1,880 resales of these issues, totaling \$248,457,400, as compared with 781 repurchases and 571 resales in 1922, amounting to \$127,186,300.

## Activities of Federal Reserve Agent's Office

### A. Membership

At the close of the year, there were 979 member banks in this district as compared with 1,014 at the beginning of the year, according to the capital stock ledger of this bank. There was a net loss of sixteen national banks and nineteen state banks. The total membership at the close of 1923 was divided into 861 national banks and 118 state banks. The new members are:

Name of Bank	MICHIGAN	Town	Shares Subscribed
Merchants and Miners National Bank.....		Ironwood .....	69
MINNESOTA			
First National Bank .....		Two Harbors .....	38
First National Bank .....		Cokato .....	22
MONTANA			
First National Bank .....		Poplar (reopened).....	18
Labor National Bank .....		Three Forks .....	18
Midland National Bank .....		Billings .....	150
NORTH DAKOTA			
First National Bank .....		Drake .....	30
Liberty National Bank .....		Dickinson .....	33
First National Bank .....		Whitman .....	18
SOUTH DAKOTA			
Farmers National Bank .....		Fairfax .....	33
Gold & Company State Bank.....		Big Stone City.....	33
Dakota National Bank .....		Webster .....	15

On June 30, 1923, a special survey was made of the banks then operating in this district and the reports received indicate that there were 969 state banks and trust companies eligible for membership by virtue of possessing the full capital requirements, 131 of which were then members of the Federal Reserve System. Comparisons made with a similar survey one year earlier, show that the percentage of state banks and trust company members to the total number of state banks and trust companies eligible by statute decreased from 14% to 13.7%.

A study of our membership by states shows little change from last year in the extent to which eligible banks have become members. The percentage of state members to the total number

of state banks and trust companies **eligible** under the Federal Reserve Act prior to its amendment was as follows:

	June 30, 1923	June 30, 1922
Michigan (15 counties) .....	43.5%	40.7%
Montana .....	36.7	35.8
Wisconsin (26 counties) .....	12.0	11.2
South Dakota .....	9.1	9.2
Minnesota .....	8.8	9.3
North Dakota .....	3.4	4.0
Ninth Federal Reserve District .....	13.7	14.0

However, an amendment to the Federal Reserve Act on March 4, 1923, which permits state banks to join the Federal Reserve System with only 60% of the national bank capital requirements, providing they agree to increase their capital within five years out of net earnings until the full requirements are met, reduced the percentage of all **member** state banks in the district to the total number of banks **eligible** to 8%. This amendment increased the total number of non-member eligible banks from 826 to 1,634, which changes the percentages for the several states as follows:

	June 30, 1923
Michigan (15 counties) .....	31.3%
Montana .....	23.6
Wisconsin (26 counties) .....	8.1
Minnesota .....	5.1
South Dakota .....	4.9
North Dakota .....	1.2
Ninth Federal Reserve District.....	7.4

National banks have continued to apply for trust powers under Section 11-K of the Federal Reserve Act. Applications received and approved by the Federal Reserve Board during 1923 include the following:

Bank	Location	Date Approved	12-31-23 Capital
First National Bank.....	Marquette, Mich.....	10-31-23	\$150,000
Union National Bank.....	Marquette, Mich.....	10-25-23	150,000
American National Bank....	Little Falls, Minn.....	4-10-23	100,000
Midland National Bank....	Billings, Mont.....	8-29-23	200,000
First National Bank.....	Dillon, Mont.....	3-19-23	200,000
First National Bank.....	Lead, So. Dakota.....	8-15-23	100,000
First National Bank.....	Chippewa Falls, Wis.....	10-25-23	100,000
Lumbermen's National Bank.	Chippewa Falls, Wis....	1-2-23	100,000

## B. Examination of Banks

All state banking departments in the Ninth District cooperate with the Federal Reserve Agent in joint examinations of their state banks which are members of the Federal Reserve System. During 1923, 100 examinations and credit investigations were made by the Federal Reserve Agent's examiners of which sixteen were examinations of national banks. Of the 100 examinations and credit investigations made in 1923, 70 were made in con-

junction with the state banking department examiners, and 27 were made independently, four of the examinations being made of state banks applying for membership in the Federal Reserve System. One of these banks later became a member. In the examination work during 1923, four examiners were used, as compared with five in 1922, who traveled in the aggregate 54,546 miles and examined banks with total resources of \$81,323,616. During 1923, the manager, who was included in the total of four examiners mentioned above, devoted a considerable amount of his time to suspended banks. In addition to the foregoing examinations and credit investigations, special visits were made at 23 banks by the examiners for the purpose of obtaining credit information or in connection with rediscounts or collections, or to give general assistance to member banks. Our examiners contributed two months' time assisting at closed member banks in this district during 1923.

In addition to the information obtained by Federal Reserve examiners, 1,626 reports of examination of national banks were received from the Chief National Bank Examiner of this district, and 42 reports of examination of state member banks were received from the various state banking departments. There were four calls for reports of condition from national banks and four calls for state member banks during 1923. Also, two semi-annual statements of earnings and dividends were required from all member banks.

Three applications of state banks desiring to become members of the Federal Reserve System were received and investigated, one bank being examined twice, and two of them were forwarded to the Federal Reserve Board and one approved. One hundred fifty-seven applications affecting the stockholdings of member banks in the Federal Reserve Bank were received and approved during the year.

### **C. Federal Reserve Note Issues**

During 1923 the Federal Reserve Agent and his deputies at Minneapolis and Helena received \$35,240,000 of new Federal reserve notes from the Comptroller of the Currency at Washington, and \$6,350,000 of fit-for-use notes from our paying tellers. The issues of new and fit-for-use notes totaled \$40,205,000 during the year. The Federal reserve notes in actual circulation increased from \$58,735,000 to \$64,952,000 between December 30, 1922, and December 31, 1923, after declining to \$54,367,000 on May 29 for the low of the year. Unissued Federal reserve notes on hand with the Federal Reserve Agent amounted to \$12,275,000 on December 31, 1923, compared with \$10,890,000 on December 30, 1922.

As collateral security for the Federal reserve notes, there was held by the Agent on December 31, 1923, \$54,552,000 in gold coin and gold certificates and \$17,431,000 in commercial and

agricultural paper, compared with \$46,372,000 in gold and \$20,981,000 in rediscounts on December 30, 1922. Holdings of gold and gold certificates on December 31 were larger than at any other time during the year, and larger than at any time since February 28, 1919.

#### **D. Reports on Agricultural and Business Conditions**

During the year twelve monthly reports were prepared for the Federal Reserve Board and later published, containing a total of 96 pages of printed material, compared with 72 pages in 1922. The average number printed each month during 1923 was 5,446, as compared with 4,783 in 1922. The increase in number of both the total pages and copies published was secured with practically no increase (\$9.16) in total cost of production.

In connection with this monthly report, the summary of national business conditions prepared by the Federal Reserve Board was published each month, and a number of special studies were published in the monthly reports during the year as follows:

Statistical Abstract of the years 1919-1922 in the Ninth Federal Reserve District. (January 29.)

Building Permits in the Northwest. (A study of their seasonal and cyclical movements.) (March 28.)

Improved Outlook for the Northwestern Farmer. (April 28.)

The Present Situation in Hog Production. (May 28.)

Graphic Summary of Urban Business Conditions in the Northwest. (June 28.)

Graphic Summary of Rural Business Conditions in the Northwest. (July 28.)

A Survey of Wheat Yields per Acre as Estimated by 800 Member Banks August 10, 1921, 1922, 1923, with three Maps. (August 28.)

A Survey of the Rural Bank Credit Situation on June 30, 1921, 1922, and 1923. (This survey was based on replies to questionnaires sent to all banks in this district, and was accompanied by three maps.) (Sept. 28.)

A Survey of Banking and Credit Conditions in this District. (Nov. 28.)

Wheat Production, Marketing and Milling during Crop Years ending July 31, 1922, and July 31, 1923, in the four states of Minnesota, North Dakota, South Dakota, and Montana. (Dec. 28.)

#### **E. General Service**

There is a continuous and insistent demand that this Federal Reserve Bank furnish speakers for various public meetings

and that they describe the operations of the Federal Reserve System and its relation to business activity and agricultural conditions. In response to this demand during the year 1923, representatives of the Federal Reserve Agent and officials of the bank addressed 96 different groups with a total attendance of 14,363 persons as compared with 83 addresses and an attendance of 11,579 in 1922. In addition, many requests were received through personal calls or letters for specific information regarding the banking system, all of which have been met with such information as could be obtained from our library and office files. With reference to certain questions or phases of banking activity, there have been so many requests as to make it advisable and more economical to print formal memoranda containing all the information on the particular subjects for general distribution. During 1923, 6,300 copies of a third edition of the booklet "The Federal Reserve Bank and the Farmer and Stockman"; 7,700 copies of the 1923 edition of the pamphlet "The Economic Position of Agriculture in the Northwestern Grain-Raising Areas"; and 1,000 copies of a circular describing "The Different Kinds of Money in the United States," were prepared and distributed. In addition to these booklets, this office obtained 1,200 copies of the booklet "Of Service to Banks and Business—The Federal Reserve System," which were distributed to member banks and libraries. During the year 1923 the number of volumes in our library increased from 742 to 876 volumes. The number of newspapers and periodicals received was practically unchanged and was comprised chiefly of those known to be of permanent value for reference purposes.

### Changes in Personnel

In the annual fall election, member banks re-elected Mr. J. C. Bassett of Aberdeen, South Dakota, as a Class A Director, and Mr. N. B. Holter of Helena, Montana, as a Class B Director. Mr. John H. Rich was reappointed by the Federal Reserve Board as a Class C Director.

The Federal Reserve Board announced the reappointment of Mr. Thomas A. Marlow and Mr. Lee M. Ford as members of the Board of Directors of the Helena Branch. Reappointment of Mr. C. J. Kelly, Mr. R. O. Kaufman, and Mr. H. W. Rowley as directors of the Helena Branch, was announced by this bank.

Mr. George H. Prince was reappointed by our Board of Directors as a member of the Advisory Council to serve for the year 1924.

During the latter part of December the Federal Reserve Board announced the reappointment of Mr. John H. Rich as Chairman and Federal Reserve Agent, and the redesignation of Mr. Curtis L. Mosher and Mr. J. F. Ebersole as Assistant Federal Reserve Agents at the Minneapolis office and Mr. H. L. Zimmermann as Assistant Federal Reserve Agent at the Helena Branch.

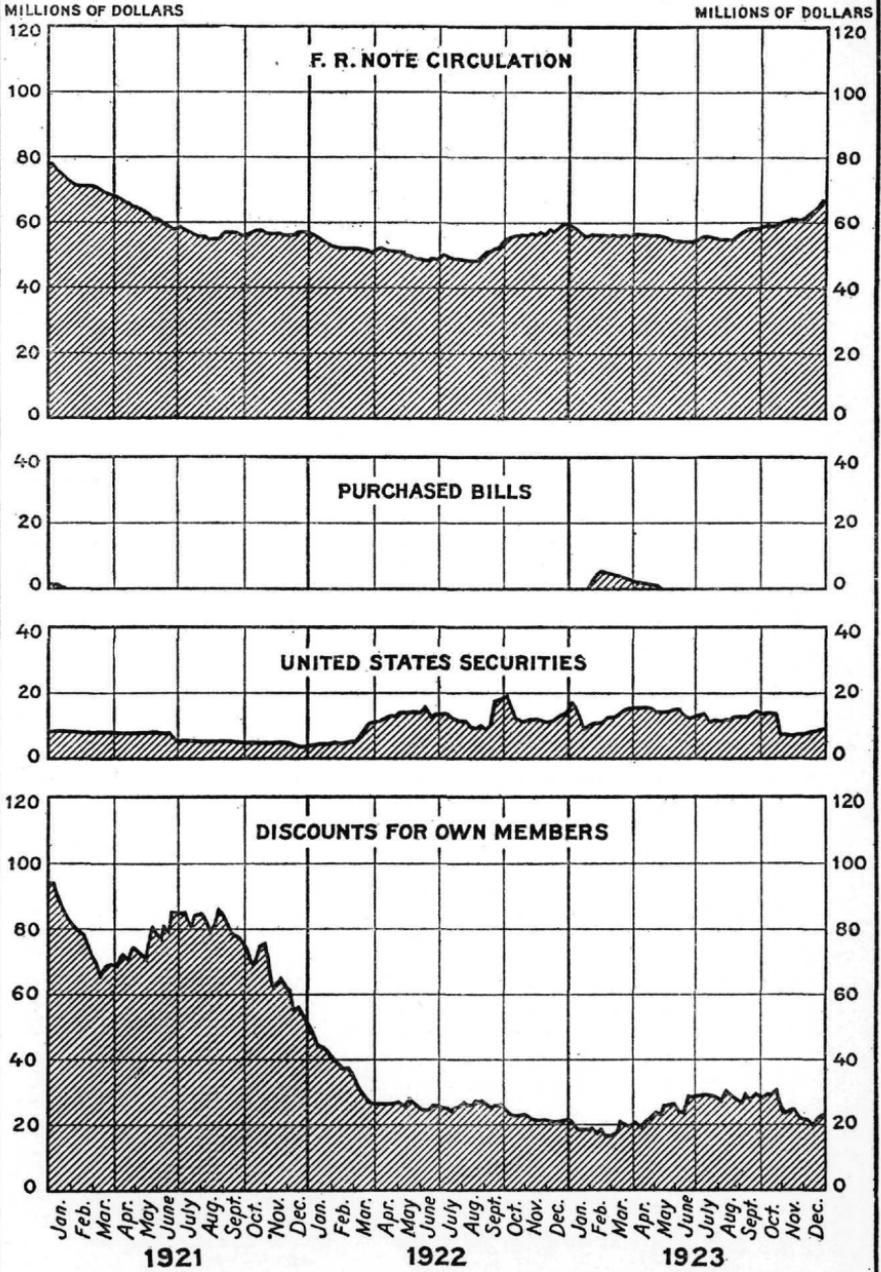
On April 15 Mr. S. S. Cook resigned as Secretary and Deputy Governor. Mr. W. B. Geery was appointed Secretary, and Mr. B. V. Moore, formerly Cashier, was appointed Deputy Governor. Mr. Harry Yaeger, formerly Field Representative, was appointed Assistant Deputy Governor. Mr. Gray Warren, formerly Assistant Cashier, was appointed Cashier, and Mr. H. I. Ziemer, Mr. W. C. Langdon, and Mr. A. R. Larson were appointed Assistant Cashiers.

The complete staff of the Federal Reserve Bank of Minneapolis on December 31, 1923, numbered 494 persons, as compared with 515 persons a year previous, or a decrease of 4%. The number in the Fiscal Agency Department was decreased by 40, or 30%; in the Agent's Office by one, or nearly 8%; while there was an increase in the number in the Auditing Department of one, or 9%, and in the Banking Department of 16½, or nearly 5%.

*Member Banks Severing Connection With This Federal Reserve Bank During 1923:*

Name of Bank	Location	Reason	Shares Surrendered
First National Bank.....	Whitehall, Mont.....	Liquidation .....	18
Citizens National Bank.....	Laurel, Mont.....	Liquidation .....	27
North American Bank.....	Minneapolis, Minn.....	Absorbed by a Nat'l Bk. ....	240
Hingham State Bank.....	Hingham, Mont.....	Liquidation .....	26
First National Bank.....	Wessington Springs, S. D.....	Liquidation .....	45
First National Bank.....	Winner, S. D.....	Liquidation .....	21
Bank of Fergus County.....	Lewistown, Mont.....	Absorbed by a Nat'l Bk. ....	300
First National Bank.....	Westby, Mont.....	Liquidation .....	16
First National Bank.....	Fairfax, S. D.....	Liquidation .....	35
First National Bank.....	Harlowton, Mont.....	Liquidation .....	51
Lewistown State Bank.....	Lewistown, Mont.....	Consolidation .....	75
Commercial National Bank.....	Great Falls, Mont.....	Liquidation .....	136
First National Bank.....	Broadview, Mont.....	Liquidation .....	18
First National Bank.....	Bottineau, N. D.....	Liquidation .....	30
Merchants & Miners St. Bk.....	Ironwood, Mich.....	Conversion .....	69
First National Bank.....	Bridger, Mont.....	Liquidation .....	19
Ballantine State Bank.....	Ballantine, Mont.....	Liquidation .....	18
First National Bank.....	Gregory, S. D.....	Liquidation .....	36
Banking Corp. of Mont.....	Helena, Mont.....	Liquidation .....	180
Iron Exchange Bank.....	Hurley, Wis.....	Withdrawal .....	48
Beaverhead State Bank.....	Dillon, Mont.....	Absorbed by a State Bk. ....	31
Brule State Bank.....	Chamberlain, S. D.....	Withdrawal .....	36
First National Bank.....	Roundup, Mont.....	Liquidation .....	42
First National Bank.....	Three Forks, Mont.....	Liquidation .....	18
Yellowstone Valley Bk. & Trust Co.....	Sidney, Mont.....	Liquidation .....	69
Minneapolis National Bank.....	Minneapolis, Minn.....	Liquidation .....	180
Bank of Arcadia.....	Arcadia, Wis.....	Withdrawal .....	36
Sioux Falls Savings Bank.....	Sioux Falls, S. D.....	Withdrawal .....	210
First State Bank.....	Clyde Park, Mont.....	Liquidation .....	17
First National Bank.....	Highwood, Mont.....	Liquidation .....	24
Clarkfield State Bank.....	Clarkfield, Minn.....	Withdrawal .....	36
State Bank of Belt.....	Belt, Mont.....	Liquidation .....	30
First National Bank.....	Willow City, N. D.....	Liquidation .....	21
First National Bank.....	Dodge Center, Minn.....	Liquidation .....	17
First National Bank.....	Sheldon, N. D.....	Liquidation .....	18
First National Bank.....	Chester, Mont.....	Liquidation .....	21
First National Bank.....	Shelby, Mont.....	Liquidation .....	15
Howard National Bank.....	Howard, S. D.....	Liquidation .....	18
Yellowstone-Merchants Nat'l.....	Billings, Mont.....	Liquidation .....	270
Citizens Bank & Trust Co.....	Rapid City, S. D.....	Liquidation .....	36
Hardin State Bank.....	Hardin, Mont.....	Liquidation .....	51
Roundup National Bank.....	Roundup, Mont.....	Liquidation .....	23
First National Bank.....	Oswego, Mont.....	Liquidation .....	18
First National Bank.....	Big Sandy, Mont.....	Liquidation .....	18
Inverness State Bank.....	Inverness, Mont.....	Liquidation .....	17
First National Bank.....	McCabe, Mont.....	Liquidation .....	17
Farmers State Bank.....	Rockham, S. D.....	Withdrawal .....	21

# FEDERAL RESERVE BANK OF MINNEAPOLIS



*Resources and Liabilities of the Minneapolis Federal Reserve Bank  
at Close of Business December 31, 1921-1923  
(In thousands of dollars)*

**RESOURCES**

	Dec. 31, 1923	Dec. 30, 1922	Dec. 31, 1921
Gold with Federal reserve agents.....	\$54,552	\$46,372	\$16,856
Gold redemption fund with U. S. Treasury.....	2,053	3,423	2,765
Gold held exclusively against F. R. notes....	\$56,605	\$49,795	\$19,621
Gold settlement fund with F. R. Board.....	23,545	23,499	31,115
Gold and gold certificates held by banks.....	8,828	7,535	9,140
Total gold reserves.....	\$88,978	\$80,829	\$59,876
Reserves other than gold.....	955	1,190	811
Total reserves.....	\$89,933	\$82,019	\$60,687
Non-reserve cash.....	943	*.....	*.....
Bills discounted:			
Sec. by U. S. Government obligations.....	\$3,289	\$2,539	\$7,289
Other bills discounted.....	15,368	19,377	43,923
Total bills discounted.....	\$18,657	\$21,916	\$51,212
Bills bought in open market.....	623	.....	.....
U. S. Government securities:			
Bonds.....	7,121	4,523	115
Treasury notes.....	2,750	8,049	.....
Certificates of indebtedness.....	165	499	4,450
Total U. S. Government securities.....	\$10,036	\$13,071	\$4,565
Municipal warrants.....	.....	39	89
Total earning assets.....	\$29,316	\$35,026	\$55,866
5 % Redemption fund—F. R. Bank notes.....	.....	196	201
Uncollected items.....	14,507	18,166	14,505
Bank premises.....	2,103	942	763
All other resources.....	3,526	1,809	1,033
Total resources.....	\$140,328	\$138,158	\$133,055

**LIABILITIES**

F. R. notes in actual circulation.....	\$64,952	\$58,735	\$56,789
F. R. Bank notes in circulation—net.....	.....	.....	4,220
Deposits:			
Member bank—reserve account.....	46,904	49,310	43,524
Government.....	2,416	800	2,964
Other deposits.....	497	916	477
Total deposits.....	\$49,817	\$51,026	\$46,965
Deferred availability items.....	13,482	16,588	12,919
Capital paid in.....	3,498	3,535	3,569
Surplus.....	7,484	7,473	7,468
All other liabilities.....	1,095	801	1,125
Total liabilities.....	\$140,328	\$138,158	\$133,055
Ratio of total reserves to deposit and F. R. note liabilities combined.....	78.4%	74.7%	58.5%
Contingent liability on bills purchased for foreign correspondents.....	646	929	864

\*Not shown separately prior to 1923.

*Earnings and Expenses of the Minneapolis Federal Reserve Bank*  
1923, 1922, 1921  
(In thousands of dollars)

**EARNINGS**

	1923	1922	1921
Discounted bills .....	\$1,088,899	\$1,451,659	\$4,649,554
Purchased bills .....	31,414	.....	13
United States securities .....	520,724	383,531	142,001
Deficient reserve penalties .....	91,943	128,087	157,158
Miscellaneous .....	16,273	5,971	17,585
<b>Total earnings .....</b>	<b>\$1,749,253</b>	<b>\$1,969,248</b>	<b>\$4,966,311</b>

**CURRENT EXPENSES**

	1923	1922	1921
<b>Salaries:</b>			
Bank officers .....	\$113,236	\$107,977	\$115,499
Clerical staff .....	460,128	463,390	517,448
Special officers and watchmen .....	24,041	22,281	23,618
All other .....	35,756	16,446	18,807
Governors' conferences .....	606	467	770
Federal Reserve Agents' conferences .....	90	267	403
Federal Advisory Council .....	1,195	1,140	908
Directors' meetings .....	9,507	11,407	11,902
Traveling expenses† .....	32,649	21,470	35,505
Assessments for Federal Reserve Board expenses .....	23,704	24,945	25,554
Legal fees .....	14,149	11,592	11,628
Insurance (other than on currency and security shipments) .....	30,474	25,792	30,818
Insurance on currency and security shipments .....	11,409	9,497	7,210
Taxes on banking house .....	1,593	1,578	1,964
Light, heat and power .....	1,836	902	1,556
Repairs and alterations, banking house .....	196	1,667	1,015
Rent .....	46,699	44,038	44,128
Office and other supplies .....	23,860	21,954	29,921
Printing and stationery .....	36,757	42,515	67,151
Telephone .....	6,988	7,090	7,248
Telegraph .....	25,757	21,697	23,494
Postage .....	90,303	}	}
Expressage .....	7,955	95,002	96,584
Federal reserve currency:			
Original cost, including shipping charges .....	40,005	53,334	124,584
Cost of redemption, including shipping charges .....	10,622	16,765	16,552
Taxes on Federal reserve bank-note circulation .....	.....	14,260	26,980
All other expenses .....	32,622	47,469	*84,620
<b>Total current expenses .....</b>	<b>\$1,082,137</b>	<b>\$1,084,942</b>	<b>\$1,325,867</b>

†Other than those connected with governors' and agents' conferences and meetings of directors and of the advisory council.

\*Includes \$53,368, for Furniture and Equipment which since 1921 has been charged direct to profit and loss.

**PROFIT AND LOSS ACCOUNT**

	1923	1922	1921
Earnings .....	\$1,749,253	\$1,969,248	\$4,966,311
Current expenses .....	1,082,137	1,084,942	1,325,867
<b>Current net earnings .....</b>	<b>\$667,116</b>	<b>\$884,306</b>	<b>\$3,640,444</b>
Miscellaneous additions to current net earnings .....	\$8,327	\$41,231	\$17,264
Deductions from current net earnings:			
Depreciation allowances on bank premises .....	\$40,405	\$9,713	\$5,275
Reserve for probable losses .....	200,000	.....	500,000
Reserve for depreciation on United States bonds .....	53,856	78,058	.....
Furniture and equipment .....	23,328	24,640	.....
All other .....	32,399	30,431	1,279
<b>Total deductions .....</b>	<b>\$349,988</b>	<b>\$142,842</b>	<b>\$506,554</b>
<b>Net deductions from current net earnings .....</b>	<b>\$341,661</b>	<b>\$101,611</b>	<b>\$489,290</b>
<b>Net earnings available for dividends, surplus and franchise tax .....</b>	<b>\$325,455</b>	<b>\$782,695</b>	<b>\$3,151,154</b>
Dividends paid .....	\$212,733	\$213,774	\$211,657
Transferred to surplus account .....	11,272	**56,892	488,530
Franchise tax paid United States Government .....	101,450	**512,029	2,450,967

\*Included with current expenses prior to 1922.

\*\*Bank also charged its surplus account and paid the United States Government \$52,423 as an additional franchise tax for 1921.

**DIRECTORS AND OFFICERS**  
**FEDERAL RESERVE BANK OF MINNEAPOLIS**

January 1, 1924

**DIRECTORS**

Class A	Class B	Class C
Wesley C. McDowell (1924) Marion, N. D.	F. P. Hixon (1924) LaCrosse, Wis.	Homer P. Clark (1924) St. Paul, Minn.
Theodore Wold (1925) Minneapolis, Minn.	F. R. Bigelow (1925) St. Paul, Minn.	Geo. W. McCormick (1925) Menominee, Mich.
J. C. Bassett (1926) Aberdeen, S. D.	N. B. Holter (1926) Helena, Mont.	John H. Rich (1926) Minneapolis, Minn.

**OFFICERS**

John H. Rich, Chairman and Federal Reserve Agent.	R. A. Young, Governor.
Homer P. Clark, Deputy Chairman.	W. B. Geery, Deputy Governor.
Curtis L. Mosher, Secretary Board of Directors and Assistant Federal Reserve Agent.	B. V. Moore, Deputy Governor.
J. F. Ebersole, Assistant Federal Reserve Agent.	Harry Yaeger, Assistant Deputy Governor.
Fred M. Bailey, Manager, Bank Examination Department.	Frank C. Dunlop, Controller.
Andreas Ueland, Legal Counsel.	Gray Warren, Cashier.
	L. E. Rast, Assistant Cashier.
	H. C. Core, Assistant Cashier.
	Harry Ziemer, Assistant Cashier.
	W. C. Langdon, Assistant Cashier.
	A. R. Larson, Assistant Cashier.

**Member of Federal Advisory Council**

George H. Prince, Chairman Board of Directors, Merchants National Bank, St. Paul, Minn.

**HELENA BRANCH (HELENA, MONTANA)**

**Directors**

T. A. Marlow, Helena, Chairman	
Lee M. Ford, Great Falls	C. J. Kelly, Butte
R. O. Kaufman, Helena	H. W. Rowley, Billings

**Officers**

R. E. Towle, Manager	H. L. Zimmermann, Assistant Federal Reserve Agent
H. F. Brown, Cashier	
R. E. Schumacher, Assistant Cashier	T. B. Weir, Legal Counsel