

TENTH ANNUAL REPORT
of the
FEDERAL RESERVE AGENT
of the
NINTH FEDERAL
RESERVE DISTRICT
to the
FEDERAL RESERVE BOARD



Covering the Calendar Year
1924

Federal Reserve Bank of Minneapolis,
Office of Federal Reserve Agent,
Minneapolis, Minn., January 10, 1925.

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

Sir:

In conformity with your letter of December 18, 1924, I have the honor to submit herewith the Tenth 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, 1924.

Respectfully submitted,

JOHN R. MITCHELL,
Federal Reserve Agent.

REPORT
OF THE
FEDERAL RESERVE AGENT
AT MINNEAPOLIS
1924

Agricultural and Business Conditions in 1924

The year 1924 was characterized by an improvement in the economic position of agriculture, which because of its prominence as the leading source of new wealth in the Ninth Federal Reserve District, was of great importance to banking and all other classes of commercial business. Favorable weather and moisture conditions resulted in good crops of small grains which moved promptly from the farm and sold in the markets at prices substantially better than those of 1923. The corn crop suffered from a cool growing season and was only fair in quantity and yield. There was a continuation of the shift in acreages and planting programs which was apparent in 1923, and which was the product of unfavorable prices and difficult conditions in agriculture that had continued since 1919. The year 1924 opened with more dairy cattle, swine and sheep on the farms than a year earlier. During 1924 there were increases in the acreages of barley, oats, corn, flax and fodder crops. There were reductions in the acreages of wheat, rye and potatoes. The expansion in flax, the national production of which is largely confined to this district, was notable and added \$31,983,000 at farm prices to the return from that crop, as compared with 1923, or an improvement in cash returns of \$45,699,000 as compared to 1922. There was close attention given to the minor sources of farm revenue and increased interest taken in the balancing of production, crop rotation, improved tillage, study of markets and of dairying and animal breeding. It was a debt-paying year and the income resulting from good yields at satisfactory prices was applied in large part to the payment of taxes, interest and previous obligations. In both a financial and a business sense, the position of agriculture at the close of the year was improved and strengthened.

Prices of the small grains began to advance in July and August and the upward trend continued to the close of the year. Prices for livestock also strengthened.

Throughout the early part of 1924, there was a record run of hogs shipped to market, which would probably have tapered

off in the middle of the summer had it not been for adverse weather conditions, which made a poor corn crop inevitable. The feed situation, therefore, became somewhat precarious for many of those producing hogs for market, and a second record run for all time was established by December marketings.

The fall months of 1924 witnessed the heaviest marketing movement of grain the district has known. This began in July, reached a peak in September and October, and brought about congestion for a time at Duluth-Superior terminals. It was noteworthy that railroad equipment and performance was entirely adequate at all times to meet this demand. The final crop results indicated a 55 per cent increase of spring wheat production in the face of a 10 per cent cut in acreage, and a 24 per cent decline in corn production in the face of a 12 per cent increase in the acreage of that crop.

In the cities, the volume of business, as measured by employment, manufacturing production and sales by wholesalers and retailers, was unsatisfactory from the beginning of the year until October, when wholesale trade and employment began to revive. This revival became more marked in November. Retail trade in the cities did not respond in the same degree to the rising confidence inspired by good grain prices, so that retailers were left at the end of the year with stocks above normal. Building activity, as measured by building permits, continued at a low level until the months of October and November, when some improvement occurred. Building permits granted in 18 cities of this district during 1924 had a total valuation of \$59,970,900, a decrease of 29 per cent from the volume of 1923.

Iron ore, copper and lumber production in this district were affected by the short-lived spurt in industrial activity throughout the United States in the first months of 1924 and by the depression which followed and continued throughout the summer. Iron ore shipments were somewhat larger than normal during the first few weeks of the shipping season, but declined almost continuously to a point 20 per cent below normal in the week ending August 30. From that point, there was a rather sharp recovery to the close of navigation. Copper production was large in the first three months of 1924, but declined moderately for the next five months, and then recovered sharply to nearly the largest monthly output in five years. Shipments of forest products were especially large from the end of February to March 29, but decreased abruptly from the latter date to July 12. From that date, there was a moderate recovery in the volume of shipments, growing more pronounced as the year drew to a close.

For the year 1924, iron ore shipments were 28 per cent smaller than in 1923; copper production was 5 per cent larger than in 1923; and shipments of forest products were 5 per cent smaller than in 1923.

Financial Conditions in 1924

Banking conditions in this district were unchanged during the first half of the year, but improved substantially with the approach of harvest. Loans by this Federal Reserve Bank to member banks within this district rose slightly during the spring months, which was entirely seasonal, but declined steadily in the last half of the year, reaching a point as low as any reached since the beginning of 1919. During the first half of the year, banks in the larger cities experienced some increase in deposits and some decline in loans. After the harvest, however, deposits increased remarkably and the loans and investments of these banks were rapidly expanded.

This year will be memorable for the debt-paying qualities of the crop which was harvested and marketed during the fall. The coincidence of a good crop at a time of world shortage with the consequent improved prices, brought about a very rapid marketing and sale of grains, which placed large cash supplies at the disposal of northwestern farmers. Funds poured into the country banks; loans were reduced and deposits increased. These banks were able to reduce their borrowings from the Federal Reserve Bank and correspondent banks. Temporarily, deposits with correspondent banks were built up, but later commercial paper and bonds were in strong demand. The commercial paper outstanding in this district at the end of the year reached totals not exceeded since 1920. Indeed, the volume practically doubled during the last half of the year.

In the cities, demand and time deposits swelled to record-breaking totals. City correspondent banks in the Northwest at first re-deposited a large part of the country bank funds with their eastern correspondent banks and later their investment holdings were expanded. Interest rates were lowered. Finally, loans began to increase, a large proportion of which were due to the purchase of commercial paper and loans secured by stocks and bonds. The experience of six city correspondent banks is typical of what took place. They had an increase of nearly 100 per cent in their deposits due to country banks between the end of August and the high point of November. Member bank reserve deposits with this Federal Reserve Bank, excluding those of these selected city banks, increased nearly $3\frac{1}{2}$ millions during the crop moving period up to December 10. The borrowings of country banks from this Federal Reserve Bank were reduced more than 9 million dollars from August 27 to December 17. All the banks in the larger cities, which report their figures to us weekly, had paid off completely all their borrowings from this Federal Reserve Bank by November 12. Savings deposits in these cities increased steadily during the latter part of the year, overcoming practically all of the decline which took place during the first six months of 1924 and bringing the total amount on January 1, 1925 to the high point of the last four years.

Operations of Minneapolis Federal Reserve Bank in 1924

A. General Survey

The operations of this bank during 1924 as reflected in the important items of the balance sheet, fall into two parts, with the dividing line at August 1.

The first period, from January 1 to July 30, 1924, may be characterized as uneventful. Rediscounts for member banks diminished slightly at the opening of the year, rose slightly in the spring and diminished slightly during the summer. Our holdings of purchased bills rose to a peak on March 19 and declined thereafter to a very low total at the end of the period. Our holdings of United States securities were built up gradually, member bank deposits declined steadily, and our reserves declined. Our note issue in circulation was practically unchanged, except for flurries late in February and early in May. Our earning assets reached a high total for the year by the end of the period.

In the second period, from August 6 to December 31, practically every week registered some noteworthy change. Rediscounts for our member banks fell off rapidly. Reserve deposits of member banks increased, reaching a peak November 19. Note issues expanded for crop moving purposes, reaching a peak December 24; and cash reserves of this bank passed the hundred million dollar mark on November 19, which high level was maintained to the end of the year. Our purchased bill holdings rose and fell during this period, and our holdings of United States securities reached the highest point of the year on November 12, but fell off thereafter. Total earning assets declined practically every week after September 17.

The net effect of these changes upon our balance sheet for the year ending December 31, 1924, as compared with a year earlier, was as follows: Rediscounts declined from about 19 millions to about 4 millions; while our holdings of United States securities increased from 10 millions to nearly 26 millions. Total earning assets at the end of the year were substantially the same as at the beginning. Member bank deposits increased from 47 millions to 56 millions, and Federal reserve notes in circulation from about 65 millions to nearly 72 millions, and cash reserves from 90 millions to 101 millions.

This bank did not borrow from or lend to other Federal reserve banks at any time during 1924.

The discount rate of this bank was changed from $4\frac{1}{2}$ per cent to 4 per cent, effective October 15, 1924.

B. Earnings and Expenses

The gross earnings of this bank during 1924 were \$1,609,070, as compared with \$1,749,253 in 1923. Current expenses during 1924 were \$1,065,168, as compared with \$1,082,137 in 1923. The current net earnings during 1924 were \$543,902, as compared with \$667,116 in 1923. Miscellaneous additions to current net earnings during 1924 amounted to \$170,570. Approximately 85 per cent of this amount became available through an adjustment of the reserve for depreciation on United States bonds. This adjustment was made possible by the appreciation during the year of market prices of bonds held. Total deductions from current net earnings amounted to \$385,371. Of this amount \$329,322 represented depreciation on bank premises, including 1924 taxes, maintenance and charge-offs during process of construction. The net earnings available for dividends, surplus and franchise taxes were \$329,101. Dividends totaling \$202,828 were declared at the rate of 6 per cent per annum on our paid in capital stock and paid to member banks. There was transferred to surplus account \$12,627. The remainder, amounting to \$113,646, was paid to the United States Government as a franchise tax, as compared with \$101,450 paid in 1923.

C. Departmental Statistics of Volume

The Check Collection department handled 26,218,338 items during 1924, amounting to \$3,652,895,000, as compared with 27,433,000 items during 1923, amounting to \$3,383,365,000.

The Collection department received 368,277 items during 1924, amounting to \$154,613,597, as compared with 340,345 items, amounting to \$155,783,189 in 1923.

The Currency Department received and counted 31,574,880 bills, amounting to \$172,153,650 in 1924, as compared with 32,174,117 bills, amounting to \$179,737,214, in 1923. This department also received and counted 8,832,594 coins, totaling \$2,709,244 in 1924, as compared with 9,905,604 coins, totaling \$2,203,398, in 1923.

The Vault Custody department handled 57,339 bonds left with it for safekeeping as compared with 67,725 in 1923. Thirty eight thousand, seven hundred and thirty-three coupons were cut and forwarded to the owners of the securities, or turned over to other departments for collection and credit.

Wire transfers of funds made for member banks, including those made for the 5 per cent gold redemption fund, numbered 66,672, totaling \$2,405,908,000 during 1924, as compared with 70,339, totaling \$2,189,155,000 in 1923.

The Discount department received 5,662 applications during 1924 from 476 banks. This was an average of 12 applications

each from 52.5 per cent of the member banks in the district. In 1923, 7,875 applications were received from 559 banks, an average of 14 applications each from 57.1 per cent of the total membership. During 1924, 27,527 notes were discounted, amounting to only \$100,355,000, as compared with 35,533 notes, amounting to \$290,054,000, in 1923.

Of the total bills discounted for all member banks, the percentages in amount divided by state lines during the last three years were as follows:

	1924	1923	1922
Minnesota	63.9%	80.0%	50.5%
South Dakota	13.4	6.9	14.4
North Dakota	12.0	4.9	10.8
Montana	7.4	6.2	14.7
Wisconsin	2.1	1.2	5.4
Michigan	1.2	.8	4.2

Bills purchased by this bank in the open market during 1924 numbered 1,294 amounting to \$15,834,000. Bills purchased from other Federal Reserve Banks numbered 136, amounting to \$3,006,000.

During 1924, 2,162,000 envelopes were received and dispatched, as compared with 2,775,000 in 1923.

Fiscal Agency Functions

The Fiscal Agency operated by us for the United States Government redeemed 1,228,058 government coupons, amounting to \$10,477,787 during 1924, as compared with 1,746,766 coupons, amounting to \$10,973,995 in 1923. Other operations consisting of the handling of issues, redemptions and exchanges of various government securities, including Treasury savings securities, numbered 246,701 and amounted to \$107,874,675. In addition this department handled 4,622 repurchases and 3,760 resales, totaling \$329,842,450, as compared with 2,263 repurchases and 1,880 resales in 1923, amounting to \$248,547,400.

This bank assisted in the allotment of the four regular offerings of treasury certificates of indebtedness and treasury bonds during the year. In the operation of this department, 2,631 subscriptions were received and 7,414 pieces, amounting to \$43,639,300, were delivered to the allotment account.

Activities of the Federal Reserve Agent's Office

A. Federal Reserve Note Issues

During 1924 the Federal Reserve Agent and his deputies at Minneapolis and Helena received \$36,560,000 of new Federal reserve notes from the Comptroller of the Currency at Washington and \$18,188,500 of fit-for-use notes from our paying tellers. The issues of new and fit-for-use notes totaled \$52,030,000, as

compared with \$40,205,000 during the preceding year. The Federal reserve notes in actual circulation increased from \$64,952,000 to \$71,760,570 between December 31, 1923, and December 31, 1924. During the year 1924, Federal reserve note circulation declined to a low point on January 30 of \$61,919,695, increased to a high point on May 14 of \$71,695,185, decreased to a low point on August 27 of \$63,501,640 and reached the highest point during the year on December 24, \$73,573,555. Unissued Federal reserve notes on hand with the Federal Reserve Agent amounted to \$14,993,500 on December 31, 1924, as compared with \$12,275,000 on December 31, 1923.

As collateral security for the Federal reserve notes, there was held by the agent on December 31, 1924, \$73,528,195 in the form of gold coin and gold certificates in bank or on deposit with the Federal Reserve Board and \$3,649,901.38 in commercial and agricultural paper, compared with \$54,552,000 in gold and \$17,431,000 in rediscounted paper on December 31, 1923.

B. Membership

At the close of the year there were 906 member banks in this district, as compared with 979 at the beginning of the year. There was a net loss of 59 national banks and 14 state banks. There were no voluntary withdrawals from membership in this district by state members during 1924. Of the seventeen state banks that relinquished their stock during the year, one was absorbed by a national bank, and the remaining sixteen were liquidated. Of the seventy-two national banks, fourteen were absorbed or succeeded by other banks and fifty-eight were liquidated. The total membership at the close of 1924 was divided into 802 national banks and 104 state banks. The new members are:

Name of Bank	Town	No. of Shares Subscribed
Columbia State Bank.....	Columbia Heights, Minn.	18
National Bank of Grey Eagle.....	Grey Eagle, Minn.	15
Hibbing National Bank.....	Hibbing, Minn.	75
Security Natl. Bank of West Minneapolis.....	Hopkins, Minn.	36
National Bank of Wadena.....	Wadena, Minn.	45
National Bank of Anaconda.....	Anaconda, Mont.	81
First National Bank in Hysham.....	Hysham, Mont.	17
National Bank of Lewistown.....	Lewistown, Mont.	108
First National Bank in Miles City.....	Miles City, Mont.	150
Security National Bank.....	Taylor, North Dakota.	18
First National Bank in Alexandria.....	Alexandria, So. Dak.	36
First State Bank.....	Buffalo, So. Dak.	18
First National Bank.....	St. Lawrence, S. D.	24
First National Bank.....	Sherman, S. D.	17
Bradley Bank.....	Tomahawk, Wis.	45
First National Bank.....	Washburn, Wis.	18

On June 30, 1924, a special survey was made of the banks then operating in this district. The reports received indicate that there were 828 state banks and trust companies eligible for mem-

bership by virtue of possessing the full capital requirements, 109 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 bank and trust company members to the total number of state banks and trust companies 100 per cent eligible decreased from 13.7 percent to 13.2 percent.

By an amendment to the Federal Reserve Act, adopted on March 4, 1923, state banks and trust companies are permitted to join the Federal Reserve System with only 60 percent of the capital required to organize a new national bank in the same location, provided they agree to increase their capital within a period of five years by setting aside a portion of their net earnings until such additions bring the capital up to that required for national bank charters. Our survey of June 30, 1924, shows that 680 additional banks were then eligible to join under this new 60 percent rule, as compared with 808 a year previous. However, no bank in this district has availed itself of the provisions of this amendment.

C. Examination of Banks

During 1924, 97 examinations and credit investigations were made by the Federal Reserve Agent's Examiners, of which 13 were examinations of national banks. 73 were made in conjunction with state banking department examiners, and 24 were made independently. Six of these examinations were made of state banks applying for, or considering, membership in the Federal Reserve System. Three of these banks later became members, and one is now in the process of admission. In the examination work of this year, four examiners were used, who with their assistants traveled in the aggregate 46,027 miles and examined banks with total resources of \$68,662,669. The Manager of the Examination Department, who is included in the total of four examiners, devoted one-half of his time to suspended banks. In addition to the foregoing examinations and credit investigations, special visits were made to 15 banks 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 a total of 55 days to assisting closed member banks during the year.

In addition to the information obtained from the Federal Reserve Examiners, 1,611 reports of examination of national banks were received from the Chief National Bank Examiner of this district, and 72 reports of examination of state member banks were received from the various state banking departments. There were four calls for reports of condition of member national banks and four calls for state member banks during the year. Also two semi-annual statements of earnings and dividends were required from all member banks. These reports of condition and of earnings and dividends, totaling 5,400, were received, verified and filed.

During the year, 184 applications affecting the stockholdings of member banks in the Federal Reserve Bank of Minneapolis were received and approved.

D. Applications for Fiduciary Powers

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 1924 include the following:

Name of Bank	Location	Date Approved	12-31-24 Capital
First National Bank.....	Fergus Falls, Minn.....	1-31-24	\$100,000
Lake City Bank of Minnesota.....	Lake City, Minn.....	6-30-24	50,000
First National Bank.....	Park Rapids, Minn.....	8-14-24	50,000
First National Bank.....	Rochester, Minn.....	6-25-24	100,000
Merchants National Bank....	St. Cloud, Minn.....	10-24-24	100,000
Twin Cities National Bank.....	St. Paul, Minn.....	4- 3-24	200,000
First National Bank.....	Deadwood, S. Dak.....	5-29-24	150,000
First National Bank.....	Miller, S. Dak.....	8- 7-24	50,000
First National Bank.....	Menomonie, Wis.....	3- 4-24	200,000

E. Reviews of Agricultural and Business Conditions

During the year, twelve monthly reviews were prepared for the Federal Reserve Board and later published, containing a total of 104 pages of printed material, compared with 96 pages in 1923. The average number printed each month during 1924 was 5,232.

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

Statistical Abstract of the years 1919 to 1923 in the Ninth Federal Reserve District. (January 28.)

The Menace of Weeds to Spring Wheat Raising. (January 28.)

Prices During and After the Civil War and the World War. (February 28.)

Why Farmers Should Grow Alfalfa. (March 28.)

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

Livestock and Feed Prices in the Ninth Federal Reserve District Since the War. (May 28.)

Variations in Interest Rates on Time Deposits in the Ninth Federal Reserve District. (Accompanied by a map showing rate paid in each county.) (June 28.)

Flax Acreages in the Ninth Federal Reserve District in 1919 and 1923. (A map study showing the growth of the importance of flax in certain sections.) (July 28.)

A Survey of the Rural Bank Credit Situation on June 30, 1922, 1923 and 1924. (This survey was based on replies to questionnaires sent to all banks in this district, and was accompanied by two maps.) (August 28.)

Corn Acreages in the Ninth Federal Reserve District in 1919 and 1923. (A map study showing the growth of the importance of corn in certain sections.) (August 28.)

Graphic Survey of Agricultural and Financial Conditions in the Ninth Federal Reserve District. (This was issued as a twelve page supplement to the 116th Monthly Review. Twenty-four maps of this district showing a great variety of agricultural and financial data by county lines were reprinted in this supplement.) (September 27.)

F. 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 agriculture, commerce and industry. In response to this demand during the year 1924, officials and representatives of the Federal Reserve Bank addressed 60 different groups with a total attendance of 8,368 persons, as compared with 96 addresses and an attendance of 14,363 in 1923. 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. During the year 1923, the number of volumes in our library increased from 876 to 975. The number of newspapers and periodicals received was practically unchanged and was comprised chiefly of those having current interest and also known to be of permanent value for reference purposes.

Changes in Personnel

Early in January, the Federal Reserve Board announced the re-appointment of Mr. Thomas A. Marlow and Mr. Lee M. Ford as members of the Board of Directors of the Helena Branch for the year 1924. Re-appointments of Messrs. H. W. Rowley, Chas. J. Kelly and R. O. Kaufman as Directors of the Helena Branch were announced by this bank. Mr. Marlow was designated as Chairman, and Mr. Kaufman as Deputy chairman.

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

On January 21, Mr. W. A. Cutler, Jr., was appointed Assistant Cashier of the Helena Branch. Mr. Sigurd Ueland was appointed Assistant Counsel for the bank.

The death on May 20 of John Harrison Rich, Chairman of the Board and Federal Reserve Agent since the organization of the bank, was a sincere grief to all of the officers and employees, and a loss to the institution and its district. Mr. Rich was a banker and manufacturer in his earlier life, an advocate of banking reform, leader of the organized effort in the Northwestern states for the adoption of the Federal Reserve Act, and after the creation of the Federal Reserve Bank of Minneapolis, an officer loyally devoted to its success. He was chairman of the building committee which planned and supervised the construction of the new home for the bank.

On September 10, the Federal Reserve Board appointed Mr. John R. Mitchell of St. Paul, Minnesota, as Class C Director, Chairman of the Board and Federal Reserve Agent to fill the vacancy caused by the death of Mr. John H. Rich.

In the annual fall election, member banks re-elected Mr. Wesley C. McDowell of Marion, North Dakota as a Class A Director, and Mr. F. P. Hixon of LaCrosse, Wisconsin as a Class B Director. The Federal Reserve Board re-appointed Mr. Homer P. Clark of St. Paul, Minnesota, as a Class C Director and Deputy Chairman of the Board of Directors. These three members will serve for three years beginning January 1, 1925.

Mr. E. C. Kibbee, Director of the Fiscal Agency Department of the Federal Government operating on the premises of the bank, resigned, effective December 1.

The complete staff of the Federal Reserve Bank of Minneapolis on December 31, 1924, numbered 382 persons, as compared with 488 persons a year previous, or a decrease of nearly 22 per cent.

*Resources and Liabilities of the Federal Reserve Bank of
Minneapolis at Close of Business December 31,
1924-1923-1922
(In thousands of dollars)*

RESOURCES

	Dec. 31 1924	Dec. 31 1923	Dec. 31 1922
Gold with Federal Reserve Agent.....	\$ 73,528	\$ 54,552	\$ 46,372
Gold Redemption Fund with U. S. Treasury.....	908	2,053	3,423
Gold held exclusively against F. R. notes.....	\$ 74,436	\$ 56,605	\$ 49,795
Gold settlement fund with F. R. Board.....	19,569	23,545	23,499
Gold and gold certificates held by bank.....	5,867	8,828	7,535
Total gold reserves	\$ 99,872	\$ 88,978	\$ 80,829
Reserves other than gold.....	1,608	955	1,190
Total reserves	\$101,480	\$ 89,933	\$ 82,019
Non-reserve Cash	1,027	943	*
Bills discounted:			
Sec. by U. S. Government obligations.....	229	3,289	2,539
Other bills discounted	4,223	15,368	19,377
Total bills discounted	\$ 4,452	\$ 18,657	\$ 21,916
Bills bought in open market.....	8	623	.....
U. S. Government securities:			
Bonds	8,857	7,121	4,523
Treasury notes	13,145	2,750	8,049
Certificates of indebtedness	3,786	165	499
Total U. S. Government securities.....	\$ 25,788	\$ 10,036	\$ 13,071
Foreign loans on gold	216	.....	.....
Municipal warrants .....	.....	.....	39
Total earning assets	\$ 30,464	\$ 29,316	\$ 35,026
5% redemption fund—F. R. bank notes.....	.....	.....	196
Uncollected items	13,942	14,507	18,166
Bank premises	2,901	2,103	942
All other resources	3,495	3,526	1,809
Total Resources	\$153,309	\$140,328	\$138,158

LIABILITIES

F. R. notes in actual circulation.....	\$ 71,760	\$ 64,952	\$ 58,735
Deposits:			
Member bank reserve account.....	55,967	46,904	49,310
Government	1,636	2,416	800
Other deposits	422	497	916
Total deposits	\$ 58,025	\$ 49,817	\$ 51,026
Deferred availability items	11,883	13,482	16,588
Capital paid in	3,270	3,498	3,535
Surplus	7,497	7,484	7,473
All other liabilities	874	1,095	801
Total Liabilities	\$153,309	\$140,328	\$138,158
Ratio of total reserves to deposit and F. R. note liabilities combined	78.2%	78.4%	74.7%
Contingent liability on bills purchased for foreign correspondents	1,537	646	929

*Not shown separately prior to 1923.

*Earnings and Expenses of the Federal Reserve Bank of Minneapolis
1924, 1923, 1922*

EARNINGS

	1924	1923	1922
Discounted bills	\$578,447	\$1,088,899	\$1,451,659
Purchased bills	84,269	31,414	.....
United States securities.....	848,070	520,724	383,531
Deficient reserve penalties.....	40,175	91,943	128,087
Miscellaneous	58,109	16,273	5,971
Total earnings.....	\$1,609,070	\$1,749,253	\$1,969,248

CURRENT EXPENSES

Salaries:			
Bank officers	\$121,350	\$113,236	\$107,977
Clerical staff	429,493	460,128	463,390
Special officers and watchmen.....	25,576	24,041	22,281
All other	67,148	35,756	16,446
Governor's conferences	566	606	467
Federal Reserve Agent's conferences.....	246	90	267
Federal Advisory Council	1,087	1,195	1,140
Directors' meetings	9,051	9,507	11,407
Traveling expenses*	52,454	32,649	21,470
Assessments for Federal Board expenses.....	21,867	23,704	24,945
Legal fees	23,463	14,149	11,592
Insurance (other than on currency and security shipments)	29,600	30,474	25,792
Insurance on currency and security shipments..	16,175	11,409	9,497
Taxes on banking house.....	1,580	1,593	1,578
Light, heat and power.....	1,468	1,836	902
Repairs and alterations, banking house.....	426	196	1,667
Rent	43,399	46,699	44,038
Office and other supplies	20,891	23,860	21,954
Printing and stationery	38,064	36,757	42,515
Telephone	7,310	6,988	7,090
Telegraph	23,998	25,757	21,697
Postage (other than on currency and security shipments)	74,683	90,303	} 95,002
Expressage (other than on currency and security shipments)	10,093	7,955	
Federal reserve currency			
Original cost, including shipping charges....	6,796	40,005	53,334
Cost of redemption, including shipping charges	1,738	10,622	16,765
Taxes on Federal reserve bank-note circulation..	.....	.....	14,260
All other expenses	36,646	32,622	47,469
Total current expenses.....	\$1,065,168	\$1,082,137	\$1,084,942

*Other than those connected with governors' and agents' conferences and meetings of directors and of the advisory council. Of this amount \$44,251 and \$21,579 was incurred by the closed bank department in 1924 and 1923 respectively.

PROFIT AND LOSS ACCOUNT

	1924	1923	1922
Earnings	\$1,609,070	\$1,749,253	\$1,969,248
Current expenses	1,065,168	1,082,137	1,084,942
Current net earnings.....	\$543,902	\$667,116	\$884,306
Miscellaneous additions to current net earnings..	\$170,570	\$8,327	\$41,231
Deductions from current net earnings:			
Depreciation allowances on bank premises...	\$310,862	\$40,405	\$41,913
Reserve for probable losses.....	.....	200,000	.....
Reserve for depreciation on United States bonds .....	.....	53,856	78,058
Furniture and equipment	48,938	23,328	24,640
All other	25,571	32,399	25,231
Total deductions	\$385,371	\$349,988	\$142,842
Net deductions from current net earnings.....	\$214,801	\$341,661	\$101,611
Net earnings available for dividends, surplus and franchise tax	\$329,101	\$325,455	\$782,695
Dividends paid	\$202,828	212,733	213,774
Transferred to surplus account.....	12,627	11,272	*56,892
Franchise tax paid United States Government..	113,646	101,450	*512,029

*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, 1925

DIRECTORS

Class A	Class B	Class C
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.	J. R. MITCHELL (1926) Minneapolis, Minn.
WESLEY C. McDOWELL (1927) Marion, N. D.	F. P. HIXON (1927) LaCrosse, Wis.	HOMER P. CLARK (1927) St. Paul, Minn.

OFFICERS

J. R. MITCHELL, <i>Chairman and Federal Reserve Agent.</i>	R. A. YOUNG - - - <i>Governor</i>
HOMER P. CLARK, <i>Deputy Chairman</i>	W. B. GEERY - - <i>Deputy Governor</i>
CURTIS L. MOSHER, <i>Secretary Board of Directors, and Assistant Federal Reserve Agent.</i>	B. V. MOORE - <i>Deputy Governor</i>
J. F. EBERSOLE, <i>Assistant Federal Reserve Agent.</i>	HARRY YAEGER, <i>Asst. Dep. Governor</i>
FRED M. BAILEY, <i>Manager, Bank Examination Department.</i>	FRANK C. DUNLOP - <i>Controller</i>
ANDREAS UELAND, <i>Legal Counsel.</i>	GRAY WARREN - - - <i>Cashier</i>
SIGURD UELAND, <i>Assistant Counsel.</i>	L. E. RAST - - <i>Assistant Cashier</i>
	H. C. CORE - - <i>Assistant Cashier</i>
	HARRY I. ZIEMER - <i>Assistant Cashier</i>
	W. C. LANGDON - <i>Assistant Cashier</i>
	A. R. LARSON - <i>Assistant Cashier</i>

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, <i>Chairman</i> - Helena	R. O. KAUFMAN, <i>Deputy Chairman,</i> Helena.
LEE M. FORD - - - Great Falls	C. J. KELLY - - - - Butte
H. W. ROWLEY - - - Billings	

OFFICERS

R. E. TOWLE - - - <i>Manager</i>	H. L. ZIMMERMANN, <i>Asst. Federal Reserve Agent and Auditor.</i>
H. F. BROWN - - - <i>Cashier</i>	T. B. WEIR - - <i>Legal Counsel</i>
R. E. SCHUMACHER, <i>Assistant Cashier</i>	
W. A. CUTLER, JR., <i>Assistant Cashier</i>	