

CONTROLLER'S REPORT
FEDERAL RESERVE BANK OF MINNEAPOLIS
FOR THE YEAR

1 9 2 2

I N D E X

Auditing Department	
Comments	59,60
Bonds (See Fiscal Agency)	
Certificates of Indebtedness (See Fiscal Agency)	
Clearings (See Transit Dept.)	
Closed Banks - Expenses	18,19
Collateral Department	
Statistics.....	75
Collection Department	
Comments.....	35
Statistics.....	36,37
Committee on Economy and Efficiency.....	57,58
Coupon Department	
Statistics.....	29
Currency Department	
Comments.....	25,26,34
Statistics.....	27,28,30-34
Deposits - Member Banks.....	42
(See also Government Deposits)	
Discount Department	
Discount Rates.....	9
Comments.....	38
Statistics.....	39
Earnings	
Average Rate of Earnings on Earning Assets.....	9
Gross Earnings.....	8,9
Comments.....	10
Efficiency	
Bills Handled.....	28
Coupons Handled.....	28
Collections Handled.....	35
Discounts Handled.....	38
Transit.....	44,46,51
Committee on.....	57,58
Employees	
Salaries by Departments.....	20
Comments.....	55
Statistics.....	55,56
Expenses	
Analysis.....	5
Statement.....	11,12
Comments.....	13,17
Reimbursable.....	18
Closed Banks.....	18,19
Salary.....	20
Federal Reserve Notes (See Currency)	
Files	
Comments.....	62,63
Fiscal Agency Department	
Comments.....	71,72
Statistics.....	73-82
Franchise Taxes.....	6,7
Furniture and Equipment	
Comments.....	24
Gold Holdings.....	40
Government Deposits	
Account with Treasurer U.S.....	41
Depository Banks by States.....	73
Collateral to Government Deposits.....	74
Government Funds in Depository Banks.....	74

Guards	
Comments	64
Helena Branch	
Comments	21,22
Investment Holdings of U.S. Securities	40
Liabilities - Comparative Statement 1922-1921	2
Lunch Room	64
Member Bank Balances	42
Membership - Statistics	66,67,68
New Building	23
Penalties	42
Profit and Loss	
Statement	3
Analysis	4,5,6
Statement of Charge Offs	7
Protection	64
Purchasing	
Comments	61
Reimbursable Expenditures	18
Reserve Department	
Average Balances	42
Penalties	42
Stenographic	
Comments	53
Statistics	54
Surplus	
Detailed Statement since Organization	7
Transfer Department	
Statistics	52
Transit Department	
Comments	43,44
Statistics	45-51
Treasurers General Account	41
War Finance Department	
Comments	69,70
Welfare Department	
Lunch Room	64
Comments	65
Wire Operations	72

To the Directors,

Federal Reserve Bank of Minneapolis,

Gentlemen:-

In the following comments we have touched briefly on the various functions performed by this bank indicating the more important changes in the character and volume of our work. The tables give further detail and afford comparison with the previous year.

Considerable progress has been made towards increasing our efficiency of operation and in improving our service to our member banks and to the Treasury Department. Plans are being made to add to the results during 1923.

Helena Branch report for 1923 and Minneapolis report for December are offered separately.

Respectfully submitted,

Controller

January 1, 1923.

**COMPARATIVE STATEMENT OF RESOURCES
FEDERAL RESERVE BANK OF MINNEAPOLIS
1922-1921**

	<u>Dec. 31, 1922</u>	<u>Dec. 31, 1921</u>
Gold Redemption Fund F. R. Notes	3,422,611.29	2,764,620.93
Gold with F. R. Agent	46,371,920.06	16,856,240.00
Gold Settlement Fund	23,498,501.58	31,115,656.91
Gold Bullion and Coin	2,375,615.00	1,813,035.00
Gold Certificates (Incl. C.H. Certificates)	5,159,730.00	7,326,800.00
Other Lawful Money	1,190,324.51	810,991.80
5 per cent Fund against F. R. Bank Notes	196,150.00	201,150.00
Overdrafts	201,500.44	96,580.20
F.R. Bank Notes (Secured by U.S. Bonds) on Hand	273,419.00	102,544.00
Federal Reserve Notes on Hand	3,177,335.00	2,355,640.00
Mutilated F.R. Notes Forwarded for Redemption	720,400.00	1,332,400.00
National Bank Notes and Notes of Other F. R. Banks	887,289.00	1,364,804.00
Transit Items	16,295,299.84	12,399,645.62
Checks and Other Cash Items	301,633.80	144,918.33
Exchange for Clearing House	371,230.69	595,744.05
Bills Discounted	18,973,350.24	42,483,230.86
Member Bank's Collateral Notes	2,942,956.43	8,728,387.82
Treasury Notes	8,049,400.00	
Other U. S. Bonds	272,961.00	115,561.00
Certificates of Indebtedness	499,500.00	4,450,000.00
Liberty bonds	4,249,600.00	175,100.00
Municipal Warrants	38,664.58	88,995.60
Interest Accrued on U. S. Securities	149,487.95	46,094.93
Expense Current	1,084,942.49	660,820.61
Fiscal Agent - Reimbursable Expenditures	10,856.93	5,129.88
War Finance Corporation - Reimbursable Expenditures	17,175.38	3,607.17
Furniture and Equipment	24,640.60	1.00
Deferred Charges	20,887.96	17,848.60
Dividends Accrued	213,774.01	106,655.78
Banking House	97,768.27	99,661.50
New Building Account	459,648.46	169,070.09
Other Real Estate	500,000.00	500,000.00
Reimbursable Expenditures - Postage	314.44	214.49
Difference account	1,075.18	30.83
Claims Recoverable	1,403,439.44	798,860.45
Expense - Other Real Estate	24,307.81	1,069.41
Nickels and cents	<u>37,293.40</u>	<u>65,379.65</u>
TOTAL RESOURCES	\$ 143,515,004.70	\$ 137,796,490.51

**COMPARATIVE STATEMENT OF LIABILITIES
FEDERAL RESERVE BANK OF MINNEAPOLIS
1922-1921**

	<u>Dec. 31, 1922</u>	<u>Dec. 31, 1921</u>
Federal Reserve Notes Outstanding	\$ 62,632,920.00	\$ 60,477,240.00
F. R. B. Notes (Sec'd by U. S. Obligations)		4,322,200.00
U. S. Treasurer General Account	288,282.20	687,888.23
Members - Reserve Account	49,309,575.67	43,524,104.65
Foreign Banks	27,000.00	216,000.00
Non-members - Clearing Account	155,019.15	150,379.19
Cashier's Checks	692,453.29	91,196.33
Expense Checks	19,118.43	8,170.86
Federal Reserve Drafts	20,488.06	9,347.90
Government Transit Items	249,903.36	514,150.47
All other Transit Items	16,338,011.80	12,405,187.14
Coupons, Ownership Undetermined	2,320.85	2,315.55
Capital, Paid in by Members	3,534,600.00	3,568,950.00
Surplus Fund	7,416,054.44	7,102,100.00
Super - Surplus	--	200,970.13
Profit and loss	--	25.84
Discount Earned	1,451,659.12	2,165,853.99
Interest Earned	384,634.44	56,885.82
Penalties on Deficient Reserves	128,087.06	80,227.64
Domestic Transfers Bought and Sold	3,195.00	1,134.75
Miscellaneous	1,672.06	1,505.23
Discount on U. S. Bonds	36,399.93	54,775.55
Unearned Discount	173,310.66	460,218.38
Reserved for Sundry Expenses	9,456.67	928.42
Reserve for Depreciation - New Building	100,000.00	100,000.00
Int. Adj't Rec'd on conv of 4% Bonds	70.45	78.57
Reserved for Govt. Franchise Tax	--	1,284,497.52
Reserve for Taxes other than Franchise Tax	25,772.08	10,158.08
Special Reserve	500,000.00	300,000.00
Depreciation Reserve on U. S. Bonds	15,000.00	
TOTAL LIABILITIES	\$ 143,515,004.70	\$ 137,796,490.51

PROFIT and LOSS ACCOUNT 1922

	<u>Debits</u>	<u>Credits</u>
Discount Earned - Bills Discounted		\$ 1,070,549.48
Interest Earned - U. S. Securities		383,530.44
Interest Earned - Bill Lading Drafts		478.83
Interest Earned - Municipal Warrants		625.17
Domestic Transfers Bought & Sold		3,195.00
Deficient Reserve Penalties		78,346.16
Sundry Profits		1,389.11
Exchange Received - Collections		265.46
Profits for years 1919 to 1922 from resales and purchases of U. S. Securities		41,227.22
Discount Earned on Bills Discounted - Helena		381,109.64
Deficient Reserve Penalties - Helena		49,740.90
Exchange Received - Helena		17.49
Transit & Return Items Differences		3.83
Expense Current	\$ 925,253.78	
Expense - Other Real Estate	24,307.81	
Dividends Accrued	213,774.01	
Furniture & Equipment	21,870.63	
Taxes on New Building for 1922	5,200.00	
Depreciation Allowance on New Building at Mpls.	6,446.87	
Depreciation Reserve on U. S. Bonds	78,057.80	
Transferred from Difference Account Collections	10.83	
Transferred from Difference Account Tellers	685.05	
Transferred from Difference Account General	165.56	
Transferred from Difference Account Clearings	22.93	
Expense Current Helena	159,658.71	
Furniture and Equipment Helena	2,768.97	
General Difference Helena	4.53	
Tellers & Coupon Differences Helena	32.50	
Clearings Difference Helena	.41	
Collection Difference Helena	.99	
Depreciation Allowance on bank premises at Helena	1,655.37	
Depreciation Allowance on fixed Machinery and Equipment at Helena,-		
10 % on Electric Elev.	\$5,054.11	
" " Light & Vent.	3,461.08	
" " Plumb & Htg.	7,593.85	
	<u>16,108.99</u>	
Transferred to Surplus Fund	1,610.90	
Paid to Treasurer of U. S. for Government Franchise Tax	56,892.10	
	512,028.98	
	<hr/>	
	\$ 2,010,478.72	\$ 2,010,478.72

Handwritten initials: 8/26

PROFIT AND LOSS ITEMS

There is given below a brief explanation of the make-up and reasons, where not entirely clear, for the items placed in Profit and Loss account during 1922.

INTEREST EARNED - BILL OF LADING DRAFTS

This income is from flour drafts with bills of lading attached, the face amount being credited and no interest charged until draft is paid.

DOMESTIC TRANSFERS BOUGHT AND SOLD

This heading as far as Minneapolis is concerned is a misnomer. We do not buy or sell mail transfers and our acceptance of wire transfers is for immediate credit. If we give credit to a member bank for a wire which is delayed in being credited to us in some other district, we charge our member interest for the time delayed and credit to above account.

SUNDRY PROFITS

In this instance sundry profits represent our share of commissions received by the Federal Reserve Bank of New York for handling acceptances and United States securities for Foreign Governments and banks under repurchase agreement and of which we assume our proportion of contingent liability.

PROFITS FOR YEARS 1919 to 1922 FROM RESALES AND PURCHASES OF UNITED STATES SECURITIES

These profits came from purchase of 2 per cent consols taken below par and exchanged at par for one year Treasury Notes and 30 year Conversion Bonds. These issues and other miscellaneous U. S. Securities were sold at a profit. Under request from the Federal Reserve Board these accumulated profits were placed in Profit and Loss Account on December 30, 1922.

EXPENSE - OTHER REAL ESTATE

This represents a separate account maintained on our General Ledger transferred to Profit and Loss December 30, 1922, and covers taxes on our ground at Fifth Street and Marquette Avenue. Taxes amounting to \$8,807.81 for our share of the 1921 assessment appear in this account and in addition, under approval from the Federal Reserve Board, we have charged out and placed in a special account \$15,500 for 1922 taxes on ground only.

FURNITURE AND EQUIPMENT

Under Federal Reserve Board ruling purchases of furniture and equipment now appear as a separate charge yearly in Profit and Loss account rather than be included with "Expense" as formerly.

TAXES ON NEW BUILDING 1922

This charge (\$5,200) was authorized by the Federal Reserve Board and is the assessed value of that part of our new building completed April 1, 1922. The charge-off is based on 2/5 of \$200,000 at a rate of 65 mills.

DEPRECIATION ALLOWANCES ON BUILDINGS

The Federal Reserve Board authorized the charging off each year of 2 per cent of the Book value of Bank Building. The reduction made at close of year was on values as of November 28, 1922 at Minneapolis and Helena after allowance had been made for depreciation reserve of \$100,000 set up two years ago.

DEPRECIATION RESERVES ON UNITED STATES BONDS

This account is made necessary from the fact that all bonds no matter at what price taken, are carried by us at par. The Federal Reserve Board has instructed us to amortize discount and premium over the life of the bond and in addition required us to credit

DEPRECIATION RESERVE ON UNITED STATES BONDS (Contd)

up to Profit and Loss or charge as the case may be, the difference between par and market value of our total holdings on the last day of the year. The present depreciation charge (\$78,057.60) is occasioned by our holding over \$4,000,000 Liberty Loan 4 1/4 per cent Bonds taken around 98.

DEPRECIATION ALLOWANCE ON FIXED MACHINERY

AND EQUIPMENT AT HELENA

Under Board approval, we are setting up a reserve of 10 per cent of the cost of Electric Elevator, Lighting and Ventilating, Plumbing and Heating at Helena. This fund will be used for replacement and be added to in like amount each year.

DIFFERENCE ACCOUNTS

These entries represent accumulations during the year and are items which, in our judgment, may not be recovered.

FRANCHISE TAX

In addition to the 90 per cent of net earnings transferred to the Treasurer of the United States after allowance for all charge-offs and dividends, we transferred to the Treasurer before closing of the books December 30, 1922, the sum of \$52,423.36. This amount should have been included in the franchise tax for 1921 and was caused by misinterpretation of the law by the Federal Reserve Board. The adjusting entry does not appear in Profit and Loss account but was charged against Surplus Account.

SUMMARY REPORT OF EARNINGS, EXPENSES, DIVIDENDS
AND FRANCHISE TAX PAYMENTS FOR 1922

Gross Earnings	\$ 1,969,247.68	\$
Current Expenses	<u>1,084,942.49</u>	
Current net earnings		884,305.19
Additions to Current Net Earnings	41,251.04	
Deductions from Current Net Earnings	<u>142,841.14</u>	
Net deductions from current net Earnings		<u>101,610.10</u>
Net Earnings available for dividends, franchise tax and surplus		\$ <u>782,695.09</u>
Dividends paid	215,774.01	
Paid to Government as a franchise tax 1922	512,028.98	
Transferred to surplus account	<u>56,892.10</u>	
Total		\$ <u>782,695.09</u>
Subscribed capital January 1, 1923		\$ 7,069,200.00
Surplus January 1, 1923		7,472,946.54

DETAIL STATEMENT OF SURPLUS ACCOUNT SINCE ORGANIZATION

January 4, 1918,	Transferred to Surplus from Profit and Loss	\$ 37,500.00
December 31, 1918,	" " " "	688,871.82
March 4, 1918	" from Reserve for Franchise Tax	688,871.82
June 30, 1919,	" to Surplus from Profit and Loss	904,357.40
December 31, 1919	" " " "	1,249,599.04
June 30, 1920	" " " "	1,609,241.56
December 31, 1920	" " " "	1,801,706.54
June 30, 1921	" " " "	323,121.95
December 31, 1921	" " " "	165,407.67
December 31, 1922	" " " "	<u>56,892.10</u>
		\$ 7,525,369.90
Less Amount to adjust error of Federal Reserve Board in Figuring Franchise Taxes 1920 and 1921		<u>52,423.36</u>
Total December 31, 1922		\$ 7,472,946.54

STATEMENT OF TOTAL FRANCHISE TAXES PAID SINCE ORGANIZATION

December 31, 1918,	Transfer from Profit and Loss	\$ 37,500.00
December 31, 1920	" " "	524,233.56
June 30, 1921,	" " "	1,284,497.62
December 31, 1921,	" " "	1,166,466.98
December 31, 1922	Transferred on account of under-payment years 1920 and 1921	52,423.36
December 31, 1922,	Transfer from Profit and Loss	<u>512,028.98</u>
		\$ 3,577,152.52

STATEMENT OF CHARGE ONE'S OTHER THAN CURRENT EXPENSES THROUGH
PROFIT AND LOSS ACCOUNT SINCE ORGANIZATION

Differences	1,862.82
Abrasion of Gold Coins	15,707.13
Depreciation on Bonds	93,057.80
Paid F. R. Bank Chicago to adjust Book value: \$229,400. Capital Stock 52 Wisconsin Banks	2,127.22
Reduction of Bank Premises authorized by F. R. Board (New England site) December 31, 1919	100,000.00
Reserve for depreciation new building (New England site) December 31, 1920	100,000.00
Special Reserve June 30, 1921	300,000.00
Special Reserve December 31, 1921	200,000.00
Depreciation New Building (New England)	9,828.27
Depreciation Banking House (Helena Branch)	5,159.50
Minneapolis Vault	40,000.00
Helena Vault	77,737.64
Furniture, Fixtures and Office Equipment	<u>252,690.10</u>
	\$ 1,198,170.48

COMPARATIVE STATEMENT OF GROSS EARNINGS
FEDERAL RESERVE BANK OF MINNEAPOLIS AND HELENA BRANCH

<u>EARNINGS FROM</u>	<u>MINNEAPOLIS</u> <u>1922</u>	<u>HELENA</u> <u>1922</u>	<u>COMBINED</u> <u>1922</u>	<u>MINNEAPOLIS</u> <u>1921</u>	<u>HELENA</u> <u>1921</u>	<u>COMBINED</u> <u>1921</u>
Discounted Bills	\$ 1,070,549.48	\$ 381,109.64	\$ 1,451,659.12	\$ 3,995,037.14	\$ 654,516.85	\$ 4,649,553.99
Purchased Bills				97.50		97.50
Municipal Warrants	625.17		625.17	329.81		329.81
U. S. Securities	383,530.44		383,530.44	142,001.30		142,001.30
Domestic Transfers	3,195.00		3,195.00	12,830.43	50.00	12,880.43
Deficient Reserve Penalties	78,345.16	49,740.90	128,087.06	113,422.73	43,735.44	157,158.17
Miscellaneous	2,133.40	17.49	2,150.89	4,588.13	1.95	4,590.08
Total	\$ 1,538,379.65	\$ 430,868.03	\$ 1,969,247.68	\$ 4,268,007.04	\$ 698,304.24	\$ 4,966,311.28

GROSS EARNINGS

FEDERAL RESERVE BANK OF MINNEAPOLIS AND HELENA BRANCH

<u>EARNINGS FROM</u>	<u>1922</u>	<u>1921</u>	<u>1920</u>
Discounted Bills	\$1,451,659.12	\$4,649,553.99	\$4,734,258.72
Purchased Bills		97.50	191,662.15
Municipal Warrants	625.17	329.81	
U. S. Securities	383,530.44	142,001.30	181,989.66
Domestic Transfers	3,195.00	12,580.43	77,244.94
Deficient Reserve Penalties	128,087.06	157,158.17	92,744.53
Miscellaneous	<u>2,150.89</u>	<u>4,590.08</u>	<u>29,280.60</u>
TOTAL	\$1,969,247.68	\$4,966,311.28	\$5,307,380.60

AVERAGE MONTHLY

Gross Earnings for year	\$164,103.98	\$413,859.29	\$442,281.72
Expenses for year	90,411.88	110,488.91	84,765.51
Net Profits for year	73,692.10	303,370.38	357,516.21
Dividend Paid for year	17,814.50	17,638.09	16,322.55
Cost of F.R. Notes for year	5,841.56	11,759.61	6,548.84
Rate per cent of Net Earnings on paid Capital Stock for year	24.82	103.70	119.36 %

AVERAGE RATE OF EARNINGS ON EARNING ASSETS

	Bills Discounted	Bills Purchased	U.S. Securities	Municipal Warrants	Total
1922	5.119		3.427	4.752	4.640
1921	6.479	6.087	2.055	5.807	6.091
1920	6.223	6.259	2.016		5.755
1919	4.381	4.267	2.460		4.114

Discount rate effective January 1, 1922	5½%
Discount rate lowered January 11, 1922 to	5%
Discount rate lowered August 15, 1922 to	4½%
Discount rate in effect December 31, 1922	4½%

EARNINGS

Income increased slightly in December, the total for the month being \$141,203.33. During the last half of the year earnings fluctuated from \$157,800 in July to \$132,400 in November. Total earnings for the year were \$1,969,000 which was three million dollars less than the amount earned in 1921. Discounts for member banks ranged from \$11,689,000 in September to \$25,324,000 in January. On December 30 our total advances to member banks were \$21,916,000 in comparison with \$51,200,000 advanced on December 31, 1921

The average rate earned on discounts during 1922 was 5.119 per cent. In 1921 the rate averaged 6.479 per cent. We had no income from acceptances purchased and but \$625.17 from Warrants discounted. In common with other Federal Reserve Banks, we purchased United States Securities more freely and our income from this source was \$383,530.44 compared to \$142,001.30 in 1921. We were carrying \$13,071,000 of the various Government issues on December 30. The average rate of return for the year on these securities was 3.427 per cent while in 1920 and 1921 it had been only slightly better than 2 per cent due to our very small holdings of United States securities, other than Special 2% certificates securing circulation. During the latter part of the year these certificates were steadily reduced and the last certificate was called on December 28. Part of our income during past few months has come from carrying United States securities for Federal Land Bank under repurchase agreement. The income of \$3195. under "Domestic Transfers" represents interest charged on delayed transfers wired for our credit. Deficient Reserve penalties were higher at Minneapolis than for any other month during the year. Our total earned of \$128,087.06 from this source would have reached a larger amount had we not reduced the maximum penalty rate to 10%. In 1921 the highest penalty rate was 15 per cent.

STATEMENT OF CURRENT EXPENSES

FEDERAL RESERVE BANK OF MINNEAPOLIS AND HELENA BRANCH

For the year 1922.

	Bank General (including Agent's)	Fiscal Agency Expenses absorbed by bank	Transit	Total
Salaries.....				
Bank Officers	107,706.55	270.84		107,977.39
Clerical Staff.....	272,420.50	34,049.56	156,919.97	463,390.03
All other	33,231.85	3,253.12	2,242.02	38,726.99
Governors' Conferences	467.13			467.13
Federal Reserve Agents Conferences	267.27			267.27
Federal Advisory Council	1,140.00			1,140.00
Directors Meetings	11,407.15			11,407.15
Traveling Expenses	20,480.43		989.64	21,470.07
Assessments for Federal Reserve Board expenses	24,944.83			24,944.83
Legal fees	11,592.09			11,592.09
X Insurance (life, fidelity, casualty, workmen's compensation... Banking house:	21,349.25	1,296.03	2,665.64	25,310.92
Taxes:.....	1,577.52			1,577.52
X Fire insurance.....				
Light, heat, and power.....	901.84			901.84
Repairs and alterations.....	1,666.68			1,666.68
All other.....	11.40			11.40
Rent.....	19,944.58	4,349.86	19,743.43	44,037.87
X Fire insurance--Furniture and equipment.....	252.55		228.26	480.81
Office and other supplies.....	14,856.37	1,839.15	5,258.44	21,953.96
Printing and stationery.....	21,204.04	3,189.04	18,121.56	42,514.64
Telephone.....	5,235.38	123.35	1,731.37	7,090.10
Telegraph.....	15,919.82	16.21	5,761.30	21,697.33
Postage (other than on money and security shipments).....	11,485.55	4,467.82	63,231.21	79,184.58
Expressage (other than on money and security shipments).....	709.42		177.74	887.16
Security shipments.....	1,474.57	2,542.97		4,017.54
Currency and coin shipments.....	22,991.94			22,991.94
Federal Reserve currency:				
Original cost, including shipping charges.....	53,333.78			53,333.78
Cost of redemption, including shipping charges.....	16,764.99			16,764.99
Taxes on Federal Reserve bank-note circulation.....	14,260.35			14,260.35
All other expenses.....	43,356.80	19.65	1,499.70	44,876.15
Total Current Expenses	750,954.61	55,417.60	278,570.28	1,084,942.49

COMPARATIVE STATEMENT
CURRENT EXPENSES OF THE FEDERAL RESERVE BANK OF MINNEAPOLIS AND HELENA BRANCH

	Minneapolis <u>1922</u>	Helena Branch <u>1922</u>	Combined <u>1922</u>	1921
Salaries				
Bank Officers	\$ 92,126.59	\$ 15,850.80	\$ 107,977.39	\$ 115,499.43
Clerical Staff	402,595.66	60,794.57	463,390.03	517,448.12
Special Officers And Watchmen	17,674.51	4,606.70	22,281.21	23,617.80
All Other	11,653.11	4,792.87	16,445.78	18,807.40
Governors' Conferences	467.13		467.13	770.15
Federal Reserve Agents Conferences	267.27		267.27	402.67
Federal Advisory Council	1,140.00		1,140.00	908.20
Directors Meetings	6,847.17	4,559.96	11,407.13	11,902.57
*Traveling Expenses	15,071.98	6,398.09	21,470.07	35,505.30
Assessments for Federal Reserve Board expenses	24,944.83		24,944.83	25,553.89
Legal fees	8,325.37	3,266.72	11,592.09	11,628.36
Insurance (life, fidelity, casualty, workmen's Comp.)	23,422.49	1,888.43	25,310.92	29,552.48
Banking house:				
Taxes		1,577.52	1,577.52	1,964.48
Fire Insurance				1,153.98
Light, heat, and power		901.84	901.84	2,346.60
Repairs and alterations		1,666.68	1,666.68	5,981.86
All other		11.40	11.40	
Rent	39,559.82	4,478.05	44,037.87	38,370.05
Fire insurance---Furniture and equipment	180.75	300.06	480.81	111.94
Office and other supplies	17,687.37	4,266.59	21,953.96	29,921.13
Printing and stationery	34,342.10	8,172.54	42,514.64	67,150.97
Telephone	5,301.72	1,788.88	7,090.10	7,248.05
Telegraph	9,376.21	12,321.12	21,697.33	23,494.22
Postage (other than on money and security shipments)	68,211.31	10,973.27	79,184.58	80,931.86
Expressage (other than on money and security shipments)	590.41	296.75	887.16	4,776.78
Security shipments:	2,542.97	1,474.57	4,017.54	2,100.96
Currency and coin shipments	16,624.11	6,367.83	22,991.94	17,849.83
Federal Reserve currency:				
Original cost, including shipping charges	53,333.78		53,333.78	124,584.17
Cost of redemption, including shipping charges	16,476.99	288.00	16,764.99	16,551.65
Taxes on Federal Reserve bank-note circulation	14,260.35		14,260.35	26,979.64
* Furniture and Equipment				53,368.10
All other expenses	<u>42,229.78</u>	<u>2,646.37</u>	<u>44,876.15</u>	<u>29,384.34</u>
Total Current Expenses	\$ 925,253.78	\$ 159,688.71	\$ 1,084,942.49	\$ 1,325,866.98

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

*Charged to Profit and loss in 1922 and to current expenses prior to that year.

EXPENSES

In making a comparison of 1922 and 1921 expenses it is perhaps well to state that the ratio of reduction in 1923 will not be as great as in 1922. Comment is offered on the more important items with reasons given for the variations from 1921 figures.

PAY ROLL

Our payroll reduction for the year was \$65,300 but in comparing with 1921 figures allowance should be made for bonus paid covering first six months of 1921 amounting to \$32,394. Likewise the Fiscal Agency expense absorbed by the bank in 1922 was \$20,000. greater than in 1921 and salary increases amounting to approximately \$15,000 were also granted. The net result is a better showing for 1922 of \$68,000.

TRAVELING EXPENSES

While there is an apparent reduction in this item of \$14,000. attention is drawn to the fact that the traveling expenses of our representatives at failed banks are now carried under "All Other Expenses" and amount to \$11,227. The total for the year charged in expense is \$32,697., similar expense in 1921 being \$35,505.

ASSESSMENT FOR FEDERAL RESERVE BOARD EXPENSES

The total assessment paid by us during 1922 was \$24,944.83 which is \$609.66 less than the payment for 1921. On the basis of our assessment for the first six months of 1923 the total charge for 1923 will be approximately \$2,900. lower than in 1922. The Federal Reserve Board expenses from January 1 to June 30, 1923 are estimated at \$387,000.

LEGAL FEES

We include under this heading salary to legal Counsel at Minneapolis \$5,000., office expense of counsel \$2500. and salary of counsel Weir at Helena, \$3600. The balance of this expense \$492.09 represents traveling and maintenance of counsel on bank business. Legal fees incurred by our representatives at closed banks are not carried under this expense item.

INSURANCE (All Kinds other than Fire)

In August we took advantage of a new blanket policy arranged for the benefit of Federal Reserve Banks through a committee formed to study such matters. This policy covers all persons in our employ at Minneapolis and Helena other than Agent and Assistant Federal Reserve Agents, also Bank Burglary, Holdup and Forgery. The policy taken August 1 was for \$500,000 with premium of \$12,500. yearly. On November 1 we arranged with the Hartford Company for an excess blanket Bond of \$1,000,000. with yearly premium \$5,000. on first \$500,000. and \$2,500. on second \$500,000. These policies also cover Helena Branch. With the various other policies we carry, our expense of this nature approximates \$25,000. per year and should not vary a great deal. The life insurance we carry for our employees costs us approximately \$3,900. per year after allowance is made for return premiums.

BANKING HOUSE

Under this heading we show taxes, light, repairs, etc. for the Helena bank property only. Our taxes at Minneapolis are charged to a separate account "Expense Other Real Estate" and will be so handled until we occupy our own building.

RENT

Rentals at Minneapolis amount to \$33,924.60 per year and at Helena \$125. per month was paid during 1922. We include under "Rent" however, all repairs and alterations, also, light, heat, and power required in the Annex at Minneapolis and in the separate building used as a transit department at Helena. Total expenses of above character for the year \$44,037.87. Our rental expense for 1923 will be greater as we have just acquired additional space in which to place our files but bills for repairs and alterations should be lower.

OFFICE SUPPLIES PRINTING AND STATIONERY

Results have been shown in cutting down costs of general office supplies and printing during the past year. Paper costs have fluctuated and many items have ranged in price from 20 per cent above to 50 per cent below 1921 prices. Total expense at Minneapolis has been \$52,029.47 in comparison with \$84,222.40 expended in 1921. At Helena, costs have not changed materially and the total expense of \$12,439.13 is only \$410.57 below the figures of 1921.

TELEGRAPH

Costs were over \$3,000 lower for the year at Minneapolis and approximately \$1,300 greater at Helena. Allowance must be made, however, for the fact that in 1921 the branch was open only eleven months. While the records indicate a considerable expansion in transactions handled over our private wire, the costs are about \$1,600 lower. The ruling that descriptive data should not be included in transfers for member banks and the coding of every wire possible, has brought about the lowered expense.

POSTAGE

The postage used by our Transit Department was \$63,000 out of a total Postage Expense of \$79,000. Any saving effected must be largely in transit work. Although we had a daily average of 5,324 more items handled by the Transit Department than in 1921, the total postage expense was \$800 less for the year. Eliminating stamped envelopes and installation of postage meters in May brought improvement. No meters have been installed at Helena.

SECURITY SHIPMENTS

This represents postage and insurance on bonds shipped to or from our Collateral Department, the individual charges being small, and the costs on bonds sent in for exchange. During the greater part of 1921 this latter expense was absorbed by the Treasury Department but has been during 1922 an operating expense. Total for the year \$4017.54, and in 1921 \$2100.96.

CURRENCY AND COIN SHIPMENTS

Country shipments increased 50 per cent during the year and this item will, no doubt, be larger in 1923. Heavy incoming shipments of coin in 1921, soon after we assumed sub-treasury functions, increased the expense for that year materially, otherwise the ratio of increase would have been greater during 1922. Incoming expense on all currency and coin and outgoing expense on all except silver dollars is now assumed.

FEDERAL RESERVE CURRENCY

The cost of printing our notes for the year was \$47,841.17. Shipping charges on notes from Washington to Minneapolis and Helena were \$5492.61 making a total of \$53,333.78. The total charges for 1921 were \$124,584.17 during which time our supply of notes on hand at Washington was increased to \$100,000,000. In anticipation of an increased circulation in 1923 we are reserving \$5000. monthly to cover note costs.

FEDERAL RESERVE CURRENCY - REDEMPTION COSTS

This expense apart from shipping charges is paid the Treasury Department in July of each year. We hold in reserve at present \$4500. covering redemption expenses during last half of 1922. For the first half of 1923 we will reserve \$1000 monthly which should be sufficient to meet charges. The retirement of our bank note circulation and smaller amounts of Federal Reserve Notes destroyed should make our redemption costs lower for a time.

TAXES ON FEDERAL RESERVE BANK NOTE CIRCULATION

This charge was \$14,260.35 for 1922. During December our liability for outstanding notes was wiped out through retirement of our special 2% Certificates and we will have no further bank note expense.

FURNITURE AND EQUIPMENT

This item was in expense figures for 1921, but is treated as a separate charge during 1922. Comments appear elsewhere in Report.

ALL OTHER EXPENSE

Various items of expense not covered by the prescribed headings appear as "All Other." This includes Closed Bank expense (other than salaries) \$12,642.82; Copies of Examiners Reports \$11,696.54; Educational Work \$2,076.08; Credit Information \$1,178.50; Suits for Guards \$1,635; Maintenance and Repairs to Equipment \$5,837.68

COMPARISON WITH 1921 EXPENSES

In order to show a true comparison with 1921 figures we must add to current expense the amount expended on Furniture and Equipment which was an Expense item in 1921. In addition we are adding to Helena expense for purpose of comparison, the costs of representatives at failed banks in Montana paid by Minneapolis. This will leave figures as follows:

	<u>Minneapolis</u>	<u>Helena</u>	<u>Combined</u>
Current Expenses 1921	\$ 1,148,798.77	\$ 177,068.21*	\$1,325,866.98
Current Expenses 1922 including Furniture & Equipment	947,124.41	162,457.68	
Adjustment Failed Bank expense	21,477.53	21,477.53	
Total expense 1922	925,646.88	183,935.21	1,109,582.09
Reduction during 1922	223,151.89	6,867.00	216,284.89

*Eleven months in 1921.

REIMBURSABLE EXPENDITURES

Account Fiscal Agency Operations

1922

	<u>Minneapolis</u>	<u>Helena</u>	<u>Combined Minneapolis and Helena</u>
Salaries Officers	\$ 5,200.00	\$	\$ 5,200.00
Clerical Staff	85,401.49	\$ 7,453.30	92,854.79
All Other	6,311.81		6,311.81
Officers' and clerks' traveling expenses	576.12		576.12
Publicity	7,433.79		7,433.79
Rent	3,688.32	900.00	4,588.32
Equipment	7,312.64	1,640.35	8,952.99
Telegraph and Telephone	916.43	594.18	1,510.61
Postage, expressage, etc.	3,832.94	204.47	4,037.41
Insurance and premiums on fidelity bonds	3,421.20	57.76	3,478.96
Printing and stationery	11,095.72	1,026.21	12,121.93
Newspaper and directories	37.65		37.65
All other expenses, n.s.	<u>1,895.12</u>	<u>30.00</u>	<u>1,925.12</u>
Total Expenditures	\$ 137,123.23	\$ 11,906.27	\$ 149,029.50
Amount reimbursable January 1, 1922	<u>7,682.10</u>	<u>1,054.95</u>	<u>8,737.05</u>
Total	\$ 144,805.33	\$ 12,961.22	\$ 157,766.55
Reimbursement received from U.S. Treasurer since January 1, 1922 including other recoveries	<u>118,408.30</u>	<u>11,325.94</u>	<u>129,734.24</u>
Total Disbursements for Which Re- imbursement has not yet been received	\$ 26,397.03	\$ 1,635.28	\$ 28,032.31

CLOSED BANK EXPENSE

Since March 1 we have paid all expenses incurred by our representatives at Closed Banks through Minneapolis. Salaries of representatives are included in Pay Roll figures, but traveling, maintenance, and other incidental expenses appear as a special item on the back of our expense report. We also keep an expense account covering all costs to us at each Closed Bank. The total amount of unrecovered expense of this nature at close of business December 30, was \$41,392.29. In addition to this our office expense for this year in connection with closed banks was \$8,472.81. While we expect to recover some of this expense we are unable to state what the proportion is likely to be. Statement showing amount due from each bank follows:

CLOSED BANK EXPENSE

SOUTH DAKOTA

<u>Bank</u>	<u>Address</u>	<u>Salaries</u>	<u>Traveling & Maintenance</u>	<u>Foreclosure Expense</u>	<u>Legal</u>	<u>Other Expenses</u>	<u>Total</u>
First Nat'l Bank	Eureka, S. D.		\$ 298.72	\$ 100.00	\$ 1,394.13	\$ 19.18	\$ 1,812.03
Corn Belt Natl. Bank	Scotland, S. D.	\$ 1,766.50	2,565.14	279.53	1,460.19	154.35	6,225.71
First Natl. Bank	Wessington Springs S.D.	420.00	121.40	105.85		46.08	693.13
Total South Dakota.		\$ 2,186.50	\$ 2,985.26	\$ 485.18	\$ 2,854.32	\$ 219.61	\$ 8,730.87

NORTH DAKOTA

First Natl. Bank	Medina, N. D.	\$ 763.72	\$ 977.98	\$ 15.72	\$ 601.33	\$ 2,764.55	\$ 5,123.30
First Natl. Bank	Towner, N. D.	96.62	341.53		400.00	100.54	938.69
Merchants Natl. Bank	Wimbledon, N. D.	396.67	76.76			76.47	551.90
Total North Dakota.		\$ 1,257.01	\$ 1,396.27	\$ 15.72	\$ 1,001.33	\$ 2,945.56	\$ 6,613.89

MONTANA

Ballentine State Bank	Ballentine, Mont.	\$	\$ 36.49	\$	\$	\$ 10.69	\$ 47.18
State Bank of Belt	Belt, Mont.	301.67	20.50			90	323.07
Farmers Natl. Bank	Big Sandy, Mont.	565.69	522.77		17.40	458.61	1,564.47
American Natl. Bank	Billings, Mont.	821.60	452.44			45.37	1,319.41
Stockmens State Bank	Browning, Mont.	962.35	350.05		7.40	53.44	1,373.24
First Natl. Bank	Cut Bank, Mont.	1,107.58	77.96		10.70	54.75	1,250.99
First Natl. Bank	Fresno, Mont.	46.69	28.00			40.20	114.89
Commercial Natl. Bank	Great Falls, Mont.	420.98	607.47	3.00		21.01	1,052.46
Havre Natl. Bank	Havre, Mont.	1,977.47	1,639.43	2.00	375.27	1,987.19	5,981.36
Hingham State Bank	Hingham, Mont.	1,999.36		29.25	213.80	345.37	2,587.78
First Natl. Bank	Ingomar, Mont.	974.24	1,047.94			172.12	2,194.30
First Natl. Bank	Opheim, Mont.	87.50	304.10			2.00	393.60
First Natl. Bank	Poplar, Mont.	1,774.17	1,335.51		10.50	440.86	3,561.04
Stockmens Natl. Bank	Poplar, Mont.	728.56	640.13			405.08	1,773.77
Yellowstone Valley Bank & Trust Company	Sidney, Mont.	964.00	1,106.67		375.00	64.20	2,509.87
Total Montana		\$ 12,731.86	\$ 8,169.46	\$ 34.25	\$ 1,010.07	\$ 4,101.79	\$ 26,047.43

Grand Total Closed Bank Expense \$ 16,175.47 \$ 12,550.99 \$ 535.15 \$ 4,865.72 \$ 7,264.96 \$ 41,392.29

MONTHLY BASIS OF SALARIES PAID BY BANK

(MINNEAPOLIS ONLY)

	<u>December 31, 1922</u>		<u>December 31, 1921</u>	
<u>Officers</u>	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>
Bank	6½	\$ 4,483.36	6	\$ 4,233.36
Agent's	5	3,025.02	5	2,916.68
<u>Department</u>				
Agent's	12	1,906.68	10	1,238.34
Audit	7	875.04	9½	1,168.36
Controller's	3	491.68	4	600.00
Discount & Credit	18	2,085.40	27	2,883.72
Currency & Coupon	28½	3,190.88	33	3,601.84
Collection	17½	1,803.03	22½	2,252.38
Wire Transfer	4	466.68	3	350.00
Transit	129	11,167.64	127	11,624.66
Bookkeeping	14½	1,828.20	16	1,824.36
Registered Mail	2	246.68	3	288.68
Purchasing	2	283.34	3	350.00
Guards	11	1,145.02	10	1,038.34
Reserves	2	220.00	3½	318.34
General Files	5	343.61	4	288.34
Government Deposits	3	358.36	4	426.68
Multigraph	1	80.00	1	80.00
Addressograph	1	90.00	1	90.00
Stenographic	19½	1,963.32	26½	2,713.71
Private Wire	2	275.00	2	275.00
Switchboard	2	216.68	2	200.00
Welfare Department	3	280.00	2	225.00
Pages	5	230.34	5½	296.40
Men on Special Work	10½	2,014.17	8	1,825.00
All Other	2½	366.68	1	175.00
Bond	24	2,573.36	29	3,459.22
Extra Help		488.85		168.08
Total Paid By Bank	340½	\$ 42,499.02	368½	\$ 44,911.49

Reimbursable Salaries

Certificate of Indebtedness	12½	\$ 1,611.70	10½	\$ 1,317.84
Collateral	3	421.68	3	308.36
Treasury Saving System	2½	796.34	2½	796.34
War Savings Redemption				
Officers	½	200.00		
Employees	14	1,434.83		
War Finance				
Officers	1	500.00		
Employees	50½	5,268.10	13	2,013.08
Reimbursable	84	\$ 10,232.65	29	\$ 4,435.62

In connection with above figures please note that in order to show the exact number of persons under reimbursable payroll, we have eliminated the following from the departments of the bank:

	<u>1922</u>		<u>1921</u>	
Auditors on Fiscal Agency work	6	\$ 801.68	1	\$ 90 00
Guards on Fiscal Agency work	1½	154.17	1	100 00
Stenographers on Fiscal Agency work	4	425.00		
	<u>11½</u>	<u>\$ 1380.85</u>	<u>2</u>	<u>\$ 190 00</u>

HELENA BRANCH

The operations of the branch for 1922 in most departments show a considerable increase in volume and as the number of people employed has not increased and there were many changes, credit must be given the Officers and employees of the branch for the improvement indicated. The branch was last examined by the Controller on May 13, 1922 and was also examined under date of July 15 by the Federal Reserve Examiners. An examination was scheduled in November by the Controller but due to illness and a conference called by the Federal Reserve Board, the two weeks necessary to cover the branch could not be arranged before the close of the year. This matter will have attention just as soon as the present pressure of work eases.

During the past year there were many changes in personnel especially for the last six months. It has been difficult to obtain competent employees at Helena and during the year we had 55 resignations and releases. While some of the new comers remained but a short time, the constant shifting prevented a high degree of efficiency being reached. At the present time Mr. Towle is the only person remaining of the force originally sent from Minneapolis office. A large portion of the changes have come in transit work and in order to afford the branch relief, in November we notified all other Federal Reserve Banks, with the exception of San Francisco, to route Montana items through us. These items are forwarded direct to Montana banks by us and the branch is saved the handling of about 3500 checks daily. Average number of checks handled daily in 1922 was 9711 in comparison with 8925 in 1921. Items paid for the Government nearly doubled during the year, the balance of the gain being country checks as no change took place in number of clearing house checks.

HELENA BRANCH (Continued)

Collection handling increased in greater proportion than at Minneapolis, 23,911 items being received compared to 17,847 received in 1921.

Shipments of currency and coin to Montana banks increased 67 per cent during 1922, the total number of currency shipments being 2526 and of coin 543. Of these shipments 693 were to non-member banks on request of member banks. Total amount of shipments \$17,700,000 against \$9,650,000 in 1921. Notes of other Federal Reserve Banks returned during the year amounted to \$2,890,000 and of this amount \$1,260,000 represented notes of San Francisco district. Holdings of discounts on December 31, 1922 were \$4,174,000 which was a reduction of \$3,853,000 from the amount carried at the close of 1921. A total of \$23,370,000 represented by 14,316 items was handled for member banks. In number of items this was 3000 less than in 1921 and in amount \$29,560,000 less. It should be noted that the paper of all closed banks in Montana is turned over to Minneapolis for handling and all expense of collection is paid and recorded at Minneapolis. Particulars of the expense of the 15 Montana banks carried on December 31, are given on separate sheet elsewhere in this report.

Total earnings at Helena were \$274,000 less than in 1921, while expenses were \$15,000 lower. As the branch operated only eleven months in 1921, the reduced expenses would be approximately \$30,000 for a full year. If, however, the closed bank expense of Montana banks was included, no such saving could be reported.

NEW BUILDING

Foundations for our new building were completed during the winter of 1921-1922. Contracts for the superstructure were let early in June 1922 and work progressed rapidly until midsummer, when, owing to the coal and railroad strikes, delivery of steel from the mills was greatly delayed. We had expected that the frame would be erected by the last of December, but because of the above delays, and not because of the fault of any contractor, it will probably be February 1, before the steel work is all in place. The contractors are preparing to resume work when spring opens and the completion of the building carried forward as rapidly as possible. It would seem unlikely however, that it would be ready for occupancy before the spring of 1924.

One of the most competent vault engineers in the country has been selected to make plans for vaults, upon which he is now at work. Owing to the special design of the building, which affords in itself unusual protection, it will not be necessary for us to invest in the vaults as large an amount as would otherwise be the case. Nevertheless, their size and strength will be ample.

Planning of the vaults has been delayed as long as possible in order that we might take advantage of the scientific study and testing which has been going on during the past two years.

Careful study is being given to the laying out of floors so that the practical work of the bank can be carried on with the utmost efficiency. It is planned to eliminate so far as possible all partition walls and separate the different departments either by aisles or balustrades so as the volume of work in different departments increases or diminishes the needed adjustment can be easily and quickly made. This is especially desirable in the case of a Federal Reserve Bank owing to the peculiar nature of Fiscal Agency operations, the volume of labor in connection with which fluctuates greatly from time to time.

It would seem that we were fortunate in letting our contracts when we did as we are advised by people who are in position to know that were we to ask for bids today there would undoubtedly be a considerable advance in the cost.

FURNITURE & EQUIPMENT

Total purchases of furniture and office equipment which includes cancellation machinery have amounted to \$252,690.10 since the opening of the bank. During 1922 \$21,870.63 was expended at Minneapolis and \$2,768.97 at Helena. Very little additional equipment other than files was needed, practically all the expense being for replacements. Of the total expense during the year \$5100.00 was for replacement of adding machines and 7500.00 represented the purchase and installation of our automatic telephone system. The latter expense will not be duplicated in our new building as the telephone system will be taken with us.

An effort has been made to hold down purchases unless absolutely necessary and the total of \$24,639.60 compares favorably with \$53,369.10 in 1921 and \$100,816.40 in 1920. Until we are able to obtain a capable mechanic and find space to install a work room, our replacement expenses and maintenance costs will be considerable. All furniture and equipment purchased for the War Finance Department conforms in design and finish with that of the bank and will be taken over by us at a reasonable price when the War Finance work is completed.

While furniture prices have fallen somewhat during the year, we have not written down our values on the older furniture to the same extent as in former years for the reason that our present figures are quite moderate. On our machinery however, the value is shown by the amount the makers will allow as determined by the age of each machine.

The valuation placed on equipment in main bank building at Minneapolis is \$49,088.45 and in Annex \$39,830.40. Element of risk much greater in Annex. Our stock room also is located in the Annex.

Particulars as to building location of our furniture and equipment with insurance is given below:

Amount expended for furniture and equipment			
to end of year 1922			
		\$228,050.50	
Purchased during 1922	Head Office	21,870.63	
Purchased during 1922	Helena Branch	<u>2,768.97</u>	\$252,690.10
Exchange valuation as of January 1, 1922			
	Head Office	88,918.85	
	Helena Branch	<u>17,586.00</u>	106,504.85
Insurance carried on Furniture & Fixtures			
At Minneapolis	Main Building	40,000.00	
" "	Annex	50,000.00	
" Helena	Main Office	5,000.00	
" "	Annex (Transit Dept.)	<u>10,000.00</u>	110,000.00

CURRENCY FUNCTIONS

Conditions changed somewhat during 1922, our second year of Sub-Treasury operations. Most of our difficulties were overcome during 1921 and the handling of currency and coin in the past year has been smoothly and efficiently done. Due to the enormous volume of war savings certificates sent in for redemption in the last sixty days, we have been forced to store over \$500,000. in small bills in the vaults at the Metropolitan National Bank. The using of our tellers on War Savings work has also thrown us behind in our money sorting. The trend of currency and coin was outward and while we received \$20,000,000 less in shipments than during 1921, we shipped \$17,000,000. more to member and non-member banks. In number of shipments to country banks our total was 11,020 compared to 7,403 in 1921. There was considerable demand locally and from country banks for silver and minor coin, causing us to bring several hundred thousand dollars from the other sub-treasuries and mints, whereas, in 1921 we had received from our district banks and shipped to the mints in excess of \$1,500,000.

FEDERAL RESERVE NOTES

The total Federal Reserve note circulation expanded \$35,552,000 during 1922 and of this amount our expansion was \$2,155,000 and at no time during the year until December was reached did we have a greater amount outstanding than on December 31, 1921. Notes to the amount of \$43,360,000 were withdrawn from the Agent during the year and of this total \$34,060,000 were new bills. While we issued nearly \$5,000,000 more of new bills than in 1921, this was necessary due to shortage of fit-for-use bills of the smaller denominations. On December 30 the Agent had on hand \$1,055,000 in fit-for-use notes and of this amount \$400,000 consisted of \$1000 bills.

Notes were destroyed to the amount of \$32,784,000 and of this amount \$18,315,000 was forwarded to Washington from this office. Total

FEDERAL RESERVE NOTES (Continued)

notes thus removed from circulation was \$17,000,000 lower than amount destroyed in 1921 and is the smallest amount destroyed since 1918. The total issued is also of greater amount than any other year since 1918. The ratio of denominations issued changed very little from 1921, \$5 bills falling slightly and \$10 bills increasing. In comparing the ratio of denominations destroyed to like denominations of new notes issued, we find little change in \$5 and \$10 notes but a large increase in the destroyed notes of higher denominations. This is unusual and may mean that money withdrawn from circulation in the past years has been brought into use again.

Gold holdings of the Agent have increased \$29,500,000 during the year and at the same time paper with the Agent eligible as security for note issues is \$28,400,000 lower than at the close of 1921. While this automatically increases the gold reserve in the Agent's hands, the gold and Federal Reserve notes are in joint custody and reserve is calculated against Federal Reserve Notes and deposits combined.

Stock of our notes on hand at Washington on December 30, 1922 amounted to \$86,820,000 on which all costs except shipping charges to Minneapolis have been paid. In addition, there is being printed the amount of \$19,760,000 which will give us \$106,580,000 available. As our normal needs should not exceed \$45,000,000 yearly, the amount held at Washington added to the supply carried by our Agent would be sufficient for two and one-half years. If necessary to further curtail expenses, printing of our notes might be stopped for at least a year without danger.

During the year we set aside each month \$4000 to cover estimated costs of printing notes. The total amount reserved \$48,000 was within \$158.83 of the amount actually expended. Redemption expense is being provided for by setting aside \$1000 monthly for this purpose.

COMBINED
CURRENCY RECEIPTS FROM AND SHIPMENTS TO MEMBER AND NON-MEMBER BANKS BY MONTHS
FEDERAL RESERVE BANK OF MINNEAPOLIS AND HELSINKI BRANCH

(000's omitted)

	<u>RECEIPTS</u>		<u>SHIPMENTS</u>		<u>TOTAL RECEIPTS</u>		<u>TOTAL SHIPMENTS</u>	
	<u>From Member Banks</u>	<u>From Non-Member Banks</u>	<u>To Member Banks</u>	<u>To Non-Member Banks</u>	<u>1922</u>	<u>1921</u>	<u>1922</u>	<u>1921</u>
January	\$11,106 M	\$6 M	\$ 5,358 M.	\$ 84 M	\$11,112 M	\$ 12,853 M	\$ 5,442 M	\$ 4,656 M
February	7,795		8,082	88	7,795	8,916	6,170	6,264
March	9,053	5	7,324	147	9,056	10,967	7,471	7,907
April	9,062	1	9,106	139	9,063	11,406	9,245	7,377
May	10,800	7	8,407	91	10,807	12,664	8,498	6,579
June	10,950	36	7,996	55	10,986	11,809	8,051	6,548
July	9,711	27	8,533	98	9,738	11,194	8,651	6,884
August	9,681	31	8,992	111	9,712	10,426	9,103	7,960
September	9,317	10	12,341	187	9,327	10,229	12,528	9,476
October	9,627	2	8,569	483	9,629	10,501	9,052	9,536
November	5,985	7	10,214	340	5,992	10,781	10,554	7,522
December	10,238	1	12,195	224	10,239	11,292	12,419	9,607
Totals 1922	\$115,325 M	\$ 131 M	\$ 105,117 M	\$ 2,047 M	\$ 113,456 M		\$ 107,164 M	
" 1921	\$ 132,789	249	89,296	1,020		\$ 133,038 M		\$ 90,316 M
" 1920	\$ 64,532	528	78,616	380		64,860		78,996

**COMPARATIVE STATEMENT SHOWING
NUMBER OF BILLS HANDLED, NUMBER OF EMPLOYEES
AND PAY ROLL BY MONTHS**

(Minneapolis only)

	No. Bills Received and Counted	No. Bills Paid Out	No. of Employees	Salaries
January	2,731,629	1,348,481	25	\$ 2,867.72
February	1,683,624	1,265,684	25	2,854.36
March	1,739,369	1,472,026	23½	2,799.36
April	1,677,338	1,552,898	23	2,600.77
May	2,140,806	1,822,986	21½	2,542.68
June	2,339,987	2,014,067	22	2,534.34
July	2,125,550	1,830,477	23	2,657.39
August	2,165,491	1,929,958	24	2,725.74
September	2,336,277	2,272,542	24	2,759.94
October	2,292,932	1,925,479	23	2,698.55
November	1,801,813	1,290,311	22	2,541.90
December	2,245,651	2,376,018	23	2,644.39
Total	25,280,467	21,100,927	279	\$ 32,247.14
Monthly Average	2,106,705	1,758,410	23½	2,667.26

**COMPARATIVE STATEMENT SHOWING
NUMBER OF COUPONS HANDLED, NUMBER OF EMPLOYEES
AND PAY ROLL BY MONTHS**

(Minneapolis only)

	No. Coupons Handled	No. of Employees	Salaries
January	239,208	4½	\$ 436.65
February	84,255	4	361.66
March	185,960	4½	337.18
April	264,144	3	270.00
May	218,500	3	270.00
June	276,639	4½	382.50
July	160,928	4	335.00
August	76,233	4	335.00
September	141,526	3	255.00
October	221,021	3	260.00
November	174,168	3	265.00
December	235,080	4	355.67
Total	2,277,660	43.5	\$ 3,863.67
Monthly Average	189,805	3.6	\$ 321.97

**UNITED STATES COUPONS PAID THROUGH FEDERAL RESERVE
BANK OF MINNEAPOLIS AND HELENA BRANCH.**

NUMBER OF COUPONS PAID 1922

	<u>Minneapolis</u> <u>1922</u>	<u>Helena Branch</u> <u>1922</u>	<u>Total</u> <u>1922</u>	<u>1921</u>
January	239,206	14,845	254,051	488,127
February	84,255	6,587	90,842	157,410
March	185,960	10,485	196,445	289,329
April	264,144	13,747	277,891	360,625
May	218,500	17,414	235,914	313,078
June	276,639	18,664	295,303	362,423
July	160,928	12,662	173,590	285,504
August	76,233	5,046	81,279	111,002
September	141,526	11,090	152,616	225,058
October	221,021	13,378	234,399	207,810
November	174,168	15,786	189,954	352,253
December	<u>235,080</u>	<u>17,938</u>	<u>253,018</u>	<u>435,833</u>
TOTAL	2,277,660	157,642	2,435,302	3,588,452

AMOUNT OF COUPONS PAID

	<u>Minneapolis</u> <u>1922</u>	<u>Helena Branch</u> <u>1922</u>	<u>Total</u> <u>1922</u>	<u>1921</u>
January	\$ 665,527.72	\$ 43,992.19	\$ 709,519.91	\$ 1,345,386.72
February	254,085.86	14,289.31	268,375.17	386,547.45
March	1,037,400.63	45,256.87	1,082,657.50	1,255,776.34
April	1,273,604.61	67,294.43	1,340,899.04	1,577,896.60
May	957,250.91	90,517.86	1,047,768.77	1,305,614.36
June	1,289,362.48	64,696.23	1,354,079.71	1,589,169.65
July	465,414.03	86,673.09	552,087.12	868,730.95
August	292,159.99	12,758.49	304,898.48	365,653.86
September	1,348,253.80	48,962.52	1,397,216.32	1,133,702.31
October	1,229,288.01	72,667.48	1,301,955.49	1,378,924.03
November	837,741.47	79,330.38	917,071.85	1,408,543.37
December	<u>1,006,951.68</u>	<u>67,677.10</u>	<u>1,074,628.78</u>	<u>1,708,778.34</u>
TOTAL	\$ 10,656,162.19	\$ 640,096.05	\$ 11,296,258.24	\$ 14,346,797.18

**COMPARATIVE STATEMENT COUPONS HANDLED
BY YEARS**

	Number of Coupons	Amount
1922	2,435,302	\$ 11,296,258.24
1921.....	3,588,452	14,346,797.18
1920.....	5,089,141	16,418,820.21
1919.....	5,192,950	14,356,128.76
1918.....	1,669,587	4,320,943.38
1917.....	45,089	136,615.27

COMPARISON OF OUTSTANDING FEDERAL RESERVE NOTES

ALL FEDERAL RESERVE BANKS

(In thousands of dollars omitted)

	Dec. 27 1922	Dec. 31 1921	Increase	Decrease	Decrease from 1920
Boston	\$ 227,415 M	\$ 223,272 M	\$ 4,143 M		\$ 78,088 M
New York	781,523	816,675		35,152	248,651
Philadelphia	245,477	224,652	20,825		48,147
Cleveland	276,694	241,782	34,902		103,067
Richmond	112,302	118,662		6,760	48,350
Atlanta	136,598	130,348	6,056		43,548
Chicago	472,711	449,566	23,145		161,718
St. Louis	115,262	115,320		58	40,460
Minneapolis	63,138	60,477	2,661		18,703
Kansas City	79,827	75,664	4,163		38,778
Dallas	43,801	39,861	3,940		40,913
San Francisco	279,959	300,266		20,307	33,135
Total for System	\$ 2,835,092	\$ 2,796,540	\$ 38,552		\$ 903,768

COST OF ENGRAVING PLATES AND PRINTING OUR FEDERAL RESERVE NOTES AT BUREAU OF ENGRAVING, WASHINGTON

1914 to 6-30-17	\$34.37 per M sheets
7-1-17 to 6-30-18	56.56 per M sheets
7-1-18 to 6-30-20	44.75 per M sheets
7-1-20 to 6-30-21	50.65 per M sheets
7-1-21 to 6-30-22	49.58 per M sheets
7-1-22 to 10-1-22	59.65 per M sheets
10-1-22 to date	50.42 per M sheets

It will be noted that a big increase was made in the printing costs on July 1, last. We understand that in order to keep the Bureau of Engraving employees busy they reverted to the old hand presses with the result that printing costs took a big jump. Objection was raised to this increased expense and on October 1 the rate per 1000 sheets was reduced to \$50.42. In addition to printing expense, the Federal Reserve Banks assumed estimated costs of replacing presses and other printing equipment. Such expense has been provided for however, until June, 1923, by our charge of \$11,073.39 to Profit and Loss on December 31, 1920.

FEDERAL RESERVE NOTES RECEIVED AND ISSUED BY AGENT DURING 1922

IN HANDS OF AGENT DECEMBER 31, 1921

	<u>NEW</u>	<u>FIT FOR USE</u>	<u>TOTAL</u>
Fives	\$2,540,000	\$ -	\$2,540,000
Tens	2,280,000	-	2,280,000
Twenties	1,200,000	1,130,000	2,330,000
Fifties	150,000	175,000	325,000
Hundreds	620,000	255,000	875,000
Five Hundreds	380,000	35,000	415,000
Thousands	<u>285,000</u>	<u>340,000</u>	<u>625,000</u>
TOTAL	\$7,455,000	\$1,935,000	\$9,390,000

	<u>RECEIVED FROM COMPTROLLER NEW</u>	<u>RETURNED BY BANK FIT FOR USE</u>	<u>TOTAL RECEIVED</u>
Fives	\$ 13,280,000	\$ 1,965,000	\$ 15,245,000
Tens	11,280,000	3,285,000	14,565,000
Twenties	10,480,000	2,860,000	13,340,000
Fifties	600,000	30,000	630,000
Hundreds	800,000	50,000	850,000
Five Hundreds	-	-	-
Thousands	<u>-</u>	<u>230,000</u>	<u>230,000</u>
TOTAL	\$ 36,440,000	\$ 8,420,000	\$ 44,860,000

	<u>NEW</u>	<u>ISSUED TO BANK FIT FOR USE</u>	<u>TOTAL</u>
Fives	\$ 13,020,000	\$ 1,790,000	\$14,810,000
Tens	11,320,000	3,085,000	14,405,000
Twenties	8,960,000	3,790,000	12,750,000
Fifties	280,000	145,000	425,000
Hundreds	430,000	305,000	735,000
Five Hundreds	50,000	15,000	65,000
Thousands	<u>-</u>	<u>170,000</u>	<u>170,000</u>
TOTAL	\$ 34,060,000	\$ 9,300,000	\$ 43,360,000

IN HANDS OF AGENT DECEMBER 31, 1922

	<u>NEW</u>	<u>FIT FOR USE</u>	<u>TOTAL</u>
Fives	\$ 2,800,000	\$ 175,000	\$ 2,975,000
Tens	2,240,000	200,000	2,440,000
Twenties	2,720,000	200,000	2,920,000
Fifties	470,000	60,000	530,000
Hundreds	990,000	-	990,000
Five Hundreds	330,000	20,000	350,000
Thousands	<u>285,000</u>	<u>400,000</u>	<u>685,000</u>
TOTAL	\$ 9,835,000	\$ 1,055,000	\$ 10,890,000

RATIO OF ISSUE BY DENOMINATIONS 1919-1922

	<u>1922</u>	<u>1921</u>	<u>1920</u>	<u>1919</u>
Fives	34.2 %	35.3 %	27.2 %	36.2 %
Tens	33.2	31.4	33.2	29.5
Twenties	29.4	28.2	33.8	29.7
Fifties	1.0	1.3	1.4	.7
Hundreds	1.7	2.4	2.4	1.0
Five Hundreds	.1	.4	.2	.5
Thousands	<u>.4</u>	<u>1.0</u>	<u>1.8</u>	<u>2.4</u>
	100.0 %	100.0 %	100.0 %	100.0 %

FEDERAL RESERVE NOTES ISSUED AND DESTROYED SINCE ORGANIZATION

		<u>ISSUED TO BANK</u>											
Issued in 1914	\$ 260,000												
Issued in 1915	13,742,000												
Issued in 1916	9,980,000												
		<u>1917</u>		<u>1918</u>		<u>1919</u>		<u>1920</u>		<u>1921</u>		<u>1922</u>	
January	\$	2,500,000.	\$	500,000.	\$	800,000.	\$	1,360,000.	\$	1,820,000.	\$	1,540,000.	
February		1,400,000.		2,150,000.		1,350,000.		3,240,000.		1,925,000.		2,090,000.	
March		1,070,000.		2,945,000.		2,310,000.		3,360,000.		1,975,000.		3,505,000.	
April		2,850,000.		2,000,000.		2,450,000.		2,875,000.		2,705,000.		2,705,000.	
May		2,250,000.		840,000.		3,800,000.		1,600,000.		2,165,900.		2,845,000.	
June		1,600,000.		1,400,000.		2,900,000.		1,200,000.		2,580,000.		3,125,000.	
July		1,300,000.		4,000,000.		1,480,000.		3,130,000.		3,230,000.		3,465,000.	
August		1,940,000.		4,785,000.		2,050,000.		3,420,000.		4,320,000.		3,140,000.	
September		6,860,000.		16,140,000.		8,080,000.		8,135,000.		5,785,000.		5,645,000.	
October		9,360,000.		8,720,000.		5,050,000.		4,435,000.		5,670,000.		6,420,000.	
November		6,400,000.		2,160,000.		3,570,000.		2,595,000.		2,670,000.		2,777,500.	
December		<u>4,500,000.</u>		<u>11,500,000.</u>		<u>6,150,000.</u>		<u>4,100,000.</u>		<u>4,920,000.</u>		<u>6,102,500.</u>	
Total for year	\$	42,230,000.	\$	57,140,000.	\$	39,990,000.	\$	39,450,000.	\$	39,265,000.	\$	43,360,000.	
Destroyed in 1916	\$	695,955.	<u>DESTROYED AT WASHINGTON</u>										
January	\$	125,550.	\$	471,410.	\$	1,894,160.	\$	4,617,335.	\$	4,186,900.	\$	4,950,350.	
February		130,610.		950,025.		2,110,765.		3,297,000.		3,268,250.		4,144,050.	
March		2,131,600.		597,405.		2,689,155.		3,481,335.		3,839,300.		3,251,000.	
April		1,703,750.		664,060.		2,448,740.		3,263,000.		4,556,620.		3,236,000.	
May		461,400.		882,330.		3,109,835.		3,030,635.		4,332,100.		2,905,400.	
June		529,600.		817,480.		3,564,510.		3,422,255.		4,729,950.		1,939,800.	
July		226,810.		815,760.		2,838,315.		3,264,555.		4,050,610.		1,620,700.	
August		774,700.		999,995.		4,050,060.		3,517,300.		4,353,300.		1,724,100.	
September		969,220.		553,600.		3,194,590.		2,416,000.		4,195,100.		1,993,600.	
October		635,700.		245,950.		3,870,295.		3,310,300.		4,387,450.		2,084,700.	
November		611,850.		1,047,280.		3,723,150.		3,011,100.		4,010,100.		2,606,000.	
December		<u>687,305.</u>		<u>1,376,245.</u>		<u>3,257,730.</u>		<u>4,134,900.</u>		<u>3,839,900.</u>		<u>2,328,620.</u>	
Total for year	\$	8,988,095	\$	9,421,540.	\$	36,771,805	\$	40,766,785	\$	49,748,580.	\$	32,784,320.	

ISSUE, REISSUE, AND DESTRUCTION OF FEDERAL RESERVE NOTES SINCE OPENING OF BANK

AS OF DECEMBER 31, 1922

	<u>Received from Controller</u>	<u>Returned by Bank to Agent</u>	<u>Total</u>
Fives	\$ 51,140,000.	\$ 8,972,000.	\$ 60,112,000.
Tens	85,280,000.	15,765,000.	101,045,000.
Twenties	74,480,000.	15,225,000.	89,705,000.
Fifties	3,590,000.	825,000.	4,415,000.
Hundreds	6,000,000.	1,150,000.	7,150,000.
Five Hundreds	800,000.	115,000.	915,000.
Thousands	<u>1,500,000.</u>	<u>1,215,000.</u>	<u>2,715,000.</u>
TOTAL	\$ 232,990,000.	243,207,000.	396,207,000.

ISSUED TO BANK

	<u>ISS</u>	<u>RET FOR USE</u>	<u>TOTAL</u>
Fives	\$ 78,340,000.	\$ 9,397,000.	\$ 87,737,000.
Tens	85,040,000.	15,545,000.	96,605,000.
Twenties	71,760,000.	15,225,000.	87,085,000.
Fifties	3,130,000.	775,000.	3,905,000.
Hundreds	5,010,000.	1,150,000.	6,160,000.
Five Hundreds	470,000.	95,000.	565,000.
Thousands	<u>1,315,000.</u>	<u>245,000.</u>	<u>1,560,000.</u>
TOTAL	\$ 243,065,000.	42,252,000.	285,317,000.

DESTROYED BY FAULTS

	<u>Returned by Agent</u>	<u>Returned other sources</u>	<u>Returned by Miscellaneous</u>	<u>Returned by Other Federal Reserve Banks</u>	<u>Total</u>
Fives	24,260,000.	3,549,750.	24,533,500	28,996,430.	71,339,680.
Tens	2,545,000.	4,073,910.	24,065,000	32,246,890	63,929,800.
Twenties	1,020,000.	2,197,100.	17,300,000	28,450,500	49,967,600.
Fifties	25,000.	147,600.	737,000	913,200	1,824,800.
Hundreds	30,000.	225,600.	1,029,000	1,209,400	2,494,000.
Five Hundreds	-	7,000.	57,000	65,500.	127,500.
Thousands	-	16,000.	145,000	135,000	294,000.
TOTAL	27,880,000.	310,216,960.	63,968,500	92,311,620	319,377,080.

	<u>In Hands of Agent December 31, 1922</u>	<u>In Circulation December 31, 1922</u>	<u>Ratio Destroyed to Issued - Total</u>
Fives	2,975,000.	16,625,320.	78.30 %
Tens	2,440,000.	19,010,500.	76.87
Twenties	2,920,000.	22,092,400.	68.93
Fifties	570,000.	1,245,200.	56.30
Hundreds	390,000.	2,816,000.	49.78
Five Hundreds	350,000.	522,500.	27.12
Thousands	<u>385,000.</u>	<u>621,000.</u>	<u>38.53</u>
TOTAL	10,030,000.	62,632,920.	73.20 %

FEDERAL RESERVE BANK NOTE ISSUES 1922

	Ones	Twos	Fives	Total
Outstanding Dec. 31, 1921	\$3,265,070	\$265,930	\$791,200	\$4,322,200
Rec'd from Comptroller, '22	<u>916,000</u>	<u>448,000</u>	<u>20,000</u>	<u>1,384,000</u>
Total.....	\$4,181,070	\$713,930	\$811,200	\$5,706,200
<u>Less</u>				
Destroyed During 1922	<u>\$2,921,010</u>	<u>\$248,990</u>	<u>\$558,200</u>	<u>\$3,728,200</u>
To be retired thru Retirement Fund	<u>\$1,260,060</u>	<u>\$464,940</u>	<u>\$253,000</u>	<u>\$1,978,000</u>

FEDERAL RESERVE BANK NOTE ISSUES SINCE SEPTEMBER 20, 1916.

	<u>Ones</u>	<u>Twos</u>	<u>Fives</u>	<u>Total</u>
Received from Comptroller	<u>\$16,808,000</u>	<u>\$2,984,000</u>	<u>\$4,140,000</u>	<u>\$23,932,000</u>
Returned to Washington for Destruction	\$15,547,940	\$2,519,060	\$3,887,000	\$21,954,000
To be Retired thru Retirement Fund	<u>1,260,060</u>	<u>464,940</u>	<u>253,000</u>	<u>1,978,000</u>
	\$16,808,000	\$2,984,000	\$4,140,000	\$23,932,000

One year ago we had Bank note circulation outstanding to the amount of \$4,322,200, whereas during the final week of 1922 our liability for circulation of this class was wiped out through the retirement of our special 2 per cent Certificates. The coining of standard silver dollars has enabled the Treasury Department to issue silver certificates and retire the bank note circulation. During the year we received \$1,384,000 in new notes and the total shipped to us since this circulation was put out on September 20, 1916 was \$23,932,000. Of this amount \$21,954,000 has been destroyed at Washington. While there are notes in circulation to the amount of \$1,978,000, the Treasury Department has a Retirement Fund of this amount and our liability has ceased.

Taxes on circulation for 1922 were \$14,260.35. This amount has been reserved but we will have some additional redemption expense to meet in connection with notes still outstanding. This expense as well as similar expense for redemption of Federal Reserve notes is provided for by our setting aside \$1000. monthly.

COLLECTION OPERATIONS

There was a continuance of expansion in collection work during 1922, the volume in April alone falling below that of the same month in 1921. At Minneapolis the collections received averaged 1000 for every working day in the year and the increase in volume was 15 per cent. The gain was entirely in City collections as the items on country points fell from 145,961 in 1921 to 137,240 in 1922. We had been receiving a large number of items from the St. Paul banks but the First National Bank, St. Paul, since December 1, 1922, has sent its items direct. City collections handled at Minneapolis were 166,325 compared to 118,391 in 1921.

At Helena the increase in volume received was 34 per cent. This represented an increase from 17,847 collections received in 1921 to 23,911 received in 1922. Collections received at Helena are practically all on country points not more than five or six daily being payable in that city.

Out of a total of 303,575 collections received at Minneapolis, 10,697 were returned unpaid while at Helena 4,547 collections were returned out of a total of 23,911 received. The total amount collected at Head Office and Branch was \$132,740,328.41.

A comparison by months giving number of employees, salaries and volume handled at Minneapolis during the past year is shown below:

Comparative statement showing number of collections handled, number of employees and Pay Roll by months. (Minneapolis only.)

	<u>Number of collections handled</u>	<u>Number of employees</u>	<u>Salaries</u>
January	21,049	20½	\$ 2,149.50
February	16,786	20	2,073.66
March	20,760	19½	1,999.66
April	18,884	20	2,025.66
May	21,374	20	2,025.68
June	23,150	21	2,067.28
July	21,033	20	2,034.02
August	24,238	20	2,034.02
September	31,298	18½	1,943.94
October	39,858	18	1,845.04
November	34,619	19½	1,996.70
December	<u>30,506</u>	<u>17½</u>	<u>1,803.03</u>
Total	303,575	234½	\$ 23,998.19
Monthly Average	25,298	19.5	\$ 1,999.85

COLLECTION DEPARTMENT

	Collection Items Handled by Minneapolis 1922		Collection Items Handled by Helena Branch 1922		Collection Items Handled by Minneapolis and Helena Branch 1922		
	<u>City</u>	<u>Country</u>	<u>City</u>	<u>Country</u>	<u>City</u>	<u>Country</u>	<u>Total</u>
January	9692	11357	118	1935	9810	13292	23102
February	8307	8479	89	1109	8396	9588	17984
March	9599	11181	118	1837	9617	13018	22635
April	8868	10016	137	1576	9005	11592	20597
May	9976	11398	105	1475	10081	12873	22954
June	10513	12637	105	1379	10618	14016	24634
July	9069	11964	171	1902	9240	13866	23106
August	13239	11099	152	1225	13391	12324	25715
September	19228	12070	156	1252	19384	13322	32706
October	25012	14846	182	2773	25194	17619	42813
November	20568	14051	250	2981	20818	17032	37850
December	<u>22364</u>	<u>8142</u>	<u>259</u>	<u>2625</u>	<u>22623</u>	<u>10767</u>	<u>33390</u>
Total	166,435	137,240	1,842	22,069	168,177	159,309	327,486

COLLECTION OPERATIONS 1922-1921.

	MINNEAPOLIS	HELENA	1922 TOTAL	1921 TOTAL
Items Received for Collections	303,575	23,911	327,486	282,189
Items Returned Unpaid	10,697	4,547	15,244	15,355
Items Collected	292,878	20,837	313,715	266,834
Amount Collected	\$125,157,490.68	\$7,582,837.75	\$132,740,328.41	\$109,689,726.25

VALUE OF ITEMS RECEIVED - (MINNEAPOLIS ONLY)

	1922	1921
City.....	\$59,517,436.73	\$63,074,371.01
Country....	<u>69,626,385.62</u>	<u>60,706,344.23</u>
Total.....	129,143,822.35	123,780,715.24

COLLECTION DEPARTMENT

COMPARISON OF NUMBER OF ITEMS RECEIVED FOR COLLECTION

1922 - 1921 - 1920

MINNEAPOLIS ONLY

	<u>CITY COLLECTIONS</u>			<u>COUNTRY COLLECTIONS</u>			<u>TOTAL COLLECTIONS</u>		
	<u>1922</u>	<u>1921</u>	<u>1920</u>	<u>1922</u>	<u>1921</u>	<u>1920</u>	<u>1922</u>	<u>1921</u>	<u>1920</u>
January	9,692	8,559	7,875	11,357	12,447	1,573	21,049	21,006	9,448
February	8,307	6,096	5,151	8,479	10,270	1,334	16,786	16,366	6,485
March	9,599	7,605	6,150	11,181	12,510	2,139	20,780	19,915	8,289
April	8,868	6,546	5,888	10,016	12,930	1,869	18,884	19,476	7,757
May	9,976	8,086	5,819	11,398	11,608	1,508	21,374	19,894	7,327
June	10,513	9,376	6,760	12,637	13,316	2,538	23,150	22,692	9,118
July	9,069	6,481	5,393	11,964	12,107	2,466	21,033	18,588	7,859
August	13,139	10,631	5,792	11,099	11,303	4,179	24,238	21,934	9,971
September	19,228	14,022	10,972	12,070	10,722	8,341	31,298	24,744	19,313
October	25,012	17,744	11,780	14,846	12,123	11,465	39,858	29,867	23,245
November	20,568	11,940	11,887	14,051	12,294	10,519	34,619	24,234	22,406
December	<u>22,364</u>	<u>11,305</u>	<u>10,177</u>	<u>8,142</u>	<u>14,321</u>	<u>13,528</u>	<u>30,506</u>	<u>25,626</u>	<u>23,705</u>
	166,335	118,391	93,644	137,240	145,951	61,279	303,575	264,342	154,923

ITEMS RECEIVED FOR COLLECTION

HELENA BRANCH

	<u>CITY COLLECTIONS</u>		<u>COUNTRY COLLECTIONS</u>		<u>TOTAL COLLECTIONS</u>	
	<u>1922</u>	<u>1921</u>	<u>1922</u>	<u>1921</u>	<u>1922</u>	<u>1921</u>
January	118		1935		2053	
February	89	59	1109	644	1198	703
March	118	64	1837	841	1955	905
April	137	66	1576	966	1713	1032
May	105	69	1475	1193	1580	1262
June	115	91	1379	1425	1484	1516
July	171	118	1302	1302	2073	1420
August	152	76	1225	1699	1377	1775
September	156	92	1252	2090	1408	2182
October	182	76	2173	2060	2955	2136
November	250	82	2981	2009	3231	2091
December	<u>259</u>	<u>56</u>	<u>2625</u>	<u>2759</u>	<u>2884</u>	<u>2825</u>
TOTAL	1842	849	22,059	16,998	23,911	17,847

DISCOUNT OPERATIONS

It will be noted on the accompanying table that while there was little change in the number of banks using our facilities during the past three years, the number of items received and the total amount had wide changes. During the months of May and June number of items and volume increased over the previous three months, but fell off again for the balance of the year. The increased number of failed banks and the many over extended banks not only gave additional concern to our Executive Officers, but called for very careful handling of the items and records by our employees.

The drop in items handled from 109,195 in 1921 to 47,933 in 1922 does not mean a corresponding falling off in labor under present circumstances. We have, however, reduced the number of employees on Discount work from 20 to 12 during the year which represents a salary saving of \$916.00 per month. Employees of the Discount Department are giving assistance when possible on other work. The multiple ticket plan for recording transactions continues to give complete satisfaction and will admit of considerable expansion without adding to our present force.

COMPARATIVE STATEMENT SHOWING NUMBER OF
ITEMS RECEIVED BY DISCOUNT DEPARTMENT AND
PAY ROLL BY MONTHS. MINNEAPOLIS ONLY.

	<u>Number of items received</u>	<u>Number of employees</u>	<u>Salaries</u>
January	3937	19 $\frac{1}{2}$	\$ 2,337.54
February	2321	18 $\frac{1}{2}$	2,216.70
March	2472	17 $\frac{1}{2}$	2,093.20
April	3045	17	2,006.70
May	3342	16 $\frac{1}{2}$	1,956.08
June	3066	16	1,928.57
July	2462	16	1,930.40
August	1880	16	1,930.40
September	2073	15	1,760.38
October	3014	13	1,511.04
November	2942	12	1,417.04
December	<u>3129</u>	<u>12</u>	<u>1,417.04</u>
		189	\$22,505.09
Monthly Average	2799	15.7	\$ 1,675.42

DISCOUNT OPERATIONS 1921-1920 COMPARATIVE

MINNEAPOLIS AND HELENA BRANCH

Month	Number of Banks Served			Number of Items Received			Amount Rediscounted in M's		
	1922	1921	1920	1922	1921	1920	1922	1921	1920
January	500	614	288	5,172	8,966	2,462	\$ 25,324 M	\$ 81,971 M	\$ 61,183 M
February	372	589	221	2,940	8,258	1,988	17,667	69,310	62,836
March	380	589	275	3,280	7,741	2,935	14,580	66,495	68,461
April	400	608	345	4,558	10,303	5,036	14,729	65,172	89,352
May	412	645	441	5,291	11,855	6,515	20,890	67,366	87,603
June	415	634	495	4,964	11,986	8,579	21,288	67,996	94,758
July	323	620	502	3,766	8,489	7,222	12,120	51,520	72,291
August	336	552	488	2,825	6,291	6,646	11,862	56,610	81,183
September	288	506	410	2,662	6,252	5,316	11,689	51,864	73,705
October	314	603	508	4,082	10,395	8,140	14,336	56,955	83,031
November	350	610	587	4,064	9,345	8,215	12,535	49,220	82,688
December	343	582	624	4,329	9,314	10,110	15,991	46,163	96,300
No. different Banks	706	76	704	47,933	109,195	73,164	\$ 193,014 M	\$ 730,662 M	\$ 953,391 M

VOLUME OF RE-DISCOUNTS

No. Pieces		Minnesota	North Dakota	South Dakota	Montana	Wisconsin	Michigan	Total
		Rediscounted	1922	13,655	6,633	11,014	14,403	1,750
	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
	1919	10,139	1,828	3,245	2,578	614	333	18,737
Total Amount	1922	\$ 97,456,500.79	\$ 20,768,013.06	\$ 27,885,394.41	\$ 28,370,089.12	\$ 10,352,811.38	\$ 8,161,334.45	\$ 193,014,142.39
Rediscounted	1921	474,338,340.56	67,058,283.53	91,838,597.01	65,498,977.15	20,397,189.10	11,530,636.70	730,632,024.05
	1920	735,151,853.61	50,331,395.64	87,875,616.47	53,592,374.96	19,516,346.19	6,924,176.23	953,591,703.10
	1919	570,359,414.15	18,664,910.41	45,860,050.36	14,170,110.95	5,557,229.75	6,908,662.75	661,520,376.37
	1918	358,768,785.00	17,518,176.00	31,766,675.00	11,794,375.00	10,284,681.00	3,659,108.00	433,781,800.00
	1917	70,234,993.00	3,060,613.00	2,357,925.00	2,815,167.00	1,204,175.00	481,822.00	80,154,715.00

INVESTMENT HOLDINGS OF UNITED STATES BONDS

DECEMBER 30, 1922.

	Par Value	Market
Two per cent Panama Bonds 1936-1938	\$ 260.00	\$ 265.20
Three per cent Panama Bonds 1961	500.00	465.00
Three per cent Conversion Bonds 1917-1947	114,800.00	106,764.00
United States Coupons Post dated	1.00	43.71
First L.L. Converted 4 $\frac{1}{4}$ % Bonds of 1932-1947	146,700.00	143,766.00
Second L.L. Converted 4 $\frac{1}{4}$ % Bonds of 1927-1942	1,069,100.00	1,047,718.00
Third Liberty Loan 4 $\frac{1}{4}$ % Bonds of 1928	1,129,050.00	1,106,469.00
Fourth Liberty Loan 4 $\frac{1}{4}$ % Bonds of 1933-1936	1,904,750.00	1,866,655.00
U.S. Treasury Bonds 4 $\frac{1}{4}$ % 1947-1952	157,400.00	157,400.00
U.S. Treasury Notes Series B-1924 dated 9-15-21 Due 9-15-24 5 $\frac{1}{2}$ %	10,000.00	10,000.00
U.S. Treasury Notes Series A-1925 dated 2-1-22 Due 3-15-25 4 $\frac{3}{8}$ %	237,900.00	237,900.00
U.S. Treasury Notes Series B-1925 dated 6-15-22 Due 12-15-25 4-3/8%	1,642,500.00	1,642,500.00
U.S. Treasury Notes Series C-1925 Dated 12-15-22 Due 6-15-25 4 $\frac{1}{2}$ %	600,700.00	600,700.00
U.S. Treasury Notes Series A-1926 Dated 3-15-22 Due 3-15-26 4 $\frac{3}{8}$ %	240,500.00	240,500.00
U.S. Treasury Notes Series B-1926 Dated 8-1-22 Due 9-15-26 4 $\frac{1}{4}$ %	5,317,800.00	5,317,800.00
U.S. Treasury Certificates of Indebtedness Series T J 1923 Dated 6-15-22 Due 6-15-23 3 $\frac{3}{4}$ %	84,000.00	84,000.00
U.S. Treasury Certificates of Indebtedness Series T S 1923 Dated 9-15-22 Due 9-15-23 3 $\frac{3}{4}$ %	410,500.00	410,500.00
U.S. Treasury Certificates of Indebtedness Series T M 1923 Dated 3-15-22 Due 3-12-23 4 $\frac{1}{4}$ %	5,000.00	5,000.00
	<u>13,071,460.00</u>	<u>12,978,445.91</u>
Reserve for Depreciation		93,057.60
	\$ 13,071,460.00	\$ 13,071,503.71

GOLD HOLDINGS OF THE BANK AND FEDERAL RESERVE
AGENT AT CLOSE OF BUSINESS DECEMBER 31, 1922,
AS COMPARED WITH CLOSE OF BUSINESS DECEMBER 31,
1921

	<u>Bank 1922.</u>	<u>Bank 1921.</u>
Gold Coin	\$ 2,375,615.	\$ 1,813,035.
Gold Certificates	5,159,730.	7,326,800.
Gold Settlement Fund	23,498,501.	31,115,656.
Gold Redemption Fund	<u>3,422,611.</u>	<u>2,764,621.</u>
	\$ 34,456,457.	\$ 43,020,112.
	<u>Agent 1922.</u>	<u>Agent 1921.</u>
Gold Coin	3,000,000.	3,000,000.
Gold Certificates	10,052,000.	10,052,000.
Gold with F. R. Board	32,000,000.	2,200,000.
Gold Redemption Fund	<u>1,319,920.</u>	<u>1,604,240.</u>
Combined Holdings	46,371,920.	16,856,240.
	\$ 80,828,377.	\$ 59,876,352.

ACCOUNT WITH TREASURER OF THE UNITED STATES
FEDERAL RESERVE BANK OF MINNEAPOLIS AND HELENA BRANCH COMBINED
1922

	<u>Withdrawals</u>	<u>Deposits</u>	<u>Balance</u>
January	\$ 23,466,389.49	\$ 25,304,657.51	\$ 2,045,046.25
February	33,750,335.61	33,043,056.49	1,337,766.13
March	47,456,773.27	48,662,128.30	2,543,121.16
April	21,166,937.42	21,597,330.29	2,973,514.03
May	13,458,454.21	12,530,756.32	2,045,814.20
June	49,307,350.87	48,597,320.25	1,335,783.58
July	8,905,438.02	9,716,54.33	2,096,892.89
August	29,844,161.84	28,733,568.43	986,301.48
September	29,616,496.47	30,103,876.71	1,473,681.72
October	44,429,383.79	45,531,646.94	2,575,944.87
November	17,803,736.52	16,469,094.44	1,241,302.79
December	55,038,728.06	54,597,736.45	800,311.18
	<u>\$ 374,294,185.57</u>	<u>\$ 374,887,718.52</u>	

ACCOUNT WITH TREASURER OF THE UNITED STATES
FEDERAL RESERVE BANK OF MINNEAPOLIS ONLY

	<u>Withdrawals</u>	<u>Deposits</u>	<u>Balance</u>
January	\$ 20,287,543.23	\$ 22,202,513.65	\$ 1,914,970.42
February	50,751,516.11	30,001,840.38	1,165,294.69
March	44,543,414.83	45,780,914.39	2,402,796.25
April	19,543,103.51	20,004,519.72	2,864,212.46
May	11,553,394.99	10,628,986.38	1,939,803.85
June	47,765,084.22	46,991,414.64	1,166,134.27
July	7,647,942.15	8,344,215.28	1,862,407.40
August	28,322,306.28	27,323,572.57	863,673.69
September	27,586,513.35	28,108,201.86	1,385,362.20
October	41,920,379.19	43,024,798.40	2,489,781.41
November	15,225,398.04	13,901,348.10	1,165,731.47
December	51,973,363.11	51,523,066.22	715,434.58
	<u>\$ 347,119,959.01</u>	<u>\$ 347,835,393.59</u>	

ACCOUNT WITH TREASURER OF THE UNITED STATES
HELENA BRANCH

	<u>Withdrawals</u>	<u>Deposits</u>	<u>Balance</u>
January	\$ 3,178,846.26	\$ 3,102,143.86	130,075.83
February	2,998,819.50	3,041,215.11	172,471.44
March	2,913,358.44	2,881,211.91	140,324.91
April	1,623,823.91	1,592,810.57	109,301.57
May	1,905,059.22	1,901,768.00	106,010.35
June	1,542,246.65	1,605,905.61	169,649.31
July	1,307,495.87	1,372,332.05	234,485.49
August	1,521,855.56	1,409,997.86	122,627.79
September	2,029,983.12	1,995,674.85	88,319.52
October	2,509,004.60	2,506,848.54	86,163.46
November	2,578,338.48	2,567,746.34	75,571.32
December	3,065,364.95	3,074,670.23	84,876.60
	<u>\$ 27,174,226.56</u>	<u>\$ 27,052,324.93</u>	

DAILY AVERAGE MEMBER BALANCES BY MONTHS

	<u>1922</u>	<u>1921</u>	<u>1920</u>	<u>1919</u>
January	\$ 42,234 M	\$ 43,444 M	\$ 52,344 M	\$ 48,257 M
February	42,628	42,746	52,018	48,114
March	43,193	44,008	57,271	49,576
April	43,960	42,298	53,695	48,838
May	44,036	40,540	48,038	48,681
June	44,110	40,774	48,308	51,187
July	44,286	41,745	47,789	55,424
August	43,133	40,178	45,628	50,803
September	45,149	40,706	45,782	53,003
October	45,399	40,095	44,115	53,193
November	46,786	40,589	44,122	52,443
December	48,508	42,301	45,058	51,819
Daily Average Balance for 1922	\$ 44,451 M			
" " " " 1921	41,535 M			
" " " " 1920	48,680 M			
" " " " 1919	50,945 M			

MEMBER BANK RESERVE BALANCES BY STATES AT
CLOSE OF BUSINESS DECEMBER 31, 1922.

	<u>1922</u>	<u>1921</u>	<u>1920</u>	<u>1919</u>
Michigan	\$ 2,424 M	\$ 2,153 M	\$ 2,663 M	\$ 2,339 M
Minnesota	30,521	26,702	26,733	36,544
Montana	5,954	5,546	4,853	6,018
North Dakota	3,767	3,134	3,434	4,439
South Dakota	3,893	4,093	3,690	5,812
Wisconsin	2,128	1,896	2,198	2,181
	<u>\$ 48,687</u>	<u>\$ 43,524 M</u>	<u>\$ 43,571 M</u>	<u>\$ 57,333 M</u>

PENALTIES DEFICIENT RESERVES

<u>1922</u>	<u>Minneapolis</u>	<u>Helena</u>	<u>Combined</u>	<u>1921</u>
Am't of Penalties	\$78,346.16	\$49,740.90	\$128,087.06	\$157,158.17
No. of Banks Penalized	363	138	501	744
Highest Penalty Rate	10%	10%		15%
Highest Point Member Bank Reserves 5/18	45,690,121.61	\$ 50,807,298.96		
Low Point 2/16	\$ 33,799,236.86	\$ 38,787,651.21		
High Point Member Bank Reserves 12/22		\$ 6,480,543.77		
Low Point 7/26		\$ 4,403,293.76		
High Point Member Bank Reserves 3/15			\$ 47,215,204.37	
Low Point 5/16			\$ 34,175,437.34	

TRANSIT OPERATIONS

After making a marked improvement in 1921 over 1920, the Transit Department continued to bring up efficiency during 1922 making very favorable comparisons with 1921. The number of employees fluctuated very little from January to December. In 1921 the average number of persons employed on transit work was 157, while in 1922 this average dropped to 125. In January 1922 the daily average of items handled was 64,691 by 126 people, while in December 1922, 128 people handled a daily average of 91,817 items. During the year many changes were made in personnel of transit department, a number of the older employees being placed in other departments or released and their places filled by lower salaried employees. Consequently we were handling 43 per cent more items in December than in January, with a monthly reduction of \$600. in payroll

In making comparisons of various classes of work, we find about the same percentage of clearing items missent for the two years, also that our Clearing Division is about on a par with the Clearings in the other large banks as far as errors are concerned. In sending items to out of town banks we had 50 per cent less missent items than in 1921 and this in the face of an improvement in 1921 of 75 per cent over 1920. Another big saving in labor was the large decrease in missorts between the various sections within the Transit Department, the number missorted being out in half. As the mishandling of items counts heavily against an employee in the efficiency rating and consequent salary adjustment, this improvement is natural. It is noticeable that during the last quarter of 1922 there was an increase of items missent over the earlier months of the year. This is without doubt, caused by the sudden expansion in volume thereby throwing a heavier load on the younger operators than they could efficiently handle. In December, for instance, the average number of items handled per person was 761 against a daily average for the year 1922 of 674 and for 1921 of 539.

All items on Montana points outside of Helena from Federal Reserve districts other than San Francisco, are now forwarded to Minneapolis. This is an assistance to the branch where employees are difficult to obtain, and may be handled here with little additional expense. In number of items handled drawn on the Treasurer of the United States, there was little change, but the amount was considerably greater. In 1921 we handled 543,685 for \$75,226,000 and during the past year we paid 548,791 items drawn on the Treasurer for \$116,753,000. The daily average of all items handled in 1922 was 83,280 and in 1921, 79,956. The following tables give details and comparisons with previous years.

Comparative statement showing number of items handled by Transit Department and pay roll by months. Minneapolis only.

	Number of items handled - daily average	Number of employees	Salaries
January	64,691	126	\$ 11,768.30
February	64,885	127	11,733.30
March	69,746	126	11,528.54
April	71,251	127	11,559.56
May	71,583	127	11,590.72
June	76,041	124	11,390.07
July	72,236	124	11,384.43
August	66,719	123	11,244.04
September	76,384	120	11,024.58
October	84,265	122	10,958.21
November	94,244	127	11,169.44
December	91,817	128	11,167.64
		<u>1,500</u>	<u>\$ 136,518.83</u>
Monthly Average	75,322	125	\$ 11,374.90

The total expense of the transit work at Minneapolis and Helena was \$278,570.28 and for 1921 similar expense was \$358,526.17. The reduction was principally in pay roll although five stenographers charged in 1921 to Transit Department are now on Stenographic pay roll. With this allowance, salaries were reduced \$47,000. Supplies cost \$12,000 less in 1922. Furniture and Equipment are now carried in a separate account. After all allowances are made, transit expense was approximately \$70,000 lower than in 1921.

**TWIN CITY CLEARINGS
THROUGH
FEDERAL RESERVE BANK
FOR YEAR 1922**

<u>Date</u>	<u>Items on Minneapolis Banks</u>	<u>Items on St. Paul Banks</u>
January	\$ 112,969,219.72	\$ 62,201,157.25
February	95,924,455.02	52,802,430.61
March	124,087,947.28	70,696,579.77
April	110,440,436.11	62,265,893.61
May	118,445,789.53	66,540,695.21
June	130,176,494.30	70,627,220.51
July	123,230,417.70	72,430,005.71
August	127,978,933.73	72,556,105.84
September	140,278,447.96	78,057,797.56
October	153,886,910.67	94,322,989.45
November	146,634,387.16	80,696,032.85
December	150,790,506.52	86,388,562.78
	<u>\$1,534,843,945.70</u>	<u>\$869,785,571.15</u>

REPORT OF TRANSIT DEPARTMENT

MINNEAPOLIS ONLY

FOR YEAR 1922

**DIRECT SENDINGS TO OTHER RESERVE BANKS (INCLUDING
HELENA BRANCH) BY OTHER MEMBER BANKS**

<u>Date</u>	<u>DIRECT TO OUR BRANCH</u>		<u>TO OTHER RESERVE BANKS</u>	
	<u>No. Items</u>	<u>Amount</u>	<u>No. Items</u>	<u>Amount</u>
January	13153	\$ 1,026,384.37	99540	\$ 15,315,419.34
February	10756	664,259.79	82290	13,297,374.36
March	14259	819,127.21	102757	16,747,056.82
April	13368	880,034.63	97664	14,147,178.57
May	14844	891,970.92	103720	15,726,597.17
June	14121	862,050.39	104316	15,957,268.67
July	14117	752,944.92	104712	15,962,008.78
August	14643	760,424.40	111430	15,951,904.84
September	15357	1,033,328.72	107648	15,110,847.27
October	17944	1,217,112.19	116401	17,437,831.77
November	16210	1,060,183.21	105212	17,028,571.06
December			120227	16,440,683.97
	<u>158669</u>	<u>\$ 9,967,820.75</u>	<u>1255917</u>	<u>\$ 189,122,742.62</u>

TWIN CITY CLEARINGS THROUGH
FEDERAL RESERVE BANK OF
MINNEAPOLIS

DAILY AVERAGE
CLEARINGS HELD OVER

	<u>1922</u>	<u>1921</u>	<u>1922</u>	<u>1921</u>
January	\$175,170,376.97	\$ 209,464,778.73	\$ 208,521.92	\$ 628,477.83
February	148,726,885.63	157,533,397.92	178,620.13	329,371.93
March	194,784,627.05	219,278,539.31	180,256.39	382,734.72
April	172,706,329.72	192,561,157.56	138,529.82	179,467.49
May	184,986,484.74	179,739,191.22	137,864.85	214,972.86
June	200,803,714.81	199,781,050.43	166,113.08	364,483.65
July	195,660,423.41	187,406,594.59	185,808.39	691,207.79
August	200,535,039.57	194,463,633.95	175,079.72	498,531.44
September	218,336,245.52	212,057,556.28	209,596.88	445,850.27
October	248,209,900.12	228,485,561.08	234,919.61	398,157.85
November	227,530,420.01	204,896,436.46	278,284.70	386,978.04
December	<u>237,179,069.30</u>	<u>211,975,785.75</u>	<u>355,527.53</u>	<u>420,273.98</u>
TOTAL	\$2,404,629,516.85	\$2,397,663,683.28		
Average by months	\$203,385,794.74	\$ 199,805,306.94	\$ 204,101.92	\$ 411,708.98

AVERAGE ITEMS PER PERSON
HANDLED DAILY

AVERAGE NUMBER OF
EMPLOYEES

	<u>1922</u>	<u>1921</u>	<u>1922</u>	<u>1921</u>
January	561	439	126	188
February	568	435	127	184
March	627	495	126	179
April	661	447	127	174
May	671	496	127	164
June	749	553	124	160
July	701	544	124	157
August	650	516	123	149
September	627	577	120	144
October	756	679	120	137
November	739	639	127	133
December	<u>781</u>	<u>657</u>	<u>128</u>	<u>127</u>
Yearly Average	674	539	125	158

CLEARING STATISTICS

Number and Amount of Items Handled During 1922.

Within District			Other Districts		
	Number	Amount		Number	Amount
Clearings.....	3,205,357	\$1,459,953,995.67	Federal Reserve Banks.....	1,068,689	\$ 265,745,584.6
Member & Non-Member.....	20,244,434	1,102,061,522.71	Sent Direct by Member Banks..	1,255,917	189,122,742.6
Paid for U. S. Govt.	<u>548,791</u>	<u>116,758,277.42</u>			
Total.....	23,998,582	\$2,678,773,795.80	Total.....	2,324,606	\$ 452,866,127.2

Daily Average number of items handled: 1922: 83,280, 1921: 77,956, 1920: 71,015, 1919: 35,354

Twin City Clearing handled through Federal Reserve Bank in 1922 \$2,404,629,516.85

(Highest number of items handled in one day Nov. 13, 133,040: Average number items per person 1,118) Exclusive of
 (Highest average number of items per person Dec. 18, 1,140: Total number items for Dec. 18, 132,267) Helena Branch

CLEARING STATISTICS

FEDERAL RESERVE BANK OF MINNEAPOLIS AND HELENA BRANCH

NUMBER AND AMOUNT OF ITEMS HANDLED DURING 1922

WITHIN THE DISTRICT

	<u>Number</u>	<u>Amount</u>
Clearings	3,205,357	\$1,459,953,995.67
Member and Non-member,	20,244,434	1,102,061,522.71
Paid for U. S. Government,	<u>546,791</u>	<u>116,758,277.42</u>
	23,998,582	\$2,678,773,795.80

OTHER DISTRICTS

Federal Reserve Banks,	1,068,689	263,743,384.64
Sent Direct by member banks,	<u>1,255,917</u>	<u>189,122,742.62</u>
	2,324,606	\$ 452,866,127.26

Daily average number of items handled, exclusive of duplications on account of items handled by both parent bank and branch:

1919.	35,354
1920.	71,015
1921.	77,956
1922.	83,260

Twin City Clearings handled through Federal Reserve Bank in 1922 \$2,404,629,516.85

CLEARING STATISTICS

Minneapolis only

NUMBER AND AMOUNT OF ITEMS HANDLED DURING 1922

WITHIN THE DISTRICT

Twin City Banks	2,926,937	\$1,361,336,247.28
Member and Non-member	17,738,092	949,313,399.36
Paid for U. S. Government	446,111	98,241,471.90
Helena Branch	<u>62,864</u>	<u>3,671,930.70</u>
	21,224,004	\$2,412,563,049.24

OTHER DISTRICTS

Federal Reserve Banks	992,861	\$ 224,442,509.71
Sent direct by member banks	<u>1,255,917</u>	<u>189,122,742.62</u>
	2,248,778	\$ 413,565,252.33

Daily average number of items handled:

1919.	35,354
1920.	71,015
1921.	70,832
1922.	73,311

Twin City Clearings handled through Federal Reserve Bank in 1922: -\$2,404,629,516.85

CLEARING STATISTICS

Helena Branch

NUMBER AND AMOUNT OF ITEMS HANDLED DURING 1922.

WITHIN THE DISTRICT

Clearings	278,420	\$9,617,748.33
Member and Non-member	2,456,342	152,748,123.35
Paid for U. S. Government	<u>102,680</u>	<u>18,516,805.52</u>
	2,837,442	\$ 270,882,677.26

OTHER DISTRICTS

Federal Reserve Banks	75,828	\$ 39,300,874.93
Daily Average No. of items handled: 1922 9,711	

REPORT OF THE TRANSIT DEPARTMENT FOR YEAR 1922

MINNEAPOLIS ONLY

MONTH	CLEARINGS		MEMBER & NON MEMBER		OTHER RESERVE BANKS		DIRECT TO BANKS IN OTHER F.R.DISTS		TO HELENA BRANCH BY US		TREASURER OF THE UNITED STATES	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
1922												
Jan.	216,427	96,580,702.88	1276,058	63,445,163.29	78526	15,095,700.03	1625	821,330.46	5085	379,689.19	28435	12,809,092.02
Feb.	194,269	81,652,667.91	1118,269	52,519,443.05	66415	13,151,519.07	1650	854,255.37	4364	199,740.14	20631	10,792,022.82
Mar.	264,251	113,922,979.60	1469,737	73,969,324.02	83244	17,228,638.85	2295	1349,462.67	5522	306,991.00	30904	13,644,054.52
Apr.	222,547	98,286,266.71	1401,066	69,236,979.42	76868	15,306,069.65	2149	1151,526.10	5111	228,918.70	40022	8,819,819.53
May	238,131	105,356,816.61	1471,159	75,110,300.66	81220	16,881,264.68	2270	1288,856.76	5602	248,367.47	33747	6,570,853.12
June	246,499	109,709,585.22	1571,370	80,488,664.90	76764	17,075,449.05	1906	940,016.11	5645	222,480.10	43626	6,643,107.65
July	237,896	110,468,015.34	1419,270	78,029,269.55	79053	17,388,965.40	1857	867,607.57	5092	246,507.92	33584	5,790,274.31
Aug.	229,817	110,806,791.48	1431,362	76,911,299.23	78848	17,373,338.45	1750	867,233.09	4234	307,014.62	25694	5,549,582.61
Sept.	257,103	126,283,477.92	1499,208	84,215,125.98	75994	16,929,688.38	2950	2045,968.39	4727	299,894.56	41967	5,880,898.53
Oct.	281,601	145,269,168.31	1722,936	103,076,510.65	86686	19,177,501.48	5321	5024,189.26	6929	464,082.80	53156	7,410,799.76
Nov.	260,298	128,397,588.17	1564,831	94,415,156.01	83842	17,155,325.37	4795	5491,870.15	9631	648,339.00	47162	7,763,352.85
Dec.	278,098	134,602,187.13	1842,806	97,876,142.60	92027	16,850,379.34	4806	4106,354.03	922	119,905.20	47182	6,567,813.15
	2,926,937	1,361,536,247.28	17,788,092	949,313,399.36	959,487	199,613,839.75	33,374	24,828,669.96	62,864	3,671,930.70	446,111	98,241,471.90
Monthly Ave. No. Items	243,911		1,482,341		79,957	2,781		5,238		37,176		
Monthly Ave. Amounts		113,444,687.27		79,109,449.91		16,634,486.64		2,069,055.83		305,994.22		8,186,789.32

OPERATIONS OF CHECK CLEARING AND COLLECTION DEPARTMENT

MINNEAPOLIS AND HELENA BRANCH

Detailed Classification of Number and Amount of Items Handled by Months, during 1922
With Totals for 1922, 1921, 1920

Items handled in actual numbers - Amounts in thousands of Dollars

	<u>Items drawn on Banks in own District</u>				Items Drawn on		Items forwarded		TOTALS (a)			
	Located in F.R. Bank and Br. Cities		Located outside F.R.		Treasurer of United States		to Other F.R. Banks and their Branches		1922		1921	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Jan.	241,571	\$104,496	1,466,201	\$75,197	34,894	\$15,711	88,234	\$18,428	1,830,700	\$213,832	1,826,428	\$247,973
Feb.	210,416	87,586	1,278,275	61,151	26,887	13,582	73,135	16,298	1,588,713	178,617	1,612,049	204,157
Mar.	281,053	121,596	1,679,717	84,945	36,976	16,088	91,899	21,279	2,089,645	243,908	2,118,264	286,443
Apr.	236,440	105,279	1,603,816	80,261	46,222	10,098	84,621	18,896	1,971,099	214,534	1,949,561	238,457
May	252,990	113,258	1,682,005	86,651	43,037	8,017	89,541	21,115	2,067,573	229,041	1,891,740	218,305
June	270,435	118,117	1,785,797	91,772	51,369	7,724	84,712	20,805	2,192,313	238,418	2,098,901	243,499
July	262,111	119,375	1,632,769	89,815	40,787	6,669	87,786	21,125	2,023,453	237,004	1,907,860	224,151
Aug.	252,080	119,487	1,627,549	88,693	32,699	6,362	86,319	20,980	1,998,647	235,522	1,933,760	233,575
Sept.	284,032	136,056	1,710,877	98,514	51,447	7,312	84,522	22,313	2,130,878	264,195	2,003,568	254,011
Oct.	318,382	158,641	1,977,390	121,946	64,418	8,441	98,274	30,251	2,456,464	319,279	2,135,340	276,131
Nov.	289,316	139,457	1,803,677	111,843	58,775	8,909	95,825	27,029	2,247,593	287,238	1,991,030	250,353
Dec.	306,531	136,660	1,996,361	111,268	61,480	7,820	103,821	25,218	2,468,193	280,966	2,152,375	263,563
Totals												
1922	3,205,357	1,460,008	20,244,434	1,102,055	548,791	116,753	1,068,689	263,737	25,067,271	2,942,554		
1921											23,620,876	2,940,624
1920											21,588,684	3,908,856

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

COMPARATIVE FIGURES—POST OFFICE DEPARTMENT

BY MONTHS MINNEAPOLIS ONLY

	DAILY AVERAGE NUMBER OF TRANSIT LETTERS RECEIVED		DAILY AVERAGE NUMBER OF TRANSIT LETTERS SENT		DAILY AVERAGE NUMBER OF RETURNED ITEMS HANDLED	
	1922	1921	1922	1921	1922	1921
January	1322	1252	3001	2812	1149	924
February	1398	1177	2999	2975	913	816
March	1282	1068	3048	2965	915	972
April	1364	1035	3022	3000	975	924
May	1148	1115	2995	2873	969	792
June	1182	1174	3002	2945	1097	905
July	1103	1122	3008	2937	1098	940
August	1258	1123	3011	2932	999	865
September	1477	1370	3013	3022	1089	1023
October	1456	1389	2960	3024	1230	1152
November	1569	1487	2983	3049	1393	1450
December	1740	1454	3197	3035	1375	1380
Average by months	1358	1230	3018	3005	1100	1011

	DAILY AVERAGE ALL OTHER ITEMS SENT		DAILY AVERAGE TRANSIT ITEMS SENT DIRECT BY OUR MEMBER BANKS		DAILY AVERAGE ITEMS SENT DIRECT TO HELENA BY OUR MEMBER BANKS	
	1922	1921	1922	1921	1922	1921
January	63,446	73,021	4,003	3,593	526	
February	63,891	66,946	3,740	4,102	488	
March	63,924	72,730	3,850	4,140	528	
April	72,764	66,515	4,067	3,928	556	
May	70,459	66,900	3,980	3,970	570	
June	75,209	71,815	4,012	4,072	544	
July	71,013	67,918	4,188	4,190	564	
August	64,878	63,875	4,127	4,007	523	
September	75,283	71,141	4,306	4,208	610	
October	82,945	72,311	4,476	4,091	690	
November	85,816	73,353	4,574	4,031	781	587
December	90,633	73,051	4,825	4,189		634
Average by months	73,311	70,832	4,179	4,043	580	610

	DAILY AVERAGE CLEARING ITEMS RETURNED		DAILY AVERAGE CLEARING ITEMS MISSENT		DAILY AVERAGE CLEARING ITEMS OUT OF TOWN MISSENT		DAILY AVERAGE MISSORTS BETWEEN SECTIONS	
	1922	1921	1922	1921	1922	1921	1922	1921
January	27	27	32	22	26	83	93	281
February	21	25	25	15	25	77	131	270
March	26	26	30	30	34	87	175	241
April	27	23	31	28	30	97	117	246
May	22	20	21	28	25	80	133	248
June	23	22	19	25	38	103	124	226
July	27	21	16	28	32	86	95	229
August	24	21	25	19	30	87	62	194
September	27	26	21	30	27	55	77	178
October	24	24	37	23	29	20	62	158
November	31	27	36	29	42	24	66	100
December	34	33	36	37	51	25	52	101
Average by months	26	24	27	26	32	68	99	205

**WIRE TRANSFERS BOUGHT AND SOLD
MINNEAPOLIS AND HELENA BRANCH
1922**

<u>Month</u>	<u>Purchased</u>		<u>Sold</u>	
	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>
January	1,245	\$ 66,253,890	880	\$ 37,659,263
February	1,089	59,890,704	752	29,577,487
March	1,203	84,176,033	1,004	44,070,039
April	1,098	73,216,811	921	41,796,254
May	1,357	88,790,987	957	50,299,376
June	1,355	98,867,654	969	52,228,747
July	1,378	80,672,786	911	45,753,680
August	1,519	99,248,537	996	60,785,817
September	1,552	101,549,214	960	47,046,569
October	1,817	115,418,756	1,051	51,406,638
November	1,609	93,251,705	920	49,413,686
December	1,535	111,792,070	1,075	57,359,350
TOTAL	16,754	\$1,073,129,147	11,396	\$ 567,394,906

**WIRE TRANSFERS BOUGHT AND SOLD
(Minneapolis only)**

<u>Month</u>	<u>Purchased</u>		<u>Sold</u>	
	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>
January	1,049	\$ 62,925,180	741	\$ 35,808,787
February	900	56,766,215	677	28,080,408
March	973	79,458,632	866	42,426,180
April	875	68,885,311	813	40,750,245
May	1,102	84,046,767	826	49,174,859
June	1,074	94,096,730	808	50,329,100
July	1,064	75,277,334	755	44,160,873
August	1,238	94,344,889	838	59,414,645
September	1,162	94,735,719	841	45,975,612
October	1,337	105,821,082	941	50,067,727
November	1,187	83,848,787	816	48,261,641
December	1,205	102,651,514	928	55,586,209
TOTAL	13,166	\$1,002,858,160	9,850	\$550,036,286

**WIRE TRANSFERS BOUGHT AND SOLD
(Helena Branch)**

<u>Month</u>	<u>Purchased</u>		<u>Sold</u>	
	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>
January	194	\$ 3,328,710.09	139	\$ 1,850,476.16
February	189	3,124,488.65	75	1,497,079.29
March	230	4,717,400.94	138	1,643,859.21
April	223	4,331,500.54	108	1,046,009.20
May	255	4,744,219.58	131	1,124,517.28
June	281	4,770,924.13	161	1,899,646.48
July	314	5,395,451.74	156	1,592,806.95
August	280	4,903,647.69	158	1,369,171.77
September	390	6,813,495.24	119	1,070,957.18
October	480	9,597,674.34	110	1,338,910.59
November	422	9,402,917.61	104	1,152,044.82
December	330	9,140,555.83	147	1,773,141.09
TOTAL	3,588	\$ 70,270,986.38	1,546	\$ 17,358,620.02

STENOGRAPHIC DEPARTMENT

This Department was comparatively new at the time of the last annual report but sufficient time had elapsed to make it apparent the centralizing of the stenographic work in one department had many advantages over the former custom of assigning the work to certain individuals. After the girls got over trying to make a record and settled down to normal conditions, it was found the work could readily be handled by fewer people and a shorter working day.

While at the end of December there was little change in number of stenographers from 1921, there had been a heavy expansion in work. Our War Finance Department has grown so rapidly that the time of five stenographers is necessary, while work in other departments of the bank increased materially. Although this new work enabled us to charge the expense of five stenographers to War Finance work, we were able to assume these duties without additional help, thereby saving the bank the salaries of these persons.

Although it was anticipated that the organization of a central stenographic force would be beneficial, it is now apparent that certain definite advantages have been derived from this action. Some of these are as follows:

1. The girls are given broader experience.
2. The work is divided more evenly.
3. It is easier to handle the work when a girl is absent.
4. Peak loads are handled more easily.
5. The same volume of work is turned out in a shorter working day.
6. It is easier to standardize methods of handling the work.
7. Unnecessary duplication of equipment is reduced to a minimum.
8. Supervision and inspection are centralized, and thus made more efficient and economical.
9. A fair comparison of quality and volume of work done by various individuals is more easily made.
10. Complete rotation of work and Department meetings make it possible to assist dictators in improving their diction according to standards of modern letter-writing.

A N N U A L R E P O R T
VOLUME OF WORK DONE IN
STENOGRAPHIC DEPARTMENT
YEAR 1922

<u>Month</u>	<u>Total Words Written</u>	<u>Working Days</u>	<u>Number in Department</u>	<u>Actual Daily Average Words</u>	<u>Average No. Employees Loaned Other Departments and on Clerical Work</u>	<u>Adjusted Daily Average Words</u>
January	2,055,471	25	27	3,045	5½	3,638
February	1,696,773	22	26	2,966	5½	3,652
March	2,096,575	27	27	2,876	7½	3,647
April	1,916,865	24	26	3,072	4½	3,715
May	2,050,509	26	26	3,033	6	3,653
June	1,923,727	26	26	2,908	8	3,625
July	1,817,042	25	25	2,914	7½	4,049
August	2,022,100	27	25	2,996	5½	3,634
September	1,829,785	25	27	2,714	5	3,369
October	2,129,590	26	24	3,352	4½	4,152
* November	2,048,779	23	30	2,969	9	4,376
* December	2,027,337	25	29	2,796	8	3,980

* "Number in Department" includes special messenger for department and Miss Hake. In figuring "Adjusted Average", the work of Miss Hake, who is a blind girl, is deducted.

While the clerical work performed by members of the stenographic department makes it rather difficult to obtain comparisons as a whole we estimate a reduction of about four people over one year ago and a salary saving of approximately \$800. per month.

EMPLOYEES

Beginning in January 1922, the Controller's Department has compiled monthly, certain personnel figures which are submitted to the operating officials. These figures have been of material assistance in the ensuring of punctuality on the part of employees, determining departments with excess help, and those needing assistance.

For the information of the Directors, we attach figures for November. Owing to the extra work entailed by the Redemption of War Savings Certificates, we are not able to submit figures for December and the year.

In arriving at the Standard hours of work, we use 46 hours a week (8 hours daily and 6 hours Saturday). Although the male employees outnumber the female by approximately 60 per cent, salaries involved in absences on the part of the males, are about one-half that of females.

The salaries involved in absences are approximately 3 per cent of the clerical payroll for 1922. The percentage naturally varies among departments and with the number of female employees. For the Transit Department the figures are 2.3 per cent, for the Stenographic 5 per cent, for the Discount 4 per cent and for the Collection 2 per cent.

ATTENDANCE RECORD

NOVEMBER - 1922
Basis 180 Hours

<u>Department</u>	<u>Average Hours Per Employee</u>	<u>Per Cent Hours to Required</u>	<u>Per Cent Attendance</u>	<u>Per Cent Punctuality</u>
Agent's	167	93.7	99.0	91.6
Audit	161	90.5	97.2	90.1
Bond and C.I.	156	87.7	97.8	92.1
Bookkeeping	173	97.4	98.3	98.0
Cash & Custody	156	87.5	96.3	96.8
Collection	179	100.7	95.3	90.4
Collateral	159	88.8	97.1	95.2
Controller's	175	98.4	100.	97.5
Discount - Credit	159	89.3	96.4	90.6
General Bookkeepers	183	102.7	98.9	93.8
General Files	157	88.1	96.1	89.1
Government Deposits	163	91.3	92.8	83.3
Messengers	160	89.7	97.5	98.4
Multigraph	163	91.5	100.	100.
Private Wire	158	88.4	98.9	92.9
Purchasing	171	96.3	98.9	96.5
Registered Mail	158	88.5	97.8	96.4
Reserves	156	87.6	100.	96.5
Stenographic	153	85.9	98.4	95.1
Switchboard	116	** 65.2	95.6	97.4
Transfers	162	90.8	100.	90.7
Transit	168	* 94.3	98.4	89.7
War Finance	157	88.0	98.1	88.3

* Day Force

** Special Arrangement.

SALARIES INVOLVED IN ABSENCES

NOVEMBER - 1922

Department	No. Persons Absent	Total Days	Total Days Excluding Sundays	Loss in Salary	Total Since January 1.
Agent's	1	3	2	\$ 20.00	\$ 751.45
Audit	7	12	10	48.69	478.75
Bank General	1	18	15	115.00	405.88
Bond & C.I.	6	16	13	59.71**	1,329.06
Bookkeeping	1	5	4	19.44	313.75
Cash & Custody	14	29½	23½	95.24	1,528.02
Collateral	1	2	2	5.33	85.77
Collection	6	41	32	107.11*	819.88
Controller's					177.17
Discount & Credit	3	15½	14½	68.87	1,234.51
General Books	1	1	1	4.17	103.42
General Files	4	6½	5½	17.69	143.01
Government Deposits	1	7	5	16.67	86.60
Guards	1	3	2	10.00	589.41
Messengers	2	6½	5½	9.75	94.92
Multigraph					80.94
Private Wire	1	1	1	2.08	91.18
Purchasing	1	1	1	3.33	67.48
Registered Mail	1	1	1	2.67	25.98
Reserves					21.16
Stenographic	7	12½	12½	43.41	1,536.39
Switchboard	1	2	2	6.67	24.41
Transfer					63.13
Transit	29	40½	33½	122.12	2,826.68
War Finance	13	24	19	78.61	1,213.62
Welfare	1	1	1	3.33	45.18
Totals	103	248	205	\$ 859.89	\$ 13,837.73
Reimbursable				142.74	2,270.41
Total Loss to Bank				\$ 717.15	\$ 11,567.32

*Includes \$19.63 account employee discharged.

** Includes \$38.50 account employee resigned.

	<u>Total</u>	<u>Less Reimbursable</u>	<u>Loss to Bank</u>
January	\$ 1,092.48	122.11	\$ 970.37
February	1,412.33	227.51	1,184.72
March	2,421.13	600.65	1,820.48
April	1,031.84	336.38	695.46
May	1,458.69	154.19	1,304.50
June	1,237.03	226.82	1,010.21
July	1,131.02	55.78	1,075.24
August	1,072.37	146.16	926.21
September	1,035.59	141.56	894.03
October	1,085.36	116.41	968.95

COMMITTEE ON ECONOMY AND EFFICIENCY

With a view to coordinating the activities of the twelve Federal Reserve Banks, the Federal Reserve Board in 1921 appointed a Committee on Economy and Efficiency which includes two members of the Federal Reserve Board. This Committee called a meeting of representatives of the various Federal Reserve Banks at Chicago in April, where a tentative plan was adopted. Each Federal Reserve Bank has a local Committee on Efficiency and Economy. This Committee in our Bank is composed of Messrs. Dunlop, Moore and Warren

The first practical result of the Board's Committee on Efficiency and Economy, was the adoption of a uniform Functional report of expense and volume of work handled. This report was first put tentatively into effect as of June, but was made compulsory on July 1, 1922. Monthly each Federal Reserve Bank submits a detailed report of its expenses and volume of work handled, divided into seventeen functions with various divisions.

These reports are studied by the Federal Reserve Board's Committee on Efficiency and Economy and a combined comparative report prepared and sent to the Federal Reserve Agent for use of the Senior Officers. A quarterly report is also submitted.

At a Conference of the Board's Committee and the Chairman of the local Committees on Efficiency held in Chicago in December, some modifications were made in the reports to be submitted during 1923.

In the past when information has been requested for means of making comparisons with other Federal Reserve Banks, we have found no two banks submit figures uniformly. The first procedure of the present Committee on Economy and Efficiency, has been to get up a manual stating what items of expense shall appear under each function and how the items comprising volume are to be obtained.

These reports will undoubtedly prove of great value to the local Committees in enabling them to determine in which bank each function appears to be handled most efficiently and economically.

The Committee has taken another step, in dividing into groups of four, to enable closer study of the more important functions, those banks having similar or nearly similar conditions. The functions to receive attention first will be, Discount, Accounting, Currency and Transit

In Minneapolis we have experienced considerable difficulty in compiling the figures requested. Our organization is small in numbers comparatively speaking and often two or more officers are devoting part of their time to the same function. In some functions we have to determine the time given to the function by four different officers to arrive at the cost. The salaries of the officers must be distributed to 14 expense functions and the salaries of employees over 86 expense units.

In order to obtain the best results and admit of truer comparisons, the Federal Reserve Banks should have their organization charts follow functional lines.

Considerable difficulty has been experienced in training the employees to conform to the necessary regulations to enable us to get accurate figures. Each expense item must be carefully analyzed before being distributed. We have found that it takes one man about two hours a day to make this distribution. The posting of the distribution has increased the work of the general ledger to such an extent that we have been unable to reorganize this division of our work and cut down the employees.

A study of the comparative reports of all Federal Reserve Banks shows that Minneapolis ranks among the leaders in low costs and high efficiency. During the coming year it is hoped to remedy the weaker spots and by the close of 1923 we should rank in every department with the best of the other Federal Reserve Banks.

AUDITING DEPARTMENT

In the first half of 1922 there was perceptible improvement month by month in the morale of the Auditing Department. During the last half of the year the Auditing Department has not functioned as efficiently as your Controller desires. This was due partly to illness in the department, shortage of competent senior men and additional duties undertaken without expansion of personnel.

At the last examination, the Federal Reserve Examiners recommended the addition of at least one senior man. This recommendation was complied with, but due to shortages in other departments it was necessary to have our men assigned to other work. At present there are 11 clerks regularly assigned to audit work, under supervision of the Controller's Department.

Until late in 1922 there was no increase in the actual number of Auditing Department employees even though the work had increased materially in some departments and three persons were required on the Audit of War Finance Work. The sudden development in Fiscal Agency work has made necessary two additions to the Department and further help may be required temporarily. Of the 13 members of the Auditing Department, there are at present only 7 on bank pay roll.

During the vacation period the auditing Department was called upon to do relief work and at one time four men were filling operating posts. During December auditing work fell behind, practically the whole department doing operating to help remove the War Savings congestion.

We have worked out a set of standards and have placed the requirements for each grade in the hands of every member. Until an audit clerk can qualify for the next higher post, no recommendation for increase of salary is made.

A general outline of the auditing procedure was written up and given to each member of the department. Before an audit is undertaken, the general plan is discussed and written assignments made of

AUDITING DEPARTMENT (Continued)

duties to the various members. After the audit is completed each member turns in a report of his assignment. These reports are collated and a general report of the audit made through the Controller to the Executive Committee with a copy given to the Officer in charge of the department.

The members of the department are rotated on the routine and daily work. At present we have at least two people available for every post. Ultimately every member will be familiar with every post.

As audit clerks are not always received with enthusiasm, especial emphasis is laid on the necessity of avoiding controversies with other employees of the bank. Audit clerks are instructed under no circumstances to argue with clerks in other departments but to refer disputed matters to the department head or Controller for adjustment. It is hoped by these instructions to remove ill feeling and antagonism towards the Auditing Department and increase efficiency.

Employees are encouraged to take up special courses which will aid them in their daily work. At present every male employee but one is studying one or more of the following: Auditing, Accounting, Commercial Law, Negotiable Instruments, The Alexander Hamilton Course, and the American Institute of Banking Courses.

PURCHASING DEPARTMENT

The value of having some person to devote all his time to the purchases of supplies was more clearly demonstrated during the past year. Over \$30,000. cost of our supplies in 1921 and this includes Bond Department purchases, which up to July 1, 1921, had been assumed by the Treasury Department. Bids are required on all printing unless the job is a very small one, and the work is given the lowest bidder. On only a few articles are we now able to get the Government discount, but as we buy in quantities and are not tied to customers like the commercial banks, we are in a position to force close prices. If necessary we go outside for certain supplies and on a number of things are able to purchase lower than can the Minneapolis supply houses.

NEW EQUIPMENT

In November an order was given for three Ellis Adding Machines for use on Return Items, the Federal Reserve Books and the Government Transcript Divisions. These machines are a combination typewriter and adding machine and have proven their merit in other Federal Reserve Banks. The Federal Reserve Bank of Chicago after several years use, has found their flexibility so advantageous that they have replaced all their Burroughs equipment with the Ellis Machine. We are satisfied good results will be obtained on the work mentioned and will also try the Ellis machines on our letters to other Federal Reserve Banks.

It has been our practice to trade in our adding machines at the end of five years, but as soon as we are able to provide a suitable mechanic and work room, it will be recommended that we hold our equipment indefinitely. The machinery if properly looked after, will be worth much more to us than the trade-in value.

FILES

In November 1921 an expert was secured to make an analysis and survey of our files and filing system. Careful study of the report received was made by the Controller and Committee on Economy and Efficiency.

Many of the recommendations have been put into effect and there has been a noted improvement in General Filing conditions. In place of each department maintaining its own files, consolidation has been effected, cutting down from 90 places where a letter might be filed to less than a dozen.

Credit is due to Miss Jenkins for improved conditions. She was given supervision over all bank files after her return in June, 1922, from a course of study at the Illinois School of Filing. Revised methods put into effect have cut the cost of supplies about 50%, speeded up the service and obviated much of the former criticism and complaint made by the staff.

Miss Jenkins expects to start cross indexing all Board and Treasury Department circulars by subjects and topics as soon as the War Savings Redemption filing is caught up. The need for this subject classification has been apparent for several years but it has not been possible to provide it prior to this time.

The old hit and miss method of obtaining letters from files has been abolished and a visible follow up instituted, which has lessened the chances of lost letters and fixed the responsibility for returning borrowed material on the person taking same.

By the close of 1923 we hope to have a single place for reference to all correspondence to, from and about a bank. We have as far as practical, established a centralization of responsibility for the condition of all files. Our files are practically uniform so that

FILES (Continued)

similar material is filed by the same standards. Economy in labor cost has been achieved within the department when one takes into consideration the cost to the bank one year ago and now. While it has been necessary for the War Finance Department to maintain separate files the equipment was purchased to conform with that of the bank as it will no doubt be turned over to us at a fair price when the War Finance work is completed.

STANDARDIZATION OF ACCOUNTING FORMS

During 1921 the Governors of the Federal Reserve Banks approved the appointment of a Committee on Standardization of Forms used between Federal Reserve Banks.

This Committee made a careful study of the various intra bank relations and completed by 1922 a set of standard forms. The Federal Reserve Board approved the forms and all Federal Reserve Banks have adopted the standard forms.

The adoption of standard forms has proved a great benefit. In many forms the originating bank makes at one operation the entries for their own books, the advice, and tickets for use of the receiving bank.

Our experience with these standard forms has been very satisfactory. The volume of correspondence between Federal Reserve Banks on routine matters has been materially lessened, operating has been quickened, the work of the bookkeepers lightened and efficiency increased.

LUNCH ROOM

In February of this year it was determined to make arrangements whereby employees who chose to bring their own lunches might have a suitable place in which to eat them. The bank provided tables and has been supplying coffee and milk without charge. Many employees promptly availed themselves of this privilege, resulting in a saving to them it was estimated of about \$10.00 a month each. However, as many of the employees were not living at home and so unable to bring their lunches it was recently decided to provide sandwiches and a few other things, which were purchased outside and supplied to the employees at actual cost.

The Lunch Room service is greatly appreciated and at the present time an average of about 275 are taking advantage of its facilities. Now and then the officers have also found it very convenient to make use of the lunch room when pressed for time.

Data: From March 1 to December 31, 1922.

Number served in Lunch Room	27,025.
-----------------------------	---------

PROTECTION

A strong force of carefully selected guards is maintained who are regularly drilled in the use of firearms and a record kept of their marksmanship. Great precautions are being taken to prevent holdup, which is undoubtedly the greatest danger to which we are subject. It is believed that by thus maintaining an adequate force of guards, we may be able to forestall an attack such as was made by bandits at Denver and by constant training in marksmanship we reduce to the minimum the danger of accidental casualties.

WELFARE DEPARTMENT

To assist us in maintaining a more efficient force of employees, a Welfare Department was put into operation in July 1918 and a very capable woman selected as Secretary. It has been her duty and that of her successor to investigate all cases of reported illness, either by telephone, or if so desired by the department manager, to make a personal call at the residence of the employee. Minor cases of illness or injury are often taken care of by the Secretary, or her assistant, and simple remedies or dressings administered. They are instructed, however, in all cases of apparently serious nature to urge the employee to consult his own physician. The number of absences on account of illness has been materially reduced as oftentimes employees through the attention given them in the Welfare Department have been able to resume their work where otherwise they would have found it necessary to go to their homes. Through kindly oversight and counsel, problems of a mental nature are often solved, resulting in better capacity on the part of employees to apply themselves to their work. Now and then problems of a financial nature arise which are referred to the officer who has the department under his supervision.

The Welfare Department also takes the supervision of the physical examinations which are now required of all new employees. This practice was adopted for the reason that in several cases we have discovered that after an employee has been in our service for a few weeks, or months, he has been found suffering from some chronic ailment which necessitated his absence from the office for protracted periods. This examination which is made by a competent physician, employed by the bank, is expected to eliminate cases like the above. It is our practice also to send our employees to this physician for examination whenever it seems to us that it may be advisable in order that we may be assured that they are fit to pursue their duties.

Data: From January 1 to December 31, 1922.

Number of calls at residence, hospitals, etc. 84

Number of applications for service at office

of Secretary 3,768

BANK CHANGES IN 1922

Important changes that transpired during the year, including the establishment of new banks, both National and State, are summarized as follows:

Total number of banks in the district, January 1, 1922.	1024
New National banks organized.	4
New National banks, by conversion	2
Total number of new National banks organized.	6
State banks and trust companies admitted.	<u>5</u>
	1035

National banks absorbed by state institutions.	4
State institution absorbed by National bank.	1
National banks absorbed by another National bank	2
National bank consolidated with another National Bank	
State institution consolidated with another State	
institution.	1
National banks liquidated	8
State institutions liquidated	1
State bank withdrawals.	<u>3</u>
	21

Total number of banks at the end of the year. 1014

- - - - -

	<u>State</u>	<u>National</u>	<u>Total</u>
Michigan	11	38	49
Minnesota	33	344	377
Montana	59	130	189
North Dakota	4	184	188
South Dakota	20	133	153
Wisconsin	<u>10</u>	<u>48</u>	<u>58</u>
	137	877	1014

19 22
NEW MEMBER

MINNESOTA

<u>Bank</u>	<u>Shares Subscribed</u>
State Bank of Anoka, Anoka	45
Duluth National Bank, Duluth	150
Minnetonka State Bank, Excelsior	21
Transportation Brotherhoods Nat'l Bank, Minneapolis	72
Richfield National Bank, Richfield	18
Security State Bank, Wauamingo	29

MONTANA

Daly Bank & Trust Company, Anaconda	120
-------------------------------------	-----

NORTH DAKOTA

First National Bank, Donnybrook	8
First National Bank, Streeter, (Reopened)	15

SOUTH DAKOTA

Mellette County State Bank, White River	18
---	----

WISCONSIN

First National Bank, Eagle River	18
----------------------------------	----

SUMMARY OF MEMBER BANKS IN NINTH DISTRICT

Number of member banks December 31, 1921	1024
New National Banks organized.	4
New National banks by conversion.	<u>2</u>
Total number of new National banks organized	6
State banks and trust companies admitted	<u>5</u>
Total	1035
Number of banks liquidated in 1922.	21
Number of member banks December 31, 1922.	1014
Capital stock paid in, December 31, 1922.	\$3,534,600
Capital stock paid in, December 31, 1921.	3,568,950
Decrease.	\$ 34,350

MEMBER BANKS LIQUIDATED DURING 1922

National Banks

<u>Name of Bank</u>	<u>Location</u>	<u>Disposition</u>	<u>Shares Surrendered</u>
Farmers National Bank	Big Sandy, Mont.	Liquidation	18
Citizens National Bank	Tyndall, S. D.	Consolidation	17
Stockmens National Bank	Poplar, Mont.	Liquidation	18
First National Bank	Venno, S. D.	Absorbed by a State Bank	17
Stillwater Valley Nat. Bank	Absarokee, Mont.	Liquidation	20
Stockmens National Bank	Hardin, Mont.	Absorbed by a State Bank	27
First National Bank	Antelope, Mont.	Absorbed by a State Bank	17
Silver Bow National Bank	Butte, Mont.	Absorbed by a State Bank	152
National Bank of Commerce	Yankton, S. D.	Absorbed by a National Bank	35
First National Bank	Ingomar, Mont.	Liquidation	22
First National Bank	Reed Point, Mont.	Liquidation	17
Lincoln National Bank	Minneapolis	Absorbed by a National Bank	360
Merchants National Bank	Wimbledon, N. D.	Liquidation	18
American National Bank	Billings, Mont.	Liquidation	98
First National Bank	Fresno, Mont.	Liquidation	15

State Banks

Peoples Bank	St. Paul, Minn.	Consolidation	360
Stockmens State Bank	Browning, Mont.	Liquidation	30
Farmers State Bank	Waconia, Minn.	Withdrawal	21
St. Anthony Falls Bank	Minneapolis, Minn.	Absorbed by a National Bank	300
First American State Bank	Golden Valley, N. D.	Withdrawal	17
Little Horn State Bank	Wyola, Mont.	Withdrawal	21

War Finance Department

On December 31, 1921, we had made advances for account of the War Finance Corporation to 497 applicants. These advances totaled \$12,650,000, and were secured by 10,563 pieces of collateral having a face value of \$18,750,000.

Up to the close of 1922 a total of 6342 advances and renewals had been handled at Minneapolis and Helena and the total amount of advances was \$57,755,000. The total amount of repayments during this period was \$15,897,000, leaving the amount due the War Finance Corporation on December 30, 1922, \$41,858,000. The face value of collateral held at end of year was \$66,120,000.

While the amount advanced gives some idea of the work involved, the fact that in excess of 120,000 individual pieces were handled during the year, shows more clearly the volume. It is necessary to handle these items three times irrespective of the writing up of the multiple ticket which constitutes our records and the filing of these items in the Collateral division. Two and one-half times as many items were handled by the War Finance Department as were handled by the Discount Department.

Apart from the handling of negotiable collateral in the bank Collateral Department, all other War Finance collateral is handled by the Custody Division of the War Finance Department. The Department also has its own Collection Division as the nature of the collections and the necessity for frequent reference to the records made it apparent this work could not be handled in our regular Collection Department. In October there were approximately 35,000 notes cut for collection, practically all of which were past due. By segregation of the War Finance work, we are better able to obtain efficiency and also watch operating expenses.

The Accounting methods adopted in War Finance work have proven quite satisfactory from all angles. The system keeps only live items in our records and as we must furnish detailed information to

War Finance offices at Washington as well as to the Local Agency on all transactions, former methods would have been inadequate and expensive. There is added value to the plan of operation due to the fact that we are frequently called upon to furnish the War Finance Corporation additional information and are able to do so with a minimum of work. We virtually do all the bookkeeping for both the Local Agency and the Washington offices, it being necessary for them to maintain only the controls.

Credit is due Mr. Moore for the smoothness of operation, the War Finance Auditor stating that although the volume handled at Minneapolis is many times greater than that handled at other points, the Minneapolis Department is the most efficient.

In October we commenced handling advances to the North Dakota Grain Growers Association, followed in November by advances to the Montana Grain Growers Association. This has added to our accounting upwards of 30,000 individual transactions which are handled somewhat similar to the collateral notes.

On December 31, 1921 this Department had 12 employees and on December 30, 1922 the force consisted of one officer and 50 employees. The total expense to the War Finance Corporation for the handling of their work by us since the beginning has been \$87,828.48 at Minneapolis and \$14,016.17 at Helena.

Up to the close of 1922 we had collected for the War Finance Corporation at 5½% interest, the amount of \$1,830,468.73. Accrued interest on unmatured and past due bills payable is estimated at \$750,000. The total expense of operation incurred at Minneapolis and Helena of \$101,848.65 would seem very reasonable.

PISCAL AGENCY

On December 31, we had 82 employees engaged in the issue and redemption of Bonds, Certificates of Indebtedness, Treasury Savings Certificates and War Savings Certificates and the accounting incident thereto. In addition we had an entirely separate force of 51 persons handling the work of the War Finance Corporation. None of the expense of the War Finance Corporation is assumed by us and we are also reimbursed for 51 persons on Fiscal Agency work. Normally, three or four people are able to take care of the War Savings and Treasury Certificate work but the tremendous volume of redemptions thrown on us since the latter part of November has made necessary the employment of all the additional help we could accommodate. For several weeks we have called on the employees of other banks to assist us nights and on Sundays, using several hundred extra people.

Had we been called upon to handle only the certificates sent in for redemption by banks, our problem would have been comparatively easy, but under Treasury Department ruling, the Postmasters all over the country were instructed by the Postmaster General to send all applications for exchange or payment of War Savings Certificates direct to the Federal Reserve Bank or Branch of the district in which they were located. As of January 1, all Federal Reserve Banks were instructed to forward Cashier's Check or Treasury Warrant direct to the owner of each certificate redeemed. Well over 100,000 checks have been issued to individuals and banks in addition to which, many member banks have taken credit on our books.

The work of writing checks and making credit tickets could not be done until all stamps and certificates had been examined and verified. Our vaults had become congested to such an extent that we found it necessary to store small bills at the Metropolitan National Bank. As our perforating machine could not be used on the stamps, in order to remove congestion, we purchased large rubber stamps and were then able to cancel and ship the War Savings Stamps rapidly to the Treasury Department.

FISCAL AGENCY (Continued)

Apparently our troubles are no greater than those of the other Federal Reserve Banks. The branch not being in a position to take care of the Montana redemptions, Postmasters of that State were requested to forward all certificates direct to Minneapolis. The Chicago bank is about ten days behind in handling redemptions and in order to help out, we are, at the request of the Treasury Department, taking over the redemptions forwarded by first and second class Postmasters in the State of Wisconsin. This work will be handled by a special force in quarters provided at the Minneapolis Post Office. The anxiety of the Treasury Department to avoid criticism, as much as possible, for delay in redemption prompts us to give this assistance, for which we will be reimbursed.

OPERATIONS OF PRIVATE WIRE

1922-1921

<u>Month</u>	<u>Sent</u>		<u>Received</u>	
	<u>1922</u>	<u>1921</u>	<u>1922</u>	<u>1921</u>
January	2752	2207	2446	2109
February	1987	1759	1842	1732
March	2273	1947	2146	2033
April	1913	1784	1871	1819
May	2092	1776	2095	1867
June	2198	2172	2293	2167
July	1948	2263	2131	2353
August	2128	2374	2374	2645
September	2032	2290	2175	2499
October	2278	2431	2542	2722
November	2097	2509	2292	2787
December	<u>2325</u>	<u>2896</u>	<u>2362</u>	<u>2973</u>
Total	26023	26408	26569	27706

REPORT OF CERTIFICATES OF INDEBTEDNESS DEPARTMENT FOR 1922.

Depository Banks By States

	<u>1922</u>	<u>1921</u>
Michigan	49	50
Minnesota	816	807
Montana	142	144
No. Dakota	292	293
So. Dakota	332	329
Wisconsin	<u>129</u>	<u>131</u>
TOTAL	1760	1754

CERTIFICATES OF INDEBTEDNESS AND TREASURY NOTES ISSUED
DURING THE YEARS 1922 AND 1921

	<u>1922</u>	<u>1921</u>
Number of Subscribers	4,335	1779
Number of Issues	13	18
Total Amount Sold	\$ 104,883,200.	\$ 87,635,600.
Redeemed	\$ 19,531,000.	\$ 33,971,500.

CERTIFICATES OF INDEBTEDNESS REDEEMED

	<u>1922</u>	<u>1921</u>
January	\$ 45,000	\$ 2,752,000.00
February	1,378,000	195,500.00
March	5,733,000	6,534,500.00
April	1,141,500	2,050,000.00
May	42,000	2,979,500.00
June	2,437,000	4,144,500.00
July	63,000	1,054,000.00
August	2,664,000	1,556,500.00
September	40,500	6,012,500.00
October	3,597,500	3,191,000.00
November	541,500	96,000.00
December	<u>1,848,000</u>	<u>3,405,500.00</u>
Total	\$19,531,000	\$33,971,500.00

**AMOUNT OF SECURITIES PLEDGED AS COLLATERAL TO GOVERNMENT
DEPOSITS ON THE LAST DAY OF EACH MONTH**

	<u>1922</u>	<u>1921</u>
January	\$5,708,426.50	\$ 10,817,650.00
February	10,270,000.00	9,900,300.00
March	5,706,650.00	10,353,300.00
April	2,578,750.80	14,067,550.00
May	483,092.63	11,332,700.00
June	5,183,062.00	12,750,400.00
July	3,525,906.78	8,390,000.00
August	7,874,049.38	12,728,022.67
September	6,329,950.00	24,908,872.67
October	6,070,173.90	14,020,766.50
November	4,427,389.50	13,664,366.50
December	8,972,425.75	17,072,766.50

**GOVERNMENT FUNDS IN DEPOSITARY BANKS
ON LAST DAY OF EACH MONTH - 1922**

January	\$ 5,708,426.50
February	10,270,191.25
March	7,111,078.22
April	7,492,250.80
May	5,171,592.63
June	5,183,062.00
July	3,525,906.78
August	7,874,049.38
September	6,329,950.00
October	6,070,173.90
November	4,427,389.53
December	<u>8,972,425.75</u>
	\$ 78,136,496.74

COMPARATIVE STATEMENT
OPERATIONS COLLATERAL DEPARTMENT
1922 and 1921
(Minneapolis only)

	1922		1921	
	Number	Amount	Number	Amount
Bond Sales	2,341	\$ 10,890,137.68	1,428	\$ 4,272,500.00
Pieces Placed in Reserve Vault	26,277	115,107,084.44	35,827	50,212,751.19
Pieces Taken out of Reserve Vault	29,551	93,478,497.65	63,917	76,832,776.10
Coupons Clipped	41,143	2,703,652.42	68,643	797,876.30
Trust Receipts Issued	1,906	51,785,750.39	5,994	100,345,112.53
Trust Receipts Cancelled	2,874	58,904,791.29	7,101	64,495,754.12

REPURCHASE AND REALES GOVERNMENT SECURITIES
1922 COMPARED WITH 1921

	1922			1921		
	Repurchases	Resales		Repurchases	Resales	
	No.	No.	No.	No.	No.	No.
January	1,710,600.00	35	24	4,660,000.00	75	57
February	7,581,400.00	75	50	2,780,000.00	38	30
March	14,094,900.00	108	89	2,902,000.00	51	53
April	6,594,600.00	40	40	4,355,500.00	64	75
May	7,778,200.00	54	41	6,380,500.00	83	152
June	14,648,700.00	97	52	6,812,600.00	84	91
July	10,231,300.00	52	36	1,120,600.00	52	97
August	20,045,900.00	93	67	8,229,200.00	53	59
September	13,498,100.00	54	34	14,711,800.00	82	68
October	18,258,900.00	75	46	1,528,900.00	43	59
November	4,309,200.00	46	44	3,057,500.00	54	48
December	<u>8,434,500.00</u>	<u>52</u>	<u>48</u>	<u>3,660,500.00</u>	<u>53</u>	<u>62</u>
Total	127,186,300.00	781	571	60,199,100.00	732	851

FISCAL AGENCY

The drift of Liberty Bonds from small holders to those in better financial circumstances continued during 1922. The best evidence of this is in the denominational exchange of Liberty Loan Bonds. The table below is a summary from the denominational exchange division of our Fiscal Agency Department.

DENOMINATIONAL EXCHANGE TRANSACTIONS

Denomination	1922			
	Number		Amount	
	Received	Issued	Received	Issued
\$50	151,049	1,723	\$ 7,552,450	\$ 86,150
100	162,571	3,109	16,257,100	310,900
500	16,393	2,490	8,196,500	1,245,000
1000	10,408	25,282	10,408,000	25,282,000
5000	565	1,247	2,825,000	6,235,000
10000	<u>149</u>	<u>1,357</u>	<u>1,490,000</u>	<u>13,570,000</u>
Total	341,135	35,208	\$46,729,050	\$ 46,729,050

Denomination	1921			
	Number of Pieces		Amount	
	Received	Issued	Received	Issued
\$50	171,460	4,932	\$ 8,573,000	\$ 246,600
100	181,530	7,279	18,153,000	727,900
500	14,666	2,989	7,333,000	1,494,500
1000	3,287	31,682	3,287,000	31,682,000
5000	286	685	1,430,000	3,425,000
10000	209	349	2,090,000	3,490,000
100,000	<u>2</u>	<u>0</u>	<u>200,000</u>	<u>0</u>
Total	371,440	47,916	\$ 41,066,000	\$ 41,066,000

DENOMINATIONAL EXCHANGE OF BONDS

(Exchange for different denomination of same issue at same interest rate)

Permanent 3½% First Liberty Loan, 1932-1947

Denomination	No. of Pieces Received for Exchange	Amount Received for Exchange	No. of Pieces Issued on Exchange	Amount Issued on Exchange
\$ 50	4,668	\$ 233,400.	18	\$ 900.
100	3,376	337,600.	26	2,600.
500	309	154,500.	170	85,000.
1,000	10	10,000.	647	647,000.
Total	8,363	\$ 735,500.	861	\$ 735,500.

4½% First Liberty Loan Converted

50	6	\$ 300.		
100	7	700.		
1,000			1	1,000.
Total	13	\$ 1,000.	1	\$ 1,000.

Permanent 4½% First Liberty Loan 1932-1947 Converted

50	3,412	\$ 170,600.	32	\$ 1,600.
100	3,144	314,400.	129	12,900.
500	504	252,000.	123	61,500.
1,000	305	305,000.	586	586,000.
5,000	9	45,000.	27	135,000.
10,000	7	70,000.	36	360,000.
Total	7,381	\$1,157,000.	933	\$1,157,000.

Permanent 4% Second Liberty Loan 1927-1942

50	8	\$ 400.		
100	1	100.		
500	2	1,000.	1	500.
1,000			1	1,000.
Total	11	\$ 1,500.	2	\$ 1,500.

Permanent 4½% Second Liberty Loan 1927-1942 Converted

50	25,547	\$ 1,277,350.	391	\$ 19,550.
100	21,339	2,133,900.	637	63,700.
500	2,638	1,319,000.	476	238,000.
1,000	2,204	2,204,000.	3858	3,858,000.
5,000	171	855,000.	234	1,170,000.
10,000	16	160,000.	260	2,600,000.
Total	51,915	\$ 7,949,250.	5856	\$ 7,949,250.

Permanent 4½% Third Liberty Loan 1928

50	39,681	\$ 1,984,050.	413	\$ 20,650.
100	37,792	3,779,200.	686	68,600.
500	3,607	1,803,500.	519	259,500.
1,000	2,916	2,916,000.	6199	6,199,000.
5,000	132	660,000.	331	1,655,000.
10,000	29	290,000.	323	3,230,000.
Total	84,157	\$11,432,750.	8471	\$11,432,750.

DENOMINATIONAL EXCHANGE OF BONDS - (Continued)

Permanent 4 1/2% Fourth Liberty Loan 1-30-1938

Denomination	No. of Pieces Received for Exchange	Amount Received for Exchange	No. of Pieces Issued on Exchange	Amount Issued on Exchange
50	42,517	\$ 2,125,850.	519	\$ 25,950.
100	54,985	5,498,500.	624	82,400.
500	5,810	2,905,000.	628	314,000.
1,000	3,553	3,653,000.	7880	7,880,000.
5,000	178	890,000.	402	2,010,000.
10,000	<u>58</u>	<u>580,000.</u>	<u>534</u>	<u>5,340,000.</u>
Total	107,201	\$ 15,652,350.	10,787	\$ 15,652,350.

Permanent 3 1/2% Victory Loan, 1922-1923

50	34	\$ 1,700.	22	\$ 1,100.
100	35	3,500.	11	1,100.
500	8	4,000.		
1,000	252	252,000.	9	9,000.
5,000	1	5,000.	13	65,000.
10,000			<u>19</u>	<u>190,000.</u>
Total	330	\$ 266,200.	74	\$ 266,200.

Permanent 4 1/2% Victory Loan - 1922-1923

50	38,176	\$ 1,908,800.	328	\$ 16,400.
100	41,892	4,189,200.	796	79,600.
500	3,515	1,757,500.	1091	545,500.
1,000	1,027	1,027,000.	5926	5,926,000.
5,000	61	305,000.	222	1,110,000.
10,000	<u>19</u>	<u>190,000.</u>	<u>170</u>	<u>1,700,000.</u>
Total	84,690	\$ 9,377,500.	8533	\$ 9,377,500.

Treasury Bonds - 1947-1952

100		\$	21	\$ 21,000.
500	6	3,000.	76	38,000.
1,000	41	41,000.	170	170,000.
5,000	13	65,000.	12	60,000.
10,000	<u>20</u>	<u>200,000.</u>	<u>2</u>	<u>20,000.</u>
Total	80	\$ 309,000.	281	\$ 309,000.

Treasury Notes - A-1924

100		\$	5	\$ 500.
500	1	500.	20	10,000.
1,000	<u>10</u>	<u>10,000.</u>		
Total	11	10,500.	25	10,500.

Treasury Notes - B-1924

100	40	\$ 40,000.	5	\$ 500.
500	421	210,500.	22	11,000.
1,000	1	1,000.	85	85,000.
5,000	1	5,000.	2	10,000.
10,000	<u>1</u>	<u>10,000.</u>	<u>16</u>	<u>160,000.</u>
Total	464	\$ 266,500.	130	\$ 266,500.

Treasury Notes - A-1925

100	1,780	\$ 178,000.	150	\$ 15,000.
500	641	320,500.	85	42,500.
1,000	329	329,000.	380	380,000.
5,000	42	210,000.	142	710,000.
10,000	24	240,000.	93	930,000.
100,000	<u>15</u>	<u>1,500,000.</u>	<u>7</u>	<u>700,000.</u>
Total	2,831	2,777,500.	857	\$ 2,777,500.

DENOMINATIONAL EXCHANGE OF BONDS - (Continued)

Treasury Notes B-1925

Denomination	No. of pieces Received for Exchange	Amount Received for Exchange	No. of pieces Issued for Exchange	Amount Issued for Exchange
100	20	2,000.	20	\$ 2,000.
500	2	1,000.		
1,000	7	7,000.	58	58,000.
5,000	8	40,000.		
10,000	<u>1</u>	<u>10,000.</u>		
Total	38	\$ 60,000.	78	60,000.

Treasury Notes - A-1926

100		\$	45	\$ 4,500.
500	8	4,000.	23	11,500.
1,000	14	14,000.	27	27,000.
5,000	6	30,000.	11	55,000.
10,000	4	40,000.	9	90,000.
100,000	<u>1</u>	<u>100,000.</u>		
Total	32	\$ 188,000.	115	\$ 188,000.

Treasury Notes - B-1926

100	100	\$ 10,000.	25	\$ 2,500.
500	14	7,000.	5	2,500.
1,000	1	1,000.	73	73,000.
5,000	7	35,000.	25	125,000.
10,000	3	30,000.	78	780,000.
100,000	<u>9</u>	<u>900,000.</u>		
Total	134	\$ 983,000.	208	\$ 983,000.

Treasury Notes - C-1925

500		\$	62	\$ 31,000.
1,000	21	21,000.	65	65,000.
5,000	4	20,000.	23	115,000.
10,000	10	100,000.	3	30,000.
100,000	<u>1</u>	<u>100,000.</u>		
Total	36	\$ 241,000.	153	\$ 241,000.

DENOMINATIONAL EXCHANGE OF CERTIFICATES OF INDEBTEDNESS

Series B-1922

Total	125	\$ 215,000.	131	\$ 215,000.
--------------	------------	--------------------	------------	--------------------

Series D-1922

Total	5	\$ 410,000.	50	\$ 410,000.
--------------	----------	--------------------	-----------	--------------------

Series TD-1922

Total	189	\$ 516,000.	113	\$ 516,000.
--------------	------------	--------------------	------------	--------------------

Series TD2-1922

Total	7	\$ 19,000.	15	\$ 19,000.
--------------	----------	-------------------	-----------	-------------------

Series TJ-1923

Total	55	\$ 785,000.	127	\$ 785,000.
--------------	-----------	--------------------	------------	--------------------

<u>Series T1-1922</u>			
Total		881,000.	92 \$ 155,000.
<u>Series T3-1922</u>			
Total		5,000.	5,000
<u>Series T52-1922</u>			
Total		151,000.	50 \$ 151,000.
<u>Series T5-1922</u>			
Total	10	175,000.	68 \$ 175,000.

REGISTERED-COUPON EXCHANGES, YEAR ENDING DECEMBER 31, 1922

A. REGISTERED BONDS EXCHANGED FOR COUPON BONDS:

	No. Pieces	Amount
First 3½%	236	113,300.
First 4%	150	42,400.
First Second Converted	4	800.
First Liberty Loan 4½%	415	158,400.
Second Converted 4½%	1908	847,000.
Third Liberty Loan	4644	1,567,000.
Fourth Liberty Loan	8021	3,640,850.
Victory Liberty Loan 4½%	5625	2,157,300.
Victory Liberty Loan 3½%	19	22,850.
Second 4½%	1029	219,400.
Total	22051	\$ 8,769,300.

B. COUPON BONDS EXCHANGED FOR REGISTERED BONDS:

	No. Pieces	Amount
First 3½%	20	\$ 35,200.
First 4½%	77	133,750.
First Second Liberty Loan Converted	2	150.
Second 4%	None	None
Second Converted 4½%	312	1,188,700.
Third Liberty Loan	520	1,313,400.
Fourth Liberty Loan	601	2,184,350.
Victory Liberty Loan 4½%	167	41,650.
Victory Liberty Loan 3½%	None	None
Treasury Bonds 1947-1952	222	265,000.
Total	1921	\$ 5,162,200.

EXCHANGE OF REGISTERED BONDS FOR REGISTERED:

	No. Pieces	Amount
First Liberty Loan 3½%	4	\$ 51,600.
First 4%	None	None
First L.L. Second Converted	None	None
First Converted 4½%	23	16,000.
Second 4%	None	None
Second Converted 4½%	128	50,550.
Third Liberty Loan	259	85,750.
Fourth Liberty Loan	404	165,500.
Victory Liberty Loan	200	109,900.
Total	1018	\$ 479,300.

REGISTERED-COUPON EXCHANGES, YEAR ENDING DECEMBER 31, 1922 (Continued)

EXCHANGE OF REGISTERED BONDS FOR REGISTERED: (Continued)

	No. Pieces	Amount
Victory Liberty Loan 3 $\frac{1}{2}$ %	None	\$ None
Total	1018	\$ 479,300.

UNITED STATES CERTIFICATES OF INDEBTEDNESS ISSUED DURING 1922.

Series	Date of Issue	Interest Rate	No. Pieces	Total amount each issue
TM3-1922	Sept. 15, 1921	5%	414	\$ 838,500.
TS--1922	Sept. 15, 1921	5 $\frac{1}{2}$ %	233	201,500.
TD--1922	Dec. 15, 1921	4 $\frac{1}{2}$ %	1255	7,442,500.
D---1922	Apr. 15, 1921	3 $\frac{1}{2}$ %	753	5,190,000.
TM--1923	Mar. 15, 1922	4 $\frac{1}{2}$ %	1551	8,650,000.
TD2-1922	June 1, 1922	3 $\frac{1}{2}$ %	922	6,920,000.
TJ--1923	June 15, 1922	3 $\frac{1}{2}$ %	585	8,650,000.
TS--1923	Sept. 15, 1922	3 $\frac{1}{2}$ %	516	6,920,000.
TM2-1923	Dec. 15, 1922	3 $\frac{1}{2}$ %	57	497,500.
TD--1923	Dec. 15, 1922	4%	327	1,621,500.

UNITED STATES TREASURY BONDS 1942-1952 ISSUED DURING 1922.

Date of Issue	Interest Rate	No. Pieces	Total amount each issue
Oct. 16, 1922	4 $\frac{1}{2}$ %	6219	\$11,412,400.

REGISTERED UNITED STATES TREASURY BONDS 1942-1952

Date of Issue	Interest Rate	No. Pieces	Total amount each issue
		572	\$ 381,800.

UNITED STATES TREASURY NOTES ISSUED DURING 1922

Series	Date of Issue	Interest Rate	No. Pieces	Total amount each issue
A-1924	June 15, 1921	5 $\frac{1}{2}$ %	106	\$ 79,900.
B-1924	Sept. 15, 1921	5 $\frac{1}{2}$ %	324	350,800.
A-1925	Feb. 1, 1922	4 $\frac{1}{2}$ %	3084	14,199,800.
B-1925	June 15, 1922	4 $\frac{3}{8}$ %	2003	6,350,400.
A-1926	Mar. 15, 1922	4 $\frac{1}{2}$ %	2052	5,447,300.
B-1926	Aug. 1, 1922	4 $\frac{1}{2}$ %	2347	13,503,000.
C-1925	Dec. 15, 1922	4 $\frac{1}{2}$ %	3550	11,150,500.

A.-- TEMPORARY BONDS SURRENDERED FOR EXCHANGE OR/AND CONVERSION, YEAR ENDING
DECEMBER 31, 1922

	NUMBER OF PIECES						AMOUNT
	\$50	\$100	\$500	\$1,000	\$5,000	\$10,000	
1. For Exchange:							
First 4 $\frac{1}{2}$ % surrendered for exchange for 4% permanent bonds.....	325	93	4	3			30,550
First 4 $\frac{1}{2}$ % surrendered for exchange for 4 $\frac{1}{2}$ % permanent bonds...	64	61	2				10,300
First L.L. Second Conv. Temp. surrendered for exchange for Per. Sec. Conv.....	6	3					600
Second 4 $\frac{1}{2}$ % surrendered for exchange for 4% permanent bonds....	2,928	947	38	10			270,100
Second 4 $\frac{1}{2}$ % surrendered for exchange for 4 $\frac{1}{2}$ % permanent bonds..	712	436	35	5			101,700
Third 4 $\frac{1}{2}$ % surrendered for exchange for 4 $\frac{1}{2}$ % permanent bonds...	5,977	2,226	77	30	3		604,950
Fourth 4 $\frac{1}{2}$ % surrendered for exchange for 4 $\frac{1}{2}$ % permanent bonds..	13,338	8,054	398	300	6	4	2,041,300
11. For Conversion:							
First 4% surrendered for exchange for 4 $\frac{1}{2}$ % permanent bonds...	269	237	23	11	1		64,650
Second 4% surrendered for exchange for 4 $\frac{1}{2}$ % permanent bonds..	2,294	1,613	168	126	2		496,000
TOTALS (pieces).....	25,913	13,670	745	485	12	4	3,620,150

PERMANENT BONDS DELIVERED, YEAR ENDING DECEMBER 31, 1922

	<u>NUMBER OF PIECES</u>						<u>AMOUNT</u>
	<u>\$50</u>	<u>\$100</u>	<u>\$500</u>	<u>\$1,000</u>	<u>\$5,000</u>	<u>\$10,000</u>	
1. In Exchange:							
First 4% delivered in exchange for temporary 4% bonds surrendered.....	259	121	5	3			30,550
First 4½% delivered in exchange for temporary 4½% bonds surrendered.....	46	70	2				10,300
First L.L.Second Conv.4¼% delivered in exchange for temporary First L.L.Second Conv. surrendered.....	6	3					600
Second 4% delivered in exchange for temporary 4% bonds surrendered.....	1,974	1,065	71	25	1		270,700
Second 4½% delivered in exchange for temporary 4½% bonds surrendered.....	494	450	30	17			101,700
Third 4½% delivered in exchange for temporary 4½% bonds surrendered.....	3,917	2,346	139	90	1	1	604,950
Fourth 4½% delivered in exchange for temporary 4½% bonds surrendered.....	8,574	7,051	489	623	6	1	2,041,300
11. Through Conversion:							
First 4½% delivered in exchange for temporary 4% bonds Sur							
First 4½% delivered in exchange for permanent 4% bonds Sur	267	238	23	11	1		64,650
Second 4½% delivered in exchange for temporary 4% bonds							
Second 4½% delivered in exchange for permanent 4% bondssur.	2,271	1,626	179	130	2		505,650
TOTAL (pieces).....	17,808	12,970	938	899	11	2	3,630,400