

CONTROLLER'S REPORT
FEDERAL RESERVE BANK OF MINNEAPOLIS
FOR THE YEAR
1 9 2 3

To the Directors,

Federal Reserve Bank of Minneapolis,

Gentlemen:-

As is customary at the close of each year, we present a survey of our operations during 1923 and draw attention briefly to the results obtained. The tables attached furnish figures of volume and make comparison with previous years.

Unless otherwise stated figures given are those of Minneapolis and Helena combined. Helena statements made up by the branch Auditor are offered separately.

During the year considerable progress has been made in bringing some of our functions up to standard but the special work required of many of our officers has prevented the very best results being obtained.

The report of the Federal Reserve Examiner covering examination of Minneapolis and Helena as of December 1, was quite satisfactory and our own audits of the past month have disclosed nothing of importance.

Respectfully submitted,

Controller.

January 1, 1924

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COMPARATIVE STATEMENT OF RESOURCES
FEDERAL RESERVE BANK OF MINNEAPOLIS
1923-1922

	<u>Dec. 31, 1923</u>	<u>Dec. 31, 1922</u>
Gold Redemption Fund F. R. Notes	\$ 2,053,410.92	\$ 3,422,611.29
Gold with F. R. Agent	54,551,590.00	46,371,920.00
Gold Settlement Fund	23,545,141.59	23,498,501.56
Gold Bullion and Coin	2,780,440.00	2,375,615.00
Gold Certificates (Incl. C. H. Certificates)	6,048,000.00	5,159,730.00
Other Lawful Money	954,425.00	1,190,334.51
5 per cent Fund against F. R. Bank Notes	-	196,150.00
Overdrafts	40,140.75	201,500.44
F. R. Bank Notes (Secured by U. S. Bonds) on Hand	72,900.00	273,419.00
Federal Reserve Notes on Hand	3,604,905.00	3,177,335.00
Mutilated F. R. Notes Forwarded for Redemption,	610,800.00	720,400.00
National Bank Notes and Notes of Other F. R. Banks,	1,074,100.00	887,289.60
Transit Items	13,751,109.93	16,295,299.84
Checks and other Cash Items	273,749.53	301,633.80
Exchange for Clearing House	196,407.17	371,230.69
Bills Discounted	14,839,198.98	18,973,850.24
Member Banks' Collateral Notes	3,817,428.56	2,942,955.43
Bills Bought in Open Market	623,501.13	-
Treasury Notes	2,746,700.00	8,049,400.00
Other U. S. Bonds	115,561.00	272,961.00
Certificates of Indebtedness,	165,000.00	499,500.00
Liberty Bonds	7,009,150.00	4,249,600.00
Municipal Warrants	-	38,664.58
Interest Accrued on U. S. Securities	97,499.15	149,487.95
Expense Current	1,082,137.35	1,084,942.49
Cafeteria	4,954.20	-
Profit and Loss	2,771.81	-
Fiscal Agent - Reimbursable Expenditures	4,839.38	10,856.93
War Finance Corporation - Reimbursable Expenditures	6,613.66	17,175.38
Furniture and Equipment	23,329.73	24,640.60
Deferred Charges	18,390.41	20,887.96
Dividends Accrued	212,732.68	213,774.01
Banking House	96,112.90	97,703.27
New Building Account	1,549,073.87	459,648.46
Other Real Estate	500,000.00	500,000.00
Reimbursable Expenditures - Postage	177.18	314.44
Difference Account	941.41	1,075.18
Claims Recoverable	3,355,177.73	1,403,439.44
Expense - Other Real Estate	17,638.92	24,307.81
Nickels and cents	81,650.50	37,295.40
TOTAL RESOURCES	\$ 146,027,700.44	\$ 143,515,004.70

COMPARATIVE STATEMENT OF LIABILITIES
FEDERAL RESERVE BANK OF MINNEAPOLIS
1923-1922

	<u>Dec. 31, 1923</u>	<u>Dec. 31, 1922</u>
Federal Reserve Notes Outstanding	\$ 69,167,590.00	\$ 62,632,920.00
U. S. Treasurer General Account	2,314,829.28	288,282.20
Members - Reserve Account	46,903,570.69	49,309,575.67
Foreign Banks	55,377.22	27,000.00
Non-Members - Clearing Account	92,060.01	185,019.13
Cashier's checks	247,341.49	692,453.29
Expense Checks	7,335.20	19,118.43
Federal Reserve Drafts	7,642.87	20,488.06
Government Transit Items	149,447.86	249,903.36
All other Transit Items	13,423,102.19	16,558,011.80
Coupons, Ownership Undetermined	-	2,320.85
Capital, Paid in by Members	3,496,350.00	3,534,600.00
Capital Stock Suspense Account	350.00	-
Surplus Fund	7,472,946.54	7,415,084.44
Discount Earned	1,120,312.97	1,451,659.12
Interest Earned	522,736.02	384,634.44
Penalties on Deficient Reserves	91,943.18	128,087.06
Domestic Transfers Bought and Sold	3,213.79	3,195.00
Miscellaneous	11,047.50	1,672.06
Discount and Premium on U. S. Bonds	45,975.62	86,399.93
Unearned Discount	156,372.83	173,310.66
Reserved for Sundry Expense	9,153.61	9,456.67
Reserve for Depreciation - New Building	100,000.00	100,000.00
Interest Adj't Rec'd on Conv. of 4% Bonds	-	70.45
Reserve for Taxes other than Franchise Tax	32,402.04	25,772.08
Special Reserve	500,000.00	500,000.00
Depreciation Reserve on U. S. Bonds	93,057.80	15,000.00
Reserve for Depreciation Fixed Machinery & Equip. - Helena,	1,541.73	-
TOTAL LIABILITIES	\$ 146,027,700.44	\$ 143,515,004.70

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR 1923

	<u>Debits</u>	<u>Credits</u>
Discount Earned - Bills Discounted Minneapolis		\$ 871,052.93
Discount Earned - Bills Purchased "		31,413.58
Interest Earned - U. S. Securities "		520,723.79
Interest Earned - Bill of Lading Drafts "		1,946.45
Interest Earned - Municipal Warrants "		65.78
Interest on Delayed Wire Transfers "		3,213.79
Deficient Reserve Penalties "		46,611.23
Our Pro rata share of profits on Investments a/o Foreign Banks		2,968.07
Interest Earned on Past Due Rediscounts - Closed Banks Minneapolis		7,073.59
Exchange Received Minneapolis		92.84
Discount Earned - Bills Discounted (Helena)		217,846.46
Deficient Reserve Penalties "		45,331.98
Rent Received "		900.00
Exchange Received "		12.90
Expense Current Minneapolis	\$ 940,635.96	
Expense - Other Real Estate "	17,638.92	
Dividends Accrued "	212,732.68	
Furniture and Equipment "	22,940.04	
Cafeteria - Net Expense "	4,954.20	
1923 Taxes on New Building "	14,760.00	
Maintenance - New Building "	2,101.93	
Depreciation allowance Bank Building "	20,361.04	
Addition to Depreciation Reserve to offset		
U. S. Securities carried at Par Minneapolis	55,655.40	
Difference Account General "	54.08	
Transit and Return Items - Differences "	250.00	
Tellers and Coupons - Differences "	574.82	
Clearings - Differences "	71.92	
Collection - Differences "	71	
Addition to Special Reserve for possible losses "	200,000.00	951.53
Depreciation Allowance Bank Building - Helena	1,571.06	
Depreciation Reserve - Fixed Machinery and Equipment		
at Helena - 10% of Cost	1,610.90	
Expense Current Helena	141,501.39	
Furniture and Equipment "	388.69	
Transit Differences "	20.18	
Tellers and Coupon - Differences "	55.82	
Collection Differences "	.27	76.27
Loss in connection with rediscounts - First National		
Bank, Bowman, North Dakota	18.15	
Our proportion of redemptions of incomplete Federal		
Reserve and Federal Reserve Bank Notes	8.30	
XX Return Premium on Schedule Bond U. S. Fidelity & Guaranty		
Company #27680		532.65
Item lost in transit unable to secure description	2.00	
Net Loss on Sales of U. S. Securities A1924-5 B1925	8,535.53	
Allowance on adding machines and typewriters		1,211.12
Recovery of expense in connection with Closed Banks		2,530.05
Eight Months dividend on Group Policy #5208673		1,453.83
Liberty Loan Bond Suspense Account balance 3/2/1918 ownership		
undetermined		40.49
Postage Refunds not claimed		23.81
Coupons - ownership undetermined		2,320.85
Transferred to Surplus Fund 10% of balance		
of Net Earnings	11,272.25	
90% of balance of Net Earnings Credited the		
Treasurer's General Account a/c Government		
Franchise Tax	101,450.25	
TOTAL . . .	\$ 1,757,366.46	\$ 1,757,366.46

SUMMARY REPORT OF EARNINGS, EXPENSES, DIVIDENDS
AND FRANCHISE TAX PAYMENTS FOR 1923.

Gross Earnings	\$ 1,749,253.46	
Current Expenses,	<u>1,082,137.35</u>	
Current Net Earnings		\$ 667,116.11
Additions to Current Net Earnings -- All Other	\$ <u>8,327.44</u>	
Deductions from Current Net Earnings		
Depreciation Allowances Bank Premises	23,542.99	
Furniture and Equipment	23,328.73	
Reserve for Probable Losses	200,000.00	
Reserve for Depreciation U.S. Securities	53,855.40	
All other	<u>49,261.25</u>	
	\$ <u>349,988.37</u>	
Net deductions from Current Net Earnings		<u>\$ 341,660.93</u>
Net Earnings available for Dividends, Franchise Tax and Surplus		\$ 325,455.18
Dividends Paid	\$ 212,732.68	
Transferred to Surplus	11,272.25	
Credited Treasurer's General Account as Franchise Tax	<u>101,450.25</u>	
		\$ 325,455.18

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,	688,871.82
June 30, 1919,	904,357.40
December 31, 1919,	1,249,399.04
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,	56,892.10
December 31, 1923,	<u>11,272.25</u>
	\$7,536,642.16
Less Amount to adjust error of Federal Reserve Board in Figuring Franchise Taxes 1920 and 1921	<u>52,423.36</u>
Total December 31, 1923	\$7,484,218.79

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	512,028.98
December 31, 1923	" " "	<u>101,450.25</u>
		\$ 3,678,602.77

**STATEMENT OF CHARGE OFFS' OTHER THAN CURRENT EXPENSES AND RESERVES
SET UP THROUGH PROFIT AND LOSS ACCOUNT SINCE ORGANIZATION**

Reserve for Depreciation on Bonds	146,913.20
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
Special Reserve December 31, 1923	200,000.00
Reserve for Depreciation on Fixed machinery and Equipment at Helena Branch	3,221.50
Differences	2,919.05
Abrasion of Gold Coin	15,707.13
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
Depreciation New Building (New England)	30,169.31
Depreciation Banking House (Helena Branch)	6,730.55
Minneapolis Vault	40,000.00
Helena Vault	77,731.64
Furniture, Fixtures and Office Equipment	274,607.71
Taxes on New Building	19,960.00
Other Real Estate	Expense \$ 41,946.73
	Income 35,600.02
Maintenance New Building	6,146.71
	2,101.93
TOTAL	\$1,528,562.25

DIVIDENDS PAID SINCE ORGANIZATION- BY YEARS

1916	\$ 57,719.57
1917	353,676.06
1918	167,945.47
1919	179,499.03
1920	195,267.75
1921	211,657.03
1922	213,774.01
1923	212,732.65

\$ 1,502,471.90

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

	<u>Minneapolis</u>		<u>Helena Branch</u>		<u>Combined</u>	
Earnings from	<u>1923</u>	<u>1922</u>	<u>1923</u>	<u>1922</u>	<u>1923</u>	<u>1922</u>
Discounted Bills	\$ 871,082.98	\$1,070,549.48	\$ 217,846.46	\$ 381,109.64	\$1,088,899.39	\$1,451,659.12
Purchased Bills	31,413.58				31,413.58	
United States Securities	520,723.79	383,530.44			520,723.79	383,530.44
Municipal Warrants	65.78	625.17			65.78	625.17
Deficient reserve penalties	46,611.23	78,346.16	45,331.95	49,740.90	91,943.18	128,087.06
Exchange received on collections	92.84	265.46	12.90	17.49	105.74	282.95
Interest on bill-of-lading drafts	1,948.45	478.83			1,948.45	478.83
Interest on delayed wire transfers	3,213.79	3,195.00			3,213.79	3,195.00
Interest on past due paper closed banks	7,073.69				7,073.69	
Profit on Investment Operations for Foreign Banks	2,968.07	1,389.11			2,968.07	1,389.11
Rent received			900.00		900.00	
	\$1,485,162.15	\$ 1,538,379.85	\$264,091.31	\$430,868.03	\$1,749,253.46	\$1,969,247.68

TOTAL EARNINGS

FEDERAL RESERVE BANK OF ST. LOUIS AND BRANCH

<u>EARNINGS FROM</u>	<u>1923</u>	<u>1922</u>	<u>1921</u>
Discounted Bills	\$1,066,899.39	\$1,451,659.12	\$4,649,553.99
Purchased Bills	31,413.50		97.50
Municipal Warrants	65.73	625.17	329.01
U.S. Securities	520,723.79	383,537.44	142,301.50
Domestic Transfers	3,213.79	3,195.00	12,580.43
Deficient Reserve remitties	91,943.18	128,087.06	157,158.17
Miscellaneous	<u>12,923.95</u>	<u>2,150.89</u>	<u>4,590.08</u>
TOTAL	1,749,253.46	1,969,247.60	4,966,311.28

AVERAGE MONTHLY

Gross Earnings for year	145,771.12	164,103.98	413,859.29
Expenses for year	95,533.32	95,000.74	110,630.33
Net Profits for year	50,237.80	72,538.83	304,702.32
Dividend Paid for year	17,727.72	17,814.50	17,638.09
Cost of F.R. Notes for year	3,333.79	5,841.56	11,759.61
Rate per cent of Net Earnings on Paid Capital Stock for year	17.00	24.43	103.65

AVERAGE RATE OF EARNINGS ON EARNING ASSETS

	<u>Bills Discounted</u>	<u>Bills Purchased</u>	<u>U.S. Securities</u>	<u>Municipal Warrants</u>	<u>Total</u>
1923	4.502	4.125	4.250	4.500	4.411
1922	5.119		3.427	4.752	4.640
1921	6.479	6.087	2.055	5.007	6.091
1920	6.223	5.259	2.016		5.755
1919	4.381	4.257	2.460		4.114

Discount rate effective January 1, 1922	5.5%
Discount rate lowered January 11, 1922 to	5%
Discount rate lowered August 15, 1922 to	4.5%
Discount rate in effect December 31, 1923	4.25%

EARNINGS

\$1,749,253 46

Earned at Minneapolis \$1,485,162.15, Earned at Helena \$264,091.31

Our earnings for the year are \$220,000 less than during 1922, the major portion of the reduction occurring in Helena figures. In 1922 the income from rediscounts and charges for reserve deficiency penalties at the branch amounted to \$430,968.03. At Minneapolis total income was \$53,000 lower than for 1922. Practically all the variation in branch earnings was due to the drop in discounts as penalties of \$45,331.95 were only \$4400 below 1922. The lowered earnings from discounts at Minneapolis of approximately \$200,000 were offset in part by an increase of \$137,000 in income from United States securities. Reserve deficiency penalties were \$32,000 less at Minneapolis than for the previous year.

The decrease in our earnings from discounts represents an average reduction of discounts carried for the year of approximately \$3,000,000. During the past year however, we have added to "Claims Recoverable" \$2,500,000 in paper of banks since closed. An estimate of the interest earned but uncollected on this closed bank paper is \$110,000, which amount if added to the collected earnings of 1923 would show the total figures of 1923 to be but \$110,000 less than the earnings of 1922. A large portion of these deferred profits should be collected eventually.

For the year 1923 our income from United States securities was \$520,723.79, a much larger amount than received from this source in any previous year. A considerable amount of this income was obtained from carrying Treasury notes for the Federal Land Bank, St. Paul under repurchase agreement, up to \$7,000,000 being carried at times. On December 31 we were carrying \$2,000,000 of Treasury notes for the above bank, an increase of \$1,500,000 during the month.

At this time when our discounts are decreasing and we know our expenses will be higher in the new building it is evident our present basis of monthly income should be increased. This basis should

be such that our income for 1924 will at least reach that of 1923.

With this thought in mind, an arrangement has been entered into with the other Federal Reserve Banks to participate in purchase of short term Government securities and Bankers Acceptances. Most of the work of handling will fall to the Federal Reserve Bank of New York and the banks will get their allotments of bills and notes on the basis of reserve position, with adjustment weekly. Up to January 4 we had been allotted \$515,700 of Treasury notes and Certificates and \$1,272,167.62 Acceptances. During the whole of 1923 our earnings from purchased bills amounted to \$31,413.58 and it is likely income from this source will be much greater in 1924.

Income from penalties during the year was \$91,943.18 This was \$36,000 less than in 1922. The lessened amount of penalties is not due so much to improved conditions in the banks as to the fact that a large number of the chronic offenders are now listed in the closed banks. Penalties in 1924 should be much smaller than for the past year for the reason that no penalty rate beyond 6½ per cent will be assessed. It is our opinion most shortages in reserve are from causes beyond the control of the member banks and the Federal Reserve Board has approved the flat penalty rate.

Our miscellaneous earnings for the year amounted to \$16,207.74. We collected \$7,073.69 for interest on past due paper of closed banks and charged \$3,213.79 interest for delays in wire transfers purchased. From the handling of bill of lading drafts we received interest of \$1,946.45 and our share of the commissions received for the handling of investments for foreign banks was \$2,968.07.

Average rate earned on discounts for 1923 of 4.502 per cent was the lowest rate since 1919. The rate earned on discounts in 1922 was 5.119 per cent but the rate earned on all classes of earning assets for 1923 was 4.411 per cent in comparison with a rate of 4.640 per cent earned in 1922. Our larger volume of Government securities carried at an average rate of 4.250 per cent compared well with a rate of 3.427 per cent earned in 1922. The lowered rate in 1922 was caused by our carrying up to \$4,000,000 of special 2% certificates securing circulation. Total holdings of Government securities at close of business December 31, 1923 were \$10,036,000.

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

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	Minneapolis	Helena Branch 1925	Combined 1925	1922	1921
Salaries					
Bank Officers	\$ 97,702.74	\$ 18,533.24	\$ 118,235.98	\$107,977.39	\$115,499.43
Clerical Staff	404,093.90	56,033.99	460,127.89	463,390.03	517,448.12
Special Officers and Watchmen	19,841.30	4,200.00	24,041.30	22,281.21	23,617.80
All Other	30,607.26	5,148.55	35,755.81	16,445.76	18,607.40
Governors' Conference	606.09		606.09	467.13	770.15
Federal Reserve Agents Conferences	89.68		89.68	267.27	402.67
Federal Advisory Council	1,195.00		1,195.30	1,140.00	908.20
Directors Meetings	5,244.65	4,261.87	9,506.52	11,407.12	11,902.57
Traveling Expenses	29,449.59	3,199.04	32,648.63	21,470.07	25,505.20
Assessments for Federal Reserve Board Expenses	23,703.66		23,703.66	24,944.83	25,555.89
Legal Fees	10,524.06	3,625.00	14,149.06	11,592.09	11,628.36
Insurance (other than on currency & security shipments)	26,334.24	4,139.97	30,474.21	25,791.73	30,818.40
Insurance on currency and security shipments	6,336.90	3,070.08	11,408.98		
Taxes on Banking House		1,592.63	1,592.63	1,577.52	1,964.48
Light, heat and power		1,836.42	1,836.42	901.84	2,346.60
Repairs and alterations banking house		195.70	195.70	1,666.68	5,981.86
All other				11.40	
Rent	44,616.54	2,082.22	46,698.77	44,037.87	38,370.05
Office and other supplies	21,273.07	2,587.38	23,860.45	21,953.96	29,921.13
Printing and stationery	32,329.49	4,427.89	36,756.88	42,514.64	67,150.97
Telephone	5,298.90	1,889.38	6,988.28	7,090.10	7,249.05
Telegraph	14,693.78	11,063.44	25,757.22	21,697.33	23,494.22
Postage	76,581.88	11,721.65	90,303.40	79,184.58	80,931.86
Expressage	6,883.69	1,071.17	7,954.86	887.16	4,776.78
**Security shipments:				4,017.54	2,100.96
**Currency and coin shipments				22,991.94	17,849.83
Federal Reserve currency:					
Original cost, including shipping charges	40,005.46		40,005.46	53,333.78	124,584.27
Cost of redemption, including shipping charges	10,337.97	284.00	10,621.97	16,764.99	16,551.65
Taxes on Federal Reserve Bank-note circulation				14,260.35	26,979.64
Furniture and Equipment					53,368.10
All other expenses	28,683.84	3,736.36	32,622.20	44,876.15	29,384.34
Total Current Expenses	\$940,655.96	\$141,501.59	\$1,082,157.55	\$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. *Since January 1, 1923, cost of security shipments and cost of currency and coin shipments has been distributed to postage, expressage, insurance on currency and security shipments, etc. *Since 1921 furniture and equipment has been charged to profit and loss.

EXPENSES

In commenting on our expenses one year ago, we stated the ratio of reduction in 1922 over 1921 could not be maintained in 1923. The current expenses for 1923 were \$1,082,137.35 or \$2800 less than in 1922. It is necessary, however, to explain in some detail conditions that have affected our expenses because material reductions in some of our functions have been offset by increases in others.

PAY-ROLL

\$633,160.98

The increase for the year over 1922 was \$23,000 and this amount also represents the increased salary expense of our Closed Bank Department for the year. Fiscal Agency pay-roll assumed by the bank was approximately \$12,000 lower than in 1922, material reduction being made during the last half of 1923 and this expense should show a further decrease in 1924. Increases granted January 1, 1923 to officers and employees aggregated \$25,680.

TRAVELING EXPENSES - CLOSED BANKS

This item which includes maintenance of our representatives stationed at closed banks was \$35,010.21 for the year in comparison with an expense of \$32,697. for 1922. As our representatives have been increased, this expense will no doubt be heavier in 1924. For the year total expense of the Closed Bank function was \$83,601.62 and no allowance is made for the extra expense created in practically every other department of the bank through the closed bank situation. An estimate of the expense in connection with closed banks for the coming year would be approximately \$125,000.

ASSESSMENT for FEDERAL RESERVE BOARD EXPENSES

During the past two years the expenses of the Board have been slightly reduced, our payment of \$23,703.66 being \$1241.17 less than that made in 1922. Our payment for 1924 will average about

\$1200 per month. Federal Reserve Board expenses for first half of 1924 are estimated at \$398,500.

LEGAL FEES

There were no changes in salaries paid legal counsel at Minneapolis and Helena, Judge A. Ueland receiving \$5,000 per year with office allowance of \$2500 and Counsel Weir at Helena \$3600 salary. The balance of \$3049.06 making up our total of \$14,149.06 represents special trips taken by counsel plus the regular fee for such work and legal fees of local counsel at closed banks.

INSURANCE

\$30,474.21

This total includes cost of fidelity bonds, group life, fire insurance and all kinds of general liability insurance, but does not include insurance on shipments of currency or securities. The principal items making up this total are Group Life \$6080.94; Blanket Fidelity Bond \$12,500; Excess Blanket Bond \$7500; Workmen's Compensation \$882.73; Casualty and General Liability \$1620.08; Fire Insurance \$1057.34.

TAXES ON BANKING HOUSE (Helena)

\$ 1,592.63

This represents the 1923 taxes on our building at Helena. Taxes at the Branch are assessed and paid during same year. The valuation placed on our property is \$80,455. The taxable valuation is 30% of this amount. Tax rate 55.5 mills.

LIGHT - HEAT - POWER

\$ 1,836.42

At Minneapolis above items are shown under Rent. The above figures cover the cost of these items in the Helena bank building. Such items in the Transit quarters at Helena are charged under Rent.

RENT - REPAIRS - ALTERATIONS

\$46,698.77

Minneapolis office pays rentals of \$37,322.88 yearly and Helena pays \$1200 for the store building used as a Transit Department. For 1923 Helena had a reduction in rent of \$300 while at Minneapolis additional space in the Evanston Building adjoining Transit quarters and an adjustment of rent reimbursed us by Treasury Department resulted in a net increase for the year of \$3,098.28. Repairs and alterations cost \$8,175.89 which was \$637.39 less than in 1922. Rental of \$900 per year received by the branch from War Finance Corporation appears in Earnings rather than a deduction from Expense as in 1922.

OFFICE SUPPLIES
PRINTING AND STATIONERY

\$23,860.45

\$36,756.88

While the increased volume of work in most departments has required a greater amount of supplies, the total cost of supplies was \$3800 less than for 1922. The reduction in expense of this character at Helena was \$5400 but at Minneapolis there was an increase of \$1600. The Helena supply houses have shown a disposition to meet competition more than formerly and supplies are cheaper at the branch than formerly. The transferring of a large part of the transit work to Minneapolis has also had some bearing on the lowered expense at the branch. Our supply orders are carefully checked and we are at present installing a new plan for the checking of bills which should throw an additional safeguard around our purchasing department.

TELEGRAPH

\$25,757.22

The increase of \$4000 in this expense over last year is easily accounted for when it is realized the amount of additional telegraphing made necessary through conditions in our district. Our member banks are also taking advantage of our willingness to assume wire expense of transfers, etc. During the year our Central Coding Department was established placing all telegrams under the control

of a few people. By handling in this manner greater efficiency is obtained and our wire cost kept as low as possible.

POSTAGE

\$90,303.40

Our transit items increased very materially during 1923 and there was also a considerable increase in general correspondence. By our receiving Montana items from all the other Federal Reserve Districts except the twelfth, we increased our postage expense without a relative reduction at Helena. Since January 1, 1923 the postage necessary on currency and security shipments has been charged under "Postage." These changes more than account for the increased expense of approximately \$11,000. We use a minimum of postage stamps practically all our mail being handled through the postage meters. These meters are re-set on the first of each month by the Minneapolis postal officials.

FEDERAL RESERVE CURRENCY

Original Cost and Shipping Charges \$40,005.46

From January to September inclusive, we set aside monthly \$5000 to cover our note costs. For the first half of the year the costs exceeded the amount reserved. During the last quarter of the year none of our notes were printed so that at the close of the year we were able to return to Expense Account the amount of \$9469.74 reserved beyond our requirements. The total expense for the year was approximately \$13,000 less than the expenditure for 1922. It is quite probable we will have no note costs during 1924 other than the expense of shipping stock from Washington to Minneapolis.

FEDERAL RESERVE CURRENCY

Redemption Costs \$10,337.97

Since September last we have ceased reserving the usual \$1000 monthly to cover redemption expense. The retirement of our bank note circulation and the reduced amount of our Federal Reserve notes sent in for redemption will make it unnecessary for us to

reserve further amounts for this purpose before the last half of 1924. The amount of \$8116.34 now reserved for this purpose will be ample.

MISCELLANEOUS EXPENSE

\$32,622.20

Expense items not classified under separate headings were as follows for the year: Expense incurred in connection with closed banks \$5,577.45; (This includes Taxes on property surrendered, feeding and handling of live stock; rent paid by representatives, legal costs, insurance, etc.) Copies of reports of bank examinations \$8,120.12; Credit Service \$741.00; Books, subscriptions, etc. \$1470.56; Our share of expense in connection with Pension Committee activities \$1209.62; Farewell dinner to S. S. Cook \$765.00; Educational work \$1007.25; Contributions to Federal Reserve Club \$584.60; Exchange Paid \$1507.25; Repairs to furniture and equipment \$4343.28.

PROFIT AND LOSS

An explanation is given below of the various items affecting our profits which are not covered in Comments on Earnings and Expenses.

EXPENSE other REAL ESTATE \$17,638.92

Under Federal Reserve Board ruling we are not allowed to charge in current expense any outlay in connection with our bank property until such time as we occupy the property. The above amount is the accrual during the year of taxes on ground at 5th Street and Marquette Avenue. This amount is placed in a special account out of which the taxes will be paid when called for in 1924. The tax rate for 1923 was fixed at 73.50 mills which is approximately 15% higher than the 1922 rate.

TAXES ON NEW BUILDING 1923 \$14,760.00

In May of 1923 the valuation on which to base 1923 taxes was set at \$500,000. Forty per cent of this valuation at a rate of 73.50 mills was our assessment for 1923. Monthly portions have been charged Building Account during the year and credited in a tax reserve account. On December 31 the total of taxes for the year was withdrawn from Building Account and charged to Profit and Loss.

MAINTENANCE - NEW BUILDING \$ 2,101.93

Since the coming of colder weather and the closing in of our building, it has been necessary to provide heat. Our expenditures for fuel oil, coal and miscellaneous items together with wages of two engineers totalled the above amount up to December 31. The expense was charged against Building Account but under authority from the Board was withdrawn on December 31 and charged to Profit and Loss.

FURNITURE AND EQUIPMENT-MINNEAPOLIS \$22,940.04

HELENA 388.69

Our expenditures were largely for replacements at Minneapolis. The item was formerly carried in Expense but is now a separate account transferred to, Profit and Loss at the end of the year.

CATERING EXPENSE \$ 4,954.20

This amount represents net expense to the bank for supplies.

and cost of service but none of the expense of direction or for rent and equipment has been included.

<u>DEPRECIATION ALLOWANCES - BANK BUILDING</u>	
<u>MINNEAPOLIS</u>	\$20,361.04
<u>HELENA</u>	1,571.08

Federal Reserve Board has authorized the charging off each year of 2 percent of the estimated replacement value of bank property. While the replacement value would be greater than book value we have reduced Building Account but 2 percent of book value as of November 1 after allowing for taxes and maintenance reductions and the special reserve of \$100,000 now carried.

We reduced book value of Helena building 2 percent after allowing for \$15,108.99 of fixed machinery and equipment and \$77,737.64 for vault already charged off.

<u>RESERVE FOR DEPRECIATION OF FIXED MACHINERY and EQUIPMENT - HELENA</u>	\$ 1,610.90
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Approval for a ten percent charge-off was given by the Federal Reserve Board. This is a similar charge to that made one year ago.

At Minneapolis we had \$315,281.42 charged for fixed machinery and equipment but no depreciation allowances will be asked until we are occupying the building.

<u>ADDITION TO DEPRECIATION RESERVE FOR U. S. SECURITIES</u>	\$53,855.40
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In accordance with wire instructions from the Federal Reserve Board, we adjusted our depreciation reserve on December 31. The 4½ per cent Liberty Bonds were given a market value of \$96 and our 3 per cent Conversion Bonds a market value of \$94. The difference between par, at which all our bonds are carried, and market price necessitated an addition to our reserve account of the above amount. The total amount of this depreciation reserve is now \$146,913.20.

<u>ADDITION TO SPECIAL RESERVE AGAINST POSSIBLE LOSSES</u>	\$200,000.00
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The above amount was asked for and approved by the Federal Reserve Board, as a likely loss on the paper of banks con-

sidered to be in an over-extended or precarious condition by our Executive Committee, due to weak management. The amount reserved is approximately 10 per cent of the advances made these banks. Total amount now carried as a special reserve is \$700 000.

DIFFERENCE ACCOUNTS

\$ 1,027 80

This total is not excessive when consideration is given to the volume of work in our Cash and Transit Departments. The total is made up largely of amounts under \$10, making location difficult. Of the total amount \$951.53 represents Minneapolis differences and \$76 27 shortages at Helena.

Net differences charged out of Profit and Loss account since organization \$2,919.05

MISCELLANEOUS ENTRIES IN PROFIT AND LOSS

DEBITS

\$ 8,778.40

CREDITS

8,327 44

The charges are almost entirely made up of losses on Treasury Notes Series A 1925 and B 1925 disposed of during the past year.

Of the credits \$532.85 is return premium on our Schedule Bond which had been paid in 1922 but no recovery made until after January 1, 1923. During the year we received allowances on adding machines and typewriters amounting to \$1211 12. Formerly these allowances applied on new purchases but present instructions call for a credit in Profit and Loss unless the allowance is given in the same year in which the purchase was made. The dividend we received from the Equitable Life on our Group Life policy for eight months of 1922 amounting to \$1453.83 was credited to Profit and Loss. Recoveries from Closed banks on account of expense items paid by us amounted to \$2530 05.

During the last quarter of 1918 the First National Bank, St. Paul and First National Bank, Mankato refused to accept credit for coupons clipped from bonds presumably received from these banks. An account was opened on our general ledger in January 1919 and the sum of \$2320.85 entered therein. As there is no likelihood of this amount ever being claimed, it was determined to credit Profit and Loss on December

SURPLUS and FRANCHISE TAX

After making allowance for all items previously noted we had remaining in Profit and Loss Account \$112,722.50. Under the Law 10% of this amount, \$11,272.25 was added to our Surplus Account and the remainder, \$101,450.25 was credited to the General Account of the Treasurer of the United States.

Total of Surplus from Earnings since organization \$7,484,218.79

Total Franchise Taxes paid since organization 3,678,602.77

REIMBURSABLE EXPENDITURES

Account Fiscal Agency Operations

1923

	<u>Minneapolis</u>	<u>Helena</u>	<u>Combined Minneapolis and Helena</u>
Salaries: Officers	\$ 7,662.49	\$ 1,666.76	\$ 9,329.25
Clerical staff	93,952.51	5,141.49	99,094.00
All other	31,262.98	1,400.00	32,662.98
Officers' and clerks traveling expenses	765.58		765.58
Insurance (other than on currency and securities)	1,309.49	142.28	1,451.76
Insurance on currency and security shipments	12.72		12.72
Rent	3,666.66	900.00	4,566.66
Office and other supplies	3,419.67	144.99	3,564.66
Printing and stationery	10,444.37	342.21	10,786.58
Telephones	736.83	70.45	807.28
Telegraph	336.94	308.30	645.24
Postage	1,874.74	120.30	1,995.04
Expressage	156.99		156.99
All other expenses, n. s.	2,507.22	104.79	2,612.01
Total Expenditures	\$164,104.95	\$10,341.57	\$174,446.52
Amount reimbursable January 1, 1923.	26,397.03	1,435.28	27,832.31
Total	\$190,501.98	\$11,776.85	\$202,278.83
Reimbursement received since Jan. 1, 1923, including other recoveries	179,618.76	11,206.93	190,825.69
Total disbursements for which reimbursement has not yet been received	10,883.22	769.92	\$ 11,653.14

FURNITURE AND EQUIPMENT

Purchases for the year amounted to \$22,940.04 at Minneapolis and \$388.69 at Helena. While the net is lower by \$1700. than in 1922 all the gain is at Helena. This is natural as Helena operations have contracted and the branch has not been open long enough to make replacements of equipment necessary.

Apart from a few chairs, no new furniture has been purchased at Minneapolis and the adding machines and typewriters purchased were to replace worn out equipment. The largest item added during the year was our armored truck at a cost of \$5944.85. We also purchased several Ford machines, one for use at Minneapolis office and the others for closed bank representatives. We own in all, four Ford cars with partial interest in two others.

Changes have been made in the machines used on some of our work, the Ellis adding typewriter being substituted for Underwood and Remington machines used for handling return items, Government transcript and Federal Reserve Accounts. Increased efficiency has been obtained by the changes made.

On July 1 we hired a competent mechanic at \$2400. to look after our machinery. To date the showing made has been satisfactory. For the year our total repair bill was \$4,343.28 at Minneapolis and Helena. Expense of this character at Minneapolis for the last half of 1923 was \$656.14. The amount includes repairs to other equipment over which the mechanic has no control. The advantage will be more apparent later on as we replace the old machinery. Eventually we will not trade in adding machines at the end of five years and typewriters at the end of three years as the care given will prolong the life of our machinery. Our facilities for handling repair work will also be much better in the new building.

It is our intention to use every piece of equipment we now own in the new building. There will be considerable expenditure necessary however for cabinet safes, trucks, etc., so that our Furniture and Equipment Account will have much higher figures for 1924.

Our valuation placed on furniture and equipment is about \$12,000 lower than January 1, 1923 values as costs are somewhat below one year ago and depreciation allowances are naturally less with an additional year's usage given most of our equipment.

For adding machines and typewriters turned in on new machines, the sum of \$1211.12 was received in allowances and credited in Profit and Loss Account.

Costs since organization, present valuation and building location of furniture and equipment at Minneapolis and Helena, is given below

Amount expended for furniture and equipment to end of year 1922	\$252,690.10
Purchased during 1923 - Minneapolis	22,940.04
Purchased during 1923 - Helena	<u>388.69</u>
	\$276,018.83

Valuation as of January 1, 1923.	
Head Office	\$ 79,752.66
Helena Branch	<u>14,475.11</u>
	\$ 94,227.77

Insurance Carried on Furniture and Equipment	
At Minneapolis Main Building	\$ 40,000.00
" " Annex	40,000.00
" " Evanston Building	5,000.00
" Helena Main Office	5,000.00
" " Annex	<u>15,000.00</u>
	\$105,000.00

In addition to the equipment carried at the Annex, we have stored in the basement, all the supplies for the bank. A recent inventory of our stock on hand indicates a valuation of \$23,693.39. This is a greater amount than ordinarily carried due to recent purchases for Treasury Department redemptions and large stock of envelopes.

CLOSED BANK EXPENSEMINNESOTA

<u>Bank</u>	<u>Address</u>	<u>Salaries</u>	<u>Traveling & Maintenance</u>	<u>Legal</u>	<u>Other Expenses</u>	<u>Total</u>
First Nat'l Bank	Grey Eagle, Minn.	\$ 44.88	\$ 102.46		\$ 3 50	\$ 150.84
First Nat'l Bank	Lancaster, Minn.	78.34			19 51	97.85
Farmers State Bank	Spring Valley, Minn.	147.00	49.26		7 37	203.63
First Nat'l Bank	Wells, Minn.	600.00	217.06	\$ 356.37	48 06	1,221.49
Total Minnesota		\$870.22	\$368.78	\$356.37	\$78.44	\$1,673.81

NORTH DAKOTA

First Natl Bank	Crosby, N. D.	\$ 50.00	\$	\$	\$ 5 00	\$55.00
Cavalier Co Natl Bank	Langdon, N. D.	539.85	203.26		101 61	844.72
First Natl Bank	Medina, N. D.	4,775.11	2,942.01	684 00	811 76	9,212.88
First Natl Bank	Tolley, N. D.	239.46	171.44		21 29	432 19
First Natl Bank	Tower City, N. D.	192.31	31.08		1 00	224.39
First Natl Bank	Towner, N. D.	46.62	356.73	513.37	21.97	938.69
First Natl Bank	Turtle Lake, N. D.	280.00	97.04		22.40	399.44
First Natl Bank	Willow City, N. D.	288.06	216.83		88 07	592.95
Merchants Natl Bank	Willow City, N. D.	153.72	86.51		11.35	251.58
Merchants Natl Bank	Wimbledon, N. D.	2,242.39	472.32	92.05	185.34	2,992.10
Total North Dakota		\$8,807.51	\$4,577.22	\$1,289.42	\$1,269.79	\$15,943.94

SOUTH DAKOTA

First Natl Bank	Eureka, S. D.	\$	\$ 265.19	\$1 526 94	\$ 17.45	\$ 1,809.58
First Natl Bank	Gregory, S. D.	493.49	443.10		27.41	964.00
Howard Natl Bank	Howard, S. D.	-	-		-	-
First Natl Bank	Mitchell, S. D.	493.33	264.38		81.62	839.33
Citizens Bank & Trust Co	Rapid City, S. D.	536.87	593.24		57.87	1,187.78
Corn Belt Natl Bank	Seotland, S. D.	1,766.50	2,402.87	1 863 78	260 63	6,293.78
First Natl Bank	Springfield, S. D.	388.90	255.29		17.75	661.94
Stock Growers State Bank	Timber Lake, S. D.	154.50	30.76	2.00	5.22	192.48
First Natl Bank	Wessington Springs, S. D.	1,075.00	826.47		337.60	2,239.07
First National Bank	Winner, S. D.	107.75	137.74		82	246.31*
Total South Dakota		\$5,016.14	\$5,219.04	\$3,392.72	\$806.37	\$14,434.27

* This is not recoverable as we have made settlement with receiver and absorbed this expense.

C L O S E D B A N K E X P E N S E - Continued #2.

<u>Bank</u>	<u>Address</u>	<u>MONTANA</u> <u>Salaries</u>	<u>Traveling &</u> <u>Maintenance</u>	<u>Legal</u>	<u>Other</u> <u>Expenses</u>	<u>Total</u>
Ballantine State	Ballantine, Mont.	\$ 274.43	\$ 337.73		\$ 25.25	\$ 637.43
State Bank	Belt, Mont	305.34	259.25		24.46	589.25
Farmers Natl.	Big Sandy, Mont.	670.63	631.06	17.40	145.16	1,464.25
First Natl.	Big Sandy, Mont.	262.01	220.03		11.47	493.51
American Natl.	Billings, Mont.	1,747.31	1,086.01		95.41	2,928.73
First Natl.	Broadview, Mont.	827.70	674.99		277.22	1,779.91
Stockman's State	Browning, Mont.	1,643.95	597.77	7.40	118.18	2,367.30
First Natl.	Carter, Mont.	70.00	29.32		11.43	110.85
First Natl.	Chester, Mont.	803.81	118.75		36.77	959.33
First State	Clyde Park, Mont.		17.85		3.60	21.44
First Natl.	Cut Bank, Mont.	2,022.47	243.95	68.20	94.70	2,429.32
Denton State	Denton, Mont.	299.17	223.60		29.66	552.43
First Natl.	Fairview, Mont.	179.78			15.90	195.68
Bank of Forsyth	Forsyth, Mont.	9.00				9.00
First Natl.	Forsyth, Mont.	9.00				9.00
First Natl.	Fresno, Mont.	173.19	233.18		39.70	446.07
Commercial Natl.	Great Falls, Mont	2,683.38	1,943.51	738.52	1,109.63	6,475.04
Hardin State	Hardin, Mont.	1,261.95	1,119.87	203.13	239.41	2,824.36
First Natl.	Harlowton, Mont.	555.52	434.49		33.99	1,024.90
Havre Natl.	Havre, Mont.	3,129.30	3,077.48	636.39	1,253.07	8,096.24
First Natl.	Highwood, Mont.	853.03	609.95	100.00	136.28	1,699.26
Hingham State	Hingham, Mont.	1,935.25	3,783.78	299.39	709.86	6,728.28
First Natl.	Ingomar, Mont.	3,228.21	2,953.73	262.82	522.02	6,946.78
Inverness State	Inverness, Mont.	23.10	20.95		.30	44.35
First Natl.	Joplin, Mont.	146.09	213.83		8.26	368.18
Citizens Natl.	Laurel, Mont.	1,353.65	836.15	118.55	831.24	3,139.59
First Natl.	Opheim, Mont.	269.27	520.50		7.00	796.77
First Natl.	Oswego, Mont.	167.51	221.40		79.60	468.51
First Natl.	Peplar, Mont.	87.50				1,597.50**
Stockmens Natl.	Peplar, Mont.	2,102.57	1,380.62	7.70	253.55	3,744.44
Citizens State	Roundup, Mont.	727.06	550.87	6.20	35.59	1,320.72
First Natl.	Roundup, Mont.	536.63	451.03		87.91	1,055.57
Roundup Natl.	Roundup, Mont.	289.79	186.30	15.00	29.38	520.57
Yellowstone Valley Bk.& Tr.Co.	Sidney, Mont.	3,600.22	1,641.46	796.62	312.22	6,350.52
American Natl.	Three Forks, Mont.	255.09	203.10		37.59	495.78
First Natl.	Three Forks, Mont.	8.00	18.55		1.50	28.05
Willow Creek State	Willow Creek, Mont.	60.36	24.20		14.69	99.24
Total Montana		\$32,622.49	\$24,848.17	\$3,277.32	\$6,573.29	\$68,818.27
Grand Total Closed Bank Expense		\$47,316.36	\$38,010.21	\$8,316.83	\$8,727.89	\$100,870.29

**Of this amount \$1,500.00 represents balance of compromise settlement for \$3,000.00, - \$1,500.00 of which has previously been paid.

Recovery of expenses during 1923 account reopening of and settlements account Closed Banks \$2,411.32 .

CLOSED BANK EXPENSE

It is impossible to state just what our total expense in connection with closed banks has been during the past year. There are so many indirect expenses caused throughout the bank that we can only hazard a guess as to the total. We do know, however, there has been a very material increase in our expense for handling and protecting our property and for the operation of our Closed Bank Department.

Under the revised Expense Manual salaries of representatives at closed banks appear on our pay-roll and traveling and maintenance is handled the same as our other expense of like character, but all other expense such as filing fees, foreclosure expense and disbursements to protect our interest must be carried as "Miscellaneous". For the benefit of the Directors a statement has been compiled showing the expense contracted at each bank since date of closing.

During 1923 we recovered \$2411.32 of expense incurred at banks which have since reopened. In several other cases we have made compromise settlements. The total of expense incurred at banks, uncollected as of December 31, 1923, was \$100,670.29. To this amount should be added \$11,599.23 covering pay-roll at Minneapolis in connection with handling of Closed Bank affairs, no part of which is recoverable.

Montana closed bank expense is more than double that of the other States of our district combined. The total expended at Montana banks for the year was approximately \$43,000 and if a fair proportion of our office expense were included, the amount to be allocated to Helena Branch for the year would be in excess of \$50,000 with a corresponding reduction in expense at Minneapolis.

All of the time of one officer and a large portion of the time of several other officers is devoted to closed bank work. In addition there are eight employees on closed bank records.

The outside force consists of twenty-six persons including three persons representing other banks in addition to ourselves.

The accounting methods in our Closed Bank Department are satisfactory to the Federal Reserve Examiners, but we plan several changes which we think will add to efficiency.

CURRENCY FUNCTIONS

Total receipts of currency and coin from the banks of our district exceeded shipments by approximately \$7,000,000. Both shipments and receipts were heavier than in 1922, but the incoming amounts were greater than the outgoing in both years. This was also true in greater degree during 1921.

Number of bills handled during the year 71,000,000 which was 9,000,000 greater than in 1922. Shipments increased 2938 over the previous year when 11,020 were made. During every month of 1923 shipments and receipts exceeded those in the corresponding month in 1922.

Sub-Treasury operations have proceeded smoothly throughout the year and we have had no heavy accumulation of money such as was the case one year ago when the War Savings redemption upset our routine.

We have found it necessary, especially during the last half of the year, to bring in considerable amounts of coin ranging from \$50,000 to \$100,000 per month. In 1921 the banks of the district shipped in over \$1,500,000 in coin which we had to re-handle and send to the Mints. During the past eighteen months a large part of this total has been returned by the Mints and shipped out by us to banks of the district.

The accompanying table shows the volume of currency handled during the past four years.

COMBINEDCURRENCY RECEIPTS FROM AND SHIPMENTS TO MEMBER AND NON-MEMBER BANKS BY MONTHSFEDERAL RESERVE BANK OF MINNEAPOLIS AND HELENA BRANCH

	<u>RECEIPTS</u>		<u>SHIPMENTS</u>		<u>TOTAL RECEIPTS</u>		<u>TOTAL SHIPMENTS</u>	
	From Member Banks	From Non-Member Banks	To Member Banks	To Non-Member Banks	1923	1922	1923	1922
January	\$12,980,335.	\$ 257.	\$ 8,034,412.	\$ 157,518.	\$12,980,592.	\$ 11,112,000.	\$ 8,191,930.	\$ 5,442,000.
February	8,770,105.	2,623.	7,337,796.	233,100.	8,772,728.	7,795,000.	8,120,896.	6,170,000.
March	10,667,043.	1.	9,974,375.	277,200.	10,667,044.	9,056,000.	10,251,575.	7,471,000.
April	11,991,377.	4,681.	9,285,543.	248,730.	11,996,058.	9,063,000.	9,524,273.	9,245,000.
May	14,047,538.	20,231.	10,264,995.	216,400.	14,067,869.	10,807,000.	10,481,395.	3,498,000.
June	13,056,440.	25,110.	11,118,959.	308,150.	13,081,550.	10,986,000.	11,427,109.	8,051,000.
July	12,170,260.	37,528.	10,923,779.	238,150.	12,207,788.	9,738,000.	11,161,929.	8,631,000.
August	12,472,789.	30,385.	11,723,285.	170,700.	12,503,174.	9,712,000.	11,893,985.	9,103,000.
September	13,525,892.	280.	14,567,509.	275,380.	13,526,162.	9,327,000.	14,842,838.	12,528,000.
October	12,475,281.	7,812.	13,166,020.	283,875.	12,483,093.	9,629,000.	13,449,895.	9,052,000.
November	12,227,879.		13,667,207.	199,400.	12,227,879.	5,992,000.	13,866,807.	10,554,000.
December	13,206,346.	3,702.	17,253,951.	154,400.	13,210,048.	10,239,000.	17,408,351.	12,419,000.
Total 1923	\$147,591,375.	132,610.	\$ 137,867,940.	\$2,753,003.	\$147,723,935.		\$140,620,843	
Total 1922	\$113,325,000.	131,000.	\$105,117,000.	\$2,047,000.		\$113,456,000.		\$107,164,000.
Total 1921	\$132,759,000.	249,000.	\$ 89,296,000.	\$1,020,000.		\$113,038,000.		\$ 90,316,000.
Total 1920	\$ 64,352,000.	528,000.	\$ 78,616,000.	\$ 380,000.		\$ 64,360,000.		\$ 78,996,000.

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	
	1923	1922	1923	1922	1923	1922	1923	1922
January	2,871,683	2,731,629	1,796,875	1,348,481	21.50	25	\$ 2,619.93	\$ 2,087.72
February	2,482,690	1,683,624	1,770,194	1,265,684	26.25	25	3,046.17	2,854.36
March	2,551,793	1,739,369	1,909,403	1,472,026	26.50	23½	3,071.58	2,799.36
April	2,530,897	1,677,338	1,745,786	1,562,898	25.00	23	2,979.08	2,600.77
May	1,921,965	2,140,806	1,784,473	1,823,986	24.00	21½	2,777.08	2,542.68
June	2,119,141	2,339,987	1,623,608	2,014,067	22.11	22	2,780.15	2,534.34
July	2,030,637	2,125,550	1,805,884	1,830,477	23.25	23	2,732.13	2,657.39
August	3,050,316	2,165,491	3,674,886	1,929,958	22.60	24	2,676.04	2,725.74
September	2,512,411	2,336,277	2,547,230	2,272,542	22.35	24	2,702.20	2,759.94
October	2,725,753	2,292,932	2,118,258	1,925,479	20.21	26	2,493.94	2,696.55
November	2,541,100	1,801,613	2,255,418	1,290,311	21.72	22	2,672.55	2,541.90
December	2,546,350	2,245,651	2,211,901	2,376,018	19.75	25	2,431.93	2,644.59
Total	29,284,636	25,280,467	24,243,913	21,100,927	275.25	279	\$32,983.06	\$32,247.14
Monthly Average	2,490,386	2,106,705	2,020,326	1,758,410	22.93	23½	2,740.58	2,687.26

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

(Minneapolis only)

	No. Coupons Handled		No. of Employees		Salaries	
	1923	1922	1923	1922	1923	1922
January	252,136	239,206	4.50	4½	\$ 424.16	\$ 436.86
February	47,101	84,285	8.00	4	502.32	361.66
March	124,834	185,960	8.00	4½	608.32	337.18
April	171,198	264,144	5.50	3	557.88	270.00
May	191,434	218,500	4.00	3	501.85	270.00
June	174,790	276,639	3.90	4½	344.08	382.50
July	60,121	160,928	2.66	4	235.52	335.00
August	45,221	76,233	2.05	4	178.64	335.00
September	103,641	141,526	2.47	3	222.49	255.00
October	126,237	221,021	2.79	3	264.91	260.00
November	148,045	174,168	2.60	3	247.53	265.00
December	112,117	235,080	2.51	4	232.36	355.67
Total	1,623,872	2,277,660	42.98	44.5	4,223.06	3,663.67
Monthly Average	135,323	189,805	3.58	3.6	351.92	321.97

FEDERAL RESERVE NOTES

At the close of 1923 the Agent's records showed \$69,157,590. of our Federal reserve notes outstanding. After allowance is made for the notes held in our cash and those in process of redemption, the actual amount in circulation was \$65,733,925. The actual expansion over 1922 is \$7,000,000. The 1922 increase over 1921 was \$2,200,000 and in no other year since 1918 has there been an increase in our circulation.

The greatest amount of notes we have had in circulation was \$97,361,000 on December 27, 1918 which is 50% higher than the amount outstanding at the close of 1923. In December of the past year we issued notes to the amount of \$7,540,000 exceeding the December payments of any year since 1918. Our total of notes issued however, was over \$3,000,000 less than in 1922. Of the \$40,205,000 issued, new notes amounted to \$33,690,000 and fit-for-use to \$6,515,000. As the bank returned \$6,350,000 in notes during the year, there was a net reduction of fit notes in the hands of the Agent of \$165,000. During the past four years the fit notes reissued to the bank have always exceeded the notes returned by the bank during the same year. Consequently there has been no accumulation except for several months each year and we have no trouble reducing our supply during the Fall months. On December 31 the Agent had only \$890,000 in fit money on hand but this amount will be added to during the next sixty days.

Our figures for notes destroyed during the year show the lowest total since 1918. The amount \$27,320,330 is also nearly \$5,500,000 less than the amount destroyed in 1922. While more care is now taken in the sorting of notes, the greater volume of notes outstanding during the past two years would indicate a higher percentage of notes to be destroyed for 1924.

Although total circulation increased for the year, the amount of 5's issued was \$3,205,000 less than in 1922 and the ratio of 5's outstanding to total of our issue is 23.9 per cent. In 1920 10 notes were outstanding in greater proportion than any other denomination and this condition has returned at the end of 1923. The proportion of 20's to total issue is 32.8 per cent. The ratio of 50's and 100's in circulation at present is higher than at any previous time. During 1919 and 1920 bills of \$500 and \$1000 were in greater demand than at present. Apparently small depositors in withdrawing funds from banks are taking 20's, 50's and \$100's with the idea of holding funds until their confidence returns.

For several years the volume of our notes returned to the Treasury Department for destruction from Minneapolis has been greater than that of our notes returned from other Federal Reserve Districts. In 1922 this excess was \$4,000,000. The fact that other districts during 1923 returned more of our notes than we did is another indication of money being withdrawn from circulation in our district.

Printing and cost of transportation of our notes from Washington to Minneapolis culled for an expense of \$40,005.46 for the year. This was a reduction of \$13,300 from 1922 costs and about one-third of the amount expended in 1921. We had no printing costs for the last quarter of 1923 and from present indications we will have no costs for printing notes during 1924. The Board plans to keep a supply at Washington sufficient for one year's needs and we have at present a two year's supply in most denominations.

The decision of the Treasury Department to have all classes of notes of like denomination bear the picture of the same President, will necessitate additional expense to us later on, but the idea is a good one. On July 1, 1923 printing costs were reduced

from \$50.42 to \$42.50 per thousand sheets of notes, the cut not coming however, until we were well stocked with notes. These costs have always been too high but the Federal Reserve Banks have no control over them.

Since October we have not reserved the usual \$1000 monthly to meet the cost of redemption of our notes. This expense proved lower than we had expected in 1923 and the \$8116.34 already reserved should make unnecessary the setting aside of any further amounts before July next. Since organization the total amount of our notes destroyed is \$206,697,410 which is 74.68 per cent of the total new notes issued.

FEDERAL RESERVE BANK NOTES

During the final week of 1922 the last of our special 2½ certificates securing circulation were retired and we ceased to have any liability for bank notes. At the present time we are holding in our cash \$92,700 of these notes. With these notes retired there will remain uncanceled at this time, approximately \$520,000 of our original issue of \$23,932,000.

FEDERAL RESERVE NOTES RECEIVED AND ISSUED BY AGENT DURING 1923

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	285,000	400,000	685,000
TOTAL .	\$ 9,835,000	\$ 1,055,000	\$ 10,890,000

	<u>RECEIVED FROM</u> <u>COMPTROLLER</u> <u>NEW</u>	<u>RETURNED BY</u> <u>BANK</u> <u>FIT FOR USE</u>	<u>TOTAL</u> <u>RECEIVED</u>
Fives	\$ 9,560,000	\$ 1,300,000	\$ 10,860,000
Tens	10,600,000	2,650,000	13,250,000
Twenties	12,080,000	2,400,000	14,480,000
Fifties	1,200,000	"	1,200,000
Hundreds	1,600,000	"	1,600,000
Five Hundreds	200,000	"	200,000
Thousands	"	"	"
TOTAL . . .	\$ 35,240,000	\$ 6,350,000	\$ 41,590,000

	<u>NEW</u>	<u>ISSUED TO BANK</u> <u>FIT FOR USE</u>	<u>TOTAL</u>
Fives	\$ 10,340,000	\$ 1,275,000	\$ 11,615,000
Tens	10,320,000	2,500,000	12,820,000
Twenties	10,800,000	2,400,000	13,200,000
Fifties	800,000	60,000	860,000
Hundreds	1,260,000	"	1,260,000
Five Hundreds	120,000	20,000	140,000
Thousands	50,000	280,000	330,000
TOTAL .	\$ 33,690,000	\$ 6,515,000	\$ 40,205,000

IN HANDS OF AGENT DECEMBER 31, 1923

	<u>NEW</u>	<u>FIT FOR USE</u>	<u>TOTAL</u>
Fives	\$ 2,020,000	\$ 200,000	\$ 2,220,000
Tens	2,520,000	550,000	3,070,000
Twenties	4,000,000	200,000	4,200,000
Fifties	870,000	"	870,000
Hundreds	1,330,000	"	1,330,000
Five Hundreds	410,000	"	410,000
Thousands	335,000	140,000	475,000
TOTAL .	\$ 11,385,000	\$ 890,000	\$ 12,275,000

RATIO OF ISSUE BY DENOMINATIONS 1919-1923

	<u>1923</u>	<u>1922</u>	<u>1921</u>	<u>1920</u>	<u>1919</u>
Fives	25.9 %	34.2 %	35.3 %	27.2 %	35.2 %
Tens	31.9	33.2	31.4	33.2	29.5
Twenties	32.3	29.4	23.2	35.8	29.7
Fifties	2.1	1.0	1.3	1.4	.7
Hundreds	3.2	1.7	2.4	2.4	1.0
Five Hundreds	.3	.1	.4	.2	.5
Thousands	.3	.4	1.0	1.8	2.4
	100.0 %	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	15,742,000.					
Issued in 1916	9,980,000.					
Issued in 1917	42,230,000.					
	<u>1918</u>	<u>1919</u>	<u>1920</u>	<u>1921</u>	<u>1922</u>	<u>1923</u>
January	\$ 500,000.	\$ 800,000.	\$ 1,360,000.	\$ 1,320,000.	\$ 1,540,000.	\$ 2,150,000.
February	1,150,000.	1,350,000.	3,240,000.	1,925,000.	2,090,000.	2,370,000.
March	2,945,000.	2,310,000.	3,360,000.	1,975,000.	3,505,000.	2,625,000.
April	2,000,000.	2,450,000.	2,875,000.	2,705,000.	2,705,000.	2,647,500.
May	640,000.	3,800,000.	1,600,000.	2,165,000.	2,845,000.	1,570,000.
June	1,400,000.	2,900,000.	1,200,000.	2,580,000.	3,125,000.	3,967,500.
July	4,000,000.	1,480,000.	3,130,000.	3,230,000.	3,465,000.	3,880,000.
August	4,785,000.	2,050,000.	3,420,000.	4,320,000.	3,140,000.	3,340,000.
September	16,140,000.	6,080,000.	8,135,000.	5,785,000.	5,645,000.	2,595,000.
October	8,720,000.	5,050,000.	4,435,000.	5,570,000.	6,420,000.	3,310,000.
November	2,160,000.	3,570,000.	2,595,000.	2,670,000.	2,777,500.	4,210,000.
December	11,500,000.	6,150,000.	4,100,000.	4,920,000.	6,102,500.	7,540,000.
Total for year	\$57,140,000.	\$39,990,000.	\$39,450,000.	\$39,265,000.	\$43,360,000.	\$40,205,000.
	<u>1916</u>	<u>1917</u>	<u>1918</u>	<u>1919</u>	<u>1920</u>	<u>1921</u>
Destroyed in 1916	\$ 895,955.					
Destroyed in 1917	8,988,095.					
	<u>1918</u>	<u>1919</u>	<u>1920</u>	<u>1921</u>	<u>1922</u>	<u>1923</u>
January	\$ 471,410.	\$ 1,894,160.	\$ 4,617,395.	\$ 4,186,900.	\$ 4,950,350.	\$ 3,169,800.
February	950,025.	2,110,765.	3,297,800.	3,268,250.	4,144,050.	2,402,500.
March	597,405.	2,689,155.	3,481,335.	3,839,300.	3,251,000.	2,170,000.
April	664,060.	2,448,740.	3,263,090.	4,156,620.	3,237,000.	2,208,200.
May	882,330.	3,109,835.	3,030,695.	4,332,100.	2,905,400.	3,503,000.
June	817,480.	3,584,510.	3,422,265.	4,729,950.	1,939,800.	1,872,800.
July	815,760.	2,838,815.	3,264,555.	4,050,610.	1,620,700.	1,803,500.
August	999,995.	4,050,060.	3,517,300.	4,353,300.	1,724,100.	1,937,600.
September	553,600.	3,194,590.	2,416,000.	4,195,100.	1,993,600.	1,612,200.
October	245,950.	3,870,295.	3,310,350.	4,387,450.	2,084,700.	2,356,400.
November	1,047,280.	3,723,150.	3,011,100.	4,010,100.	2,606,000.	2,122,330.
December	1,376,245.	3,257,730.	4,134,900.	3,838,900.	2,328,620.	2,162,000.
	\$9,421,540.	\$36,771,805.	\$40,766,785.	\$49,748,580.	\$32,784,320.	\$27,320,330.

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

AS OF DECEMBER 31, 1923.

	<u>Received from Controller</u>	<u>Returned by Bank to Agent</u>	<u>Total</u>
Fives	90,700,000.	9,872,000.	100,572,000.
Tens	95,880,000.	18,415,000.	114,295,000.
Twenties	86,560,000.	17,925,000.	104,485,000.
Fifties	4,800,000.	835,000.	5,635,000.
Hundreds	7,600,000.	1,150,000.	8,750,000.
Five Hundreds	1,000,000.	115,000.	1,115,000.
Thousands	<u>1,600,000.</u>	<u>1,345,000.</u>	<u>2,945,000.</u>
Total	288,140,000.	49,657,000.	337,797,000.

ISSUED TO BANK

	<u>New</u>	<u>Fit for Use</u>	<u>Total</u>
Fives	88,680,000.	9,872,000.	98,552,000.
Tens	93,360,000.	18,065,000.	111,425,000.
Twenties	82,560,000.	17,725,000.	100,285,000.
Fifties	3,930,000.	835,000.	4,765,000.
Hundreds	6,270,000.	1,150,000.	7,420,000.
Five Hundreds	590,000.	115,000.	705,000.
Thousands	<u>1,365,000.</u>	<u>1,205,000.</u>	<u>2,570,000.</u>
Total	276,755,000.	48,767,000.	325,522,000.

DESTROYED AT WASHINGTON

	<u>Returned by Agent</u>	<u>Returned by Treasurer</u>	<u>Returned by Minneapolis</u>	<u>Returned by other Federal Reserve Banks</u>	<u>Total</u>
Fives	4,260,000.	3,654,920.	30,079,500.	33,789,130.	71,783,550.
Tens	2,545,000.	4,175,720.	28,867,000.	36,607,740.	72,195,460.
Twenties	1,020,000.	2,302,500.	20,928,000.	32,526,500.	56,777,000.
Fifties	25,000.	163,450.	974,000.	1,062,650.	2,225,100.
Hundreds	30,000.	247,400.	1,419,000.	1,418,900.	3,115,300.
Five Hundreds		8,000.	110,500.	75,500.	194,000.
Thousands		<u>24,000.</u>	<u>225,000.</u>	<u>158,000.</u>	<u>407,000.</u>
Total	7,880,000.	10,575,990.	82,603,000.	105,638,420.	206,697,410.

	<u>In hands of Agent December 31, 1923</u>	<u>In circulation December 31, 1923</u>	<u>Ratio Destroyed to Issued - New</u>
Fives	2,220,000.	16,696,450.	80.95%
Tens	2,870,000.	20,814,540.	77.35
Twenties	4,200,000.	25,585,000.	68.77
Fifties	870,000.	1,704,900.	56.61
Hundreds	1,330,000.	3,154,700.	49.68
Five Hundreds	410,000.	396,000.	32.83
Thousands	<u>375,000.</u>	<u>818,000.</u>	<u>29.61</u>
Total	12,275,000.	69,167,590.	74.68%

COMPARISON OF OUTSTANDING FEDERAL RESERVE NOTES

ALL FEDERAL RESERVE BANKS

(In thousands i.e.000 omitted)

	Jan. 2 1924	Dec. 27 1922	Increase	Decrease	Decrease for 1920
Boston	\$254,598 M	\$227,415 M	\$27,183 M	\$ M	\$50,905 M
New York	712,170	781,523		69,353	316,184
Philadelphia	235,247	245,477	9,770		38,377
Cleveland	272,598	276,684		4,086	107,153
Richmond	115,951	112,902	3,049		45,501
Atlanta	187,115	136,398	20,717		22,831
Chicago	460,058	472,711		12,653	174,371
St. Louis	92,199	115,262		23,063	63,523
Minneapolis	69,368	63,133	6,235		12,488
Kansas City	80,412	79,827	585		58,193
Dallas	58,651	43,801	14,850		26,063
San Francisco	277,605	279,959		2,354	35,539
Total for System	\$2,805,972 M	\$2,835,092 M		\$29,120 M	\$932,908 M

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	36.56 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 6-30-23	50.42 per M sheets
7-1-23 to date	42.50 per M sheets

UNITED STATES COUPONS PAID THROUGH FEDERAL RESERVE

BANK OF MINNEAPOLIS AND HELENA BRANCH

	<u>Minneapolis</u> <u>1923</u>	<u>Number of Coupons</u> <u>Helena Branch</u> <u>1923</u>	<u>Total</u> <u>1923</u>	<u>Total</u> <u>1922</u>
January	252,133	17,888	270,022	254,051
February	47,101	5,391	52,492	90,842
March	124,834	8,166	133,000	196,446
April	171,196	12,231	183,426	277,891
May	191,434	15,184	206,618	235,914
June	174,790	12,734	187,524	236,303
July	60,121	7,793	67,914	173,590
August	46,221	3,004	49,225	81,279
September	103,641	6,030	109,671	152,616
October	186,237	12,826	199,063	234,399
November	148,046	12,395	160,440	189,954
December	119,117	9,614	128,731	253,018
	1,623,872	122,904	1,746,776	2,435,302

AMOUNT OF COUPONS PAID

	<u>Minneapolis</u> <u>1923</u>	<u>Helena Branch</u> <u>1923</u>	<u>Total</u> <u>1923</u>	<u>Total</u> <u>1922</u>
January	\$ 1,029,201.01	\$ 49,073.29	\$ 1,078,274.30	\$ 709,519.91
February	112,127.06	12,181.04	124,308.10	268,375.17
March	1,503,736.02	46,132.93	1,549,868.95	1,062,657.50
April	1,106,757.34	72,808.98	1,179,566.32	1,340,899.04
May	923,333.19	79,852.37	1,003,185.56	1,047,763.77
June	1,031,032.23	60,822.40	1,091,854.63	1,354,079.71
July	221,707.97	25,944.53	247,652.50	502,087.12
August	126,281.92	9,242.12	135,524.04	304,898.43
September	1,708,991.33	40,736.34	1,749,727.67	1,397,213.32
October	1,177,742.63	65,639.77	1,243,382.40	1,301,955.49
November	737,270.02	89,829.61	827,099.63	917,071.35
December	1,064,227.23	64,241.08	1,128,468.31	1,069,728.68
	\$10,757,440.10	\$ 616,554.81	\$11,373,994.91	\$11,296,258.24

COMPARATIVE STATEMENT COUPONS HANDLED

BY YEARS

	<u>Number of</u> <u>Coupons</u>	<u>Amount</u>
1923	1,746,776	\$ 11,373,994.91
1922	2,435,302	11,296,258.24
1921	3,588,452	14,346,797.13
1920	5,039,141	16,418,820.21
1919	5,192,950	14,356,123.76
1918	1,669,587	4,320,943.36
1917	45,069	136,615.27

DISCOUNT OPERATIONS

The last half of 1923 made a fair comparison with similar period of 1922 in number of pieces of paper discounted and in only two months of the year, January and February, was the amount rediscounted below that of the same month in 1922. The fact that fifteen day bills payable of the large city banks, frequently taken up before maturity, made up a larger part of our discount holdings than was the case in 1922 accounts for our lower yearly average of paper under discount and the consequent reduction in earnings from discounts of \$362,000.

Both number of banks served and number of pieces handled have decreased although the total amount discounted is \$97,000,000 over that of the previous year, the State of Minnesota showing an increase of \$135,000,000 and all other States a decrease.

There was a reduction of \$5,500 in salaries paid Discount Department employees from the year previous and the present basis shows a further reduction of \$1000. However, the care which must be exercised in the preparation of offerings for the Executive Committee and the other important details of discount work will not admit of any reduction in employees at this time.

We are now participating in purchases of Bankers Acceptances and Government securities which will give some additional work to the department.

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

	Number of items received		Number of Employees		Salaries	
	1923	1922	1923	1922	1923	1922
January	1,661	3,837	11 $\frac{1}{2}$	19 $\frac{1}{2}$	\$1,420.32	\$2,337.54
February	906	2,321	12	18 $\frac{1}{2}$	1,496.98	2,216.70
March	1,380	2,472	11 $\frac{1}{2}$	17 $\frac{1}{2}$	1,416.16	2,093.20
April	2,067	3,045	12	17	1,478.66	2,006.70
May	2,597	3,342	12	16 $\frac{1}{2}$	1,491.66	1,956.08
June	2,560	3,066	12	16	1,491.66	1,928.57
July	2,564	2,462	12	16	1,515.66	1,930.40
August	1,752	1,890	11	16	1,341.66	1,930.40
September	1,727	2,073	11	15	1,341.66	1,760.38
October	3,035	3,014	11	13	1,341.66	1,511.04
November	2,799	2,942	11	12	1,341.70	1,417.04
December	2,643	3,129	11	12	1,333.30	1,417.04
	25,891	33,583	136	189	\$17,002.08	\$22,505.09
Monthly Average	2,158	2,799	11.5	15.7	\$ 1,416.84	\$ 1,875.64

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INVESTMENT HOLDINGS OF UNITED STATES BANK

DECEMBER 31, 1923.

	Maturity Date	Interest Rate	Amount Par Value	Market
Held Under Repurchase Agreement:				
U. S. Treasury Notes Series A-1923	3-15-1925	4 1/2%	1,000,000.00	1,000,000.00
U. S. Treasury Notes Series B-1926	3-15-1928	4 1/2%	1,000,000.00	1,000,000.00
Held in Investment Account:				
First Liberty Loan Bonds	1-15-1942-47	4 1/2%	147,300.00	144,354.00
Second Liberty Loan Bonds	11-15-1927-42	4 1/2%	2,308,750.00	2,262,575.00
Third Liberty Loan Bonds	9-15-1928	4 1/2%	1,148,800.00	1,125,944.00
Fourth Liberty Loan Bonds	10-15-1933-38	4 1/2%	3,401,300.00	3,333,274.00
U. S. Certificates of Indebtedness Series T-2-1924	3-15-1924	4 1/2%	102,500.00	102,500.00
U. S. Certificates of Indebtedness Series T-1-1924	6-15-1924	4 1/2%	62,500.00	62,500.00
U. S. Treasury Notes Series A-1927	12-15-1927	4 1/2%	500,000.00	500,000.00
U. S. Treasury Notes Series B-1927	3-15-1927	4 1/2%	800.00	800.00
U. S. Treasury Notes Series A-1926	3-15-1926	4 1/2%	238,900.00	238,900.00
U. S. Treasury Notes Series B-1924	9-15-1924	5 1/2%	10,000.00	10,000.00
U. S. Panama Bonds 1961		5	500.00	470.00
U. S. Panama Bonds 1936-1938		2	260.00	267.80
U. S. 3 1/2% Conversion Bonds 1916-1946		3	3,800.00	3,008.00
U. S. 3 1/2% Conversion Bonds 1917-1947		3	111,600.00	104,904.00
Post dated Coupons carried on our books as				1.00 43.71
Reserve for Depreciation				10,036,411.00 9,869,540.51
				146,913.20
				10,036,411.00 10,036,453.71

GOLD HOLDINGS OF THE BANK AND FEDERAL
RESERVE AGENT AT CLOSE OF BUSINESS DECEMBER
31, 1923, AS COMPARED WITH CLOSE OF BUSINESS
DECEMBER 31, 1922.

	<u>BANK 1923</u>	<u>BANK 1922</u>
Gold Coin	2,780,440.	2,375,615.
Gold Certificates	6,048,000.	5,189,730.
Gold Settlement Fund	23,545,142.	23,498,801.
Gold Redemption Fund	2,053,411.	3,422,611.
	34,426,993.	34,466,457.
	<u>Agent 1923</u>	<u>Agent 1922</u>
Gold Coin	3,000,000.	3,000,000.
Gold Certificates	10,052,000.	10,052,000.
Gold with F. R. Board	40,000,000.	32,000,000.
Gold Redemption Fund	1,497,500.	1,315,920.
Combined Holdings	54,551,500.	46,367,920.
	58,978,593.	60,834,377.

TRANSIT OPERATIONS (Minneapolis Office)

The past year has been an active one in the collection of checks with a marked increase in the number of items handled. This increased volume came in the face of many banks closing and still others being removed from our par list. The daily average items sent for collection during 1923 was 83,382 an increase of 10,071 over the daily average in 1922. If we include the items returned, the daily average of items handled was 85,027 in 1923 and 75,322 in 1922.

This larger volume of work was handled on a pay-roll \$2200 lower than in 1922, indicating quite an improvement in efficiency. The yearly average shows that each employee handled daily 62 more items than in 1922 and 198 more than in 1921. The average number of employees on transit work was 123 in 1923 and 125 in 1922.

In this department there was a turnover of 96 employees during the year, over 100 per cent greater than the turnover of the previous year. Closer supervision by those in charge and the consequent elimination of many inferior workers ran our turnover high. Although heavy turnover of help is usually expensive, there are often good results. New employees must reach our standards in a reasonable time and continue to improve or they are let go.

Items mis-sent to out of town banks show an increase during the past year but an improvement in the number mis-sent during the past two months is noted. Mishandling of items within the Department shows improvement and should continue to do so. An average of over 1500 items per day are returned for various reasons and during November and December the daily average was over 2400. This work requires careful handling and usually delays the closing of the books. Forseeing the increase in return items we installed Ellis Adding Typewriters on this work and are handling the increased volume with no additions to the force.

The total volume of all items handled by us on our district was 24,191,099 which was nearly 3,000,000 more than handled during 1922. On other districts we handled approximately 300,000 more items than in 1922, the total being 2,560,000. The amount of the checks handled on our district was \$2,735,000,000 and the increase over 1922 was \$323,000,000. Items on other districts were in total \$486,000,000 and the increase over 1922 \$72,000,000.

Reference to the tables of one year ago shows an increase in the number of all classes of items handled. This holds true of amounts also with the exception of Treasury Warrants. We handled 116,000 more warrants but the total amount was \$21,000,000 less than in 1922.

Our branch at Helena handled 800,000 less items on the banks in the State of Montana for the reason that all the other Federal Reserve Districts, with the exception of San Francisco, send their items on points outside of Helena to us.

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	
	1923	1922	1923	1922	1923	1922
January	79,733	64,691	127	126	\$11,393.77	\$11,768.30
February	79,911	64,885	129	127	11,341.50	11,733.30
March	86,589	69,746	127	126	11,540.12	11,528.54
April	86,403	71,251	120	127	11,318.51	11,559.56
May	83,963	71,583	118	127	11,197.74	11,590.72
June	86,278	76,041	126	124	11,287.62	11,390.07
July	82,497	72,236	118	124	11,352.74	11,384.43
August	76,325	66,719	118	123	11,336.03	11,244.04
September	84,647	76,384	121	120	10,702.46	11,024.58
October	89,729	84,265	123	122	10,891.24	10,958.21
November	90,843	94,244	125	127	11,095.20	11,169.44
December	93,413	91,817	126	128	10,833.53	11,167.64
			1472	1501	\$134,290.46	\$136,518.83
Monthly Average	85,027	75,322	123	125	\$ 11,190.87	\$ 11,374.90

TWIN CITY CLEARINGS

THROUGH

FEDERAL RESERVE BANK

FOR YEAR 1923

Date	Items on Minneapolis Bank	Items on St. Paul Bank
Jan.	\$ 158,552,881.12	\$ 82,758,191.90
Feb.	110,892,961.56	55,409,758.04
Mar.	144,738,728.87	87,958,587.80
Apr.	140,351,691.08	78,100,110.51
May	152,419,975.09	79,001,727.70
June	151,827,808.48	82,102,733.75
July	140,421,242.79	76,395,388.52
Aug.	138,107,189.29	76,110,894.06
Sept.	143,033,893.04	75,282,552.74
Oct.	172,671,192.59	91,933,864.90
Nov.	152,085,705.20	85,420,612.31
Dec.	150,529,385.11	82,312,120.43
	\$1,752,702,285.22	\$952,888,612.77

REPORT OF TRAVEL DEPARTMENT

FOR YEAR 1923

**DIRECT DEBITING TO OTHER RESERVE BANKS BY OUR
MEMBER BANKS 1923-1922**

Date	To Items		Amount	
	1923	1922	1923	1922
Jan.	124,198	99,540	\$16,294,874.30	\$15,315,419.34
Feb.	97,961	32,290	13,025,802.74	13,297,374.36
Mar.	114,221	102,757	17,223,885.34	16,747,056.82
Apr.	114,752	97,664	15,497,259.41	14,147,178.57
May	120,531	103,720	18,925,061.24	15,726,597.17
June	115,570	104,516	16,157,433.95	15,957,252.67
July	113,559	100,712	16,364,097.21	15,962,008.79
Aug.	118,475	111,430	15,637,647.17	15,951,904.00
Sept.	112,535	107,610	13,072,654.50	15,120,847.27
Oct.	131,324	116,401	19,564,580.96	17,437,931.77
Nov.	123,612	105,272	17,439,983.47	17,020,572.06
Dec.	133,543	120,227	16,537,401.75	15,146,335.00
	1,425,898	1,255,917	\$ 197,355,504.12	\$ 189,122,742.52

CLEARING STATISTICS

MINNEAPOLIS AND HELENA BRANCH

Number and Amount of Items Handled During 1923

Within District			Other Districts		
	Number	Amount		Number	Amount
Clearings	3,689,394	\$1,729,322,732.70	Federal Reserve Banks .	1,216,847	\$328,929,651.37
Member & Non-Member . . .	21,746,566	1,230,226,956.88	Sent Direct by Member .	1,425,698	199,656,504.13
Paid for U. S. Govt. . . .	789,472	95,684,808.28	Banks		
<hr/>			<hr/>		
Total	26,205,432	\$3,053,234,497.86		2,642,745	\$528,586,155.50

Daily Average number of items handled: 1923 - 90,525. 1922 - 83,280 1921 - 77,956 1920 - 71,015

Twin City Clearings handled through Federal Reserve Bank in 1923: \$2,715,590,690.98

Highest number of items handled in one day 11/15 - 143,498)

) Minneapolis only

Highest average number of items per person 11/15- 1,167)

CLEARING STATISTICS

FEDERAL RESERVE BANK OF MINNEAPOLIS AND HELENA BRANCH

NUMBER AND AMOUNT OF ITEMS HANDLED DURING 1923

WITHIN THE DISTRICT

	Number	Amount
Clearings	3,889,394	\$ 1,729,822,752.70
Member and Non-member	21,746,566	1,230,226,956.88
Paid for U. S. Government	769,472	93,684,808.28
	<u>26,205,432</u>	<u>\$ 3,053,734,497.86</u>

OTHER DISTRICTS

Federal Reserve Banks	1,216,847	\$ 328,929,631.37
Sent Direct by member banks	1,425,898	199,636,504.13
	<u>2,642,745</u>	<u>528,566,135.50</u>

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

1920	71,015
1921	77,956
1922	83,280
1923	90,325

Twin City Clearings handled through Federal Reserve Bank in 1923 - \$2,715,590,890.98

CLEARING STATISTICS

Minneapolis only

NUMBER AND AMOUNT OF ITEMS HANDLED DURING 1923

WITHIN THE DISTRICT

Twin City Banks	3,371,149	\$ 1,538,747,098.94
Member and Non-member	20,147,219	1,115,694,291.09
Paid for U. S. Government	661,263	79,471,877.18
Helena Branch	11,468	1,199,856.01
	<u>34,191,099</u>	<u>\$ 2,735,113,123.22</u>

OTHER DISTRICTS

Federal Reserve Banks	1,134,469	\$ 286,321,408.55
Sent direct by member banks	1,425,898	199,636,504.13
	<u>2,560,367</u>	<u>\$ 485,957,912.68</u>

Daily average number of items handled:

1920	71,015
1921	70,832
1922	73,311
1923	83,382

Twin City Clearings handled through Federal Reserve Bank in 1923 - \$2,715,590,890.98

CLEARING STATISTICS

Helena Branch

NUMBER AND AMOUNT OF ITEMS HANDLED DURING 1923

WITHIN THE DISTRICT

Clearings	318,245	\$ 190,575,633.76
Member and Non-member	1,599,347	114,532,665.79
Paid for U. S. Government	108,209	14,212,931.10
	<u>2,025,801</u>	<u>\$ 319,321,230.65</u>

OTHER DISTRICTS

Federal Reserve Banks	82,378	\$ 42,608,222.82
Daily Average number of items handled, 1923	6,943	

NUMBER & AMOUNT ITEMS HANDLED BY
THE TRANSIT DEPARTMENT FOR THE YEAR 1923
(MINNEAPOLIS ONLY)

MONTH	CLEARINGS		MEMBER & NON MEMBER		OTHER RESERVE BANKS		DIRECT TO BANKS IN OTHER RESERVE DIST.		TO HELENA BRANCH BY US		TREASURER OF UNITED STATES	
1923	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Jan.	269,555	\$125,266,271.29	1,678,069	\$88,820,328.89	93,095	\$18,515,347.36	4,971	\$4,673,267.04	920	\$96,583.77	38,303	\$6,245,219.87
Feb.	248,141	98,652,279.17	1,374,473	69,885,471.74	73,259	13,099,234.86	4,293	3,958,381.67	784	80,427.76	33,441	5,032,666.32
Mar.	321,315	134,125,607.83	1,753,912	95,499,031.75	86,149	17,497,689.76	5,623	6,080,583.85	901	110,511.91	53,592	6,284,209.43
Apr.	273,633	124,112,533.90	1,693,756	91,560,387.27	87,330	18,727,233.41	5,109	4,925,998.38	1085	92,673.31	68,566	6,553,402.28
May	282,772	130,086,596.08	1,722,438	93,614,304.09	76,841	18,884,487.09	5,750	5,144,294.30	1034	96,063.40	62,323	6,802,296.65
Jun.	303,256	133,086,630.41	1,759,497	97,650,018.84	85,499	18,539,377.69	5,299	5,235,438.52	993	86,399.92	52,992	6,236,591.99
Jul.	275,607	123,607,694.72	1,617,682	93,041,051.13	91,760	18,728,087.08	5,462	5,212,817.94	847	82,523.27	52,177	6,523,855.89
Aug.	265,941	120,409,076.06	1,612,173	89,187,733.92	86,764	19,250,060.70	5,449	5,259,144.91	845	101,289.49	47,281	5,567,255.88
Sep.	258,828	128,818,231.50	1,584,014	94,359,384.31	83,942	19,374,092.55	5,134	5,017,356.54	873	135,018.50	59,464	7,535,516.57
Oct.	299,542	151,133,823.49	1,862,829	107,799,865.04	106,459	21,972,408.90	5,448	5,712,873.97	1083	108,744.00	80,581	8,347,977.75
Nov.	279,267	135,074,742.04	1,673,932	97,905,817.17	98,416	20,446,702.59	4,624	5,450,977.88	1,024	96,089.97	58,953	7,097,791.42
Dec.	293,292	134,373,612.45	1,814,444	96,370,896.94	102,901	19,554,182.88	4,892	5,061,368.68	1,079	113,530.71	53,590	7,245,093.13
	3,371,149		20,147,219		1,072,415		62,054		11,468		661,263	
		\$1,538,747,098.94		\$1,115,694,291.09		\$224,588,904.87		\$61,732,503.68		\$1,199,856.01		\$79,471,877.18
Monthly Ave. No. Items	280,929		1,678,935		89,368		5,171		956		55,105	
Monthly Ave. Amounts		\$ 128,228,924.91		\$92,974,524.26		\$18,715,742.07		\$5,144,375.31		\$99,988.00		\$6,622,656.43

OPERATIONS OF CHECK CLEARING AND COLLECTION DEPARTMENT

MINNEAPOLIS AND HELENA BRANCH

Detailed Classification of Number and Amount of Items Handled by Months, during 1923
With Totals for 1921, 1922 and 1923

Items handled in actual numbers - Amounts in thousands of Dollars

								TOTALS (a)			
Items drawn on banks in own District				Items Drawn on		Items forwarded					
Located in F.R.Bank		Located outside of F.R.		Treasurer of		to other F. R.					
and Br. Cities		Bank and Br. Cities		United States		Banks and their		1923		1922	
						Branches					
No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
Jan. 297,531	\$134,503	1,812,954	\$ 98,882	49,615	\$ 9,082	104,800	\$26,486	2,264,900	\$268,953	1,830,700	\$213,832
Feb. 270,240	111,049	1,478,975	77,436	40,089	6,235	82,844	19,856	1,872,148	214,576	1,588,713	178,618
Mar. 353,940	150,411	1,888,441	105,167	61,013	7,332	98,276	27,024	2,401,670	289,934	2,089,645	243,909
Apr. 300,172	139,930	1,827,267	100,673	77,178	7,527	98,479	26,585	2,303,096	274,715	1,971,099	214,535
May 309,423	146,060	1,860,719	102,993	71,196	7,795	89,016	27,565	2,330,354	284,413	2,067,573	229,044
June 330,221	148,430	1,898,068	107,363	61,697	7,223	97,373	27,299	2,387,349	290,315	2,192,313	238,418
July 302,781	139,601	1,751,647	102,324	60,778	7,468	105,029	27,163	2,220,235	276,556	2,023,453	237,006
Aug. 290,076	136,003	1,746,533	98,106	56,034	6,389	100,448	27,886	2,193,091	268,384	1,998,647	235,524
Sep. 281,909	143,807	1,706,986	103,266	69,268	8,520	96,931	28,002	2,155,094	283,595	2,130,878	264,197
Oct. 326,972	174,953	2,006,954	119,374	91,577	9,423	118,842	32,124	2,544,345	335,754	2,458,464	319,279
Nov. 304,900	152,877	1,813,395	108,511	68,511	8,052	109,815	30,500	2,296,621	299,940	2,247,593	287,241
Dec. 321,229	151,693	1,954,637	106,244	62,516	8,633	114,994	28,433	2,453,376	295,003	2,468,193	280,968
Totals											
3,689,394		21,746,566		769,472		1,216,847		27,422,279		25,067,271	
\$1,729,317		\$1,230,219		\$93,679		\$328,923		\$3,382,138			
1923								27,422,279		\$3,382,138	
1922										25,067,271	
1921										23,620,876	
										\$2,940,624	

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

**COMPARATIVE VOLUME OF FIGURES FOR TRANSIT DEPARTMENT
1923 - 1922**

MINNEAPOLIS ONLY

	DAILY AVERAGE NUMBER OF TRANSIT LETTERS RECEIVED		DAILY AVERAGE NUMBER OF TRANSIT LETTERS SENT		DAILY AVERAGE NUMBER OF RETURN ITEMS HANDLED	
	<u>1923</u>	<u>1922</u>	<u>1923</u>	<u>1922</u>	<u>1923</u>	<u>1922</u>
January	1481	1522	3205	3001	1177	1149
February	1412	1398	3170	2999	1024	913
March	1449	1282	3187	3046	1040	915
April	1469	1364	3185	3002	1111	975
May	1432	1148	3162	2995	1074	969
June	1441	1182	3128	3002	1282	1097
July	1456	1103	3125	3008	1438	1095
August	1394	1255	3097	3011	1478	999
September	1388	1477	3059	3013	1911	1089
October	1419	1456	3000	2960	2014	1230
November	1383	1569	2930	2983	2336	1393
December	1472	1740	2809	3197	2522	1375
Average by Months	1433	1358	3089	3018	1533	1100

	DAILY AVERAGE ALL OTHER ITEMS SENT		DAILY AVERAGE TRANSIT ITEMS SENT DIRECT BY OUR MEMBER BANKS	
	<u>1923</u>	<u>1922</u>	<u>1923</u>	<u>1922</u>
January	80,189	63,448	4777	4008
February	78,836	63,891	4753	3740
March	85,442	63,924	4593	3850
April	86,179	72,764	4590	4067
May	82,741	70,459	4463	3980
June	84,905	78,209	4445	4012
July	81,758	71,018	4746	4188
August	74,387	64,878	4388	4127
September	82,644	75,285	4689	4306
October	87,627	82,945	4882	4476
November	88,073	85,816	5150	4574
December	90,812	90,633	5298	4825
Average by Months	83.382	73.355	4715	4179

	DAILY AVERAGE CLEARING ITEMS RETURNED		DAILY AVERAGE CLEARING ITEMS MISSSENT		DAILY AVERAGE OUT OF TOWN ITEMS MISSSENT		DAILY AVERAGE MISSORT BETWEEN SECTIONS	
	<u>1923</u>	<u>1922</u>	<u>1923</u>	<u>1922</u>	<u>1923</u>	<u>1922</u>	<u>1923</u>	<u>1922</u>
January	34	27	41	32	61	26	57	93
February	31	21	40	25	55	25	61	131
March	32	26	43	30	65	34	57	175
April	34	27	29	31	37	33	87	117
May	31	22	21	21	38	25	87	133
June	31	28	28	19	36	38	62	124
July	33	27	36	16	52	32	71	95
August	32	24	30	25	48	30	52	62
September	32	27	32	21	43	27	64	77
October	30	24	37	37	35	29	65	62
November	37	31	46	36	37	42	68	66
December	43	34	41	36	48	51	56	52

Average by Months	34	26	35	27	46	32	60	90
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TWIN CITY CLEARINGS THROUGH FEDERAL RESERVE BANK

OF MINNEAPOLIS, MINNESOTA, 1922 and 1923

MINNEAPOLIS ONLY

	<u>1923</u>	<u>1922</u>
January	\$241,311,073.02	\$175,170,376.97
February	176,302,719.60	148,726,885.63
March	232,692,316.67	194,784,627.05
April	218,451,801.69	172,706,329.72
May	231,421,696.79	184,986,484.74
June	233,930,242.23	200,803,714.81
July	216,816,631.31	195,660,423.41
August	211,218,063.35	200,535,039.57
September	218,416,445.73	218,336,245.52
October	264,605,057.49	248,209,900.12
November	237,476,317.51	227,530,420.01
December	232,948,525.54	237,179,069.30
Totals	\$2,715,590,890.98	\$2,404,629,516.85
Average Monthly	\$226,299,240.92	\$200,385,793.07

DAILY AVERAGE CLEARINGS HELD OVER

	<u>1923</u>	<u>1922</u>
January	\$257,697.44	\$208,621.92
February	228,300.84	178,620.13
March	486,384.93	180,256.39
April	378,119.87	138,529.82
May	384,420.37	137,864.86
June	431,331.33	166,113.08
July	472,590.54	185,808.39
August	326,612.76	175,079.72
September	243,806.89	209,596.88
October	387,360.54	234,919.61
November	436,858.87	278,284.70
December	426,505.84	355,527.53
Average Monthly	\$371,665.85	\$204,101.92

	<u>Average items per person handled daily</u>			<u>Average number of employees</u>		
	<u>1923</u>	<u>1922</u>	<u>1921</u>	<u>1923</u>	<u>1922</u>	<u>1921</u>
January	679	561	439	127	126	188
February	683	568	435	129	127	184
March	734	627	495	127	126	179
April	756	661	447	120	127	174
May	748	671	496	118	127	164
June	770	749	553	120	124	160
July	750	701	544	118	124	157
August	689	650	516	118	123	149
September	736	627	577	121	120	144
October	757	756	679	123	122	137
November	748	739	639	125	125	133
December	782	781	657	126	128	127
Yearly Average	736	674	539	123	125	159

COLLECTION DEPARTMENT

Non-Cash Items

The increase of 13 000 in total of collection items handled over 1922 is due to the fact that we received 199,909 City items as compared to 166 335 in 1922, the largest number handled in any month being 25 208 in October 1923. Country collections fell off 20 000 from 1922 and were 29,000 less than in 1921. The cause may be traced to the direct handling of their own country items by the First National Bank, St. Paul from December 1922 to June 1923. Since that time the volume has grown and 1924 should see an increase in both City and Country items.

This Department is operating on an average monthly reduction in pay-roll of \$286.44. While more items were handled in total than during 1922, the increase came in the class of items most easy to handle. The degree of efficiency reached on this work is satisfactory.

Out of a total volume of \$135,836,577 is the amount returned uncollected was \$3,266,600 made up of 10,921 items. In 1922 we returned unpaid 10 697 collections amounting to \$3,986,332.

A statement giving comparison of items handled, number of employees and pay-roll by months is given 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>	
	1923	1922	1923	1922	1923	1922
January	26,020	21,049	16 $\frac{1}{2}$	20 $\frac{1}{2}$	\$ 1,633.36	\$ 2,149.50
February	19,009	16,786	16 $\frac{1}{2}$	20	1,660.28	2,073.66
March	24,427	20,780	18	19 $\frac{1}{2}$	1,752.82	1,999.66
April	21,976	18,884	18 $\frac{1}{2}$	20	1,799.93	2,025.66
May	21,688	21,374	16	20	1,647.52	2,025.68
June	20,900	23,150	15 $\frac{1}{2}$	21	1,605.02	2,067.28
July	22,775	21,033	19	20	1,957.70	2,034.02
August	23,973	24,238	18 $\frac{1}{2}$	20	1,767.27	2,034.02
September	30,421	31,298	16 $\frac{1}{2}$	18 $\frac{1}{2}$	1,622.52	1,943.94
October	39,121	39,858	17	18	1,639.52	1,845.04
November	35,352	34,619	18	19 $\frac{1}{2}$	1,763.15	1,996.70
December	31,275	30,506	17 $\frac{1}{2}$	17 $\frac{1}{2}$	1,711.90	1,803.03
	316,937	303,575	207 $\frac{1}{2}$	234 $\frac{1}{2}$	\$20,560.99	\$23,998.19
Monthly Average	26,441	25,298	17.9	19.5	1,713.41	1,999.85

COLLECTION DEPARTMENT

	Number of Collection Items Handled by Minneapolis 1923		Number of Collection Items Handled by Helena Branch 1923		Number of Collection Items Handled by Minneapolis and Helena Branch 1923		
	<u>CITY</u>	<u>COUNTRY</u>	<u>CITY</u>	<u>COUNTRY</u>	<u>CITY</u>	<u>COUNTRY</u>	<u>TOTAL</u>
January	18025	7995	371	2262	18396	10257	28,653
February	12691	6318	235	1222	12926	7540	20,466
March	16522	7905	129	1478	16651	9383	26,034
April	14532	7444	155	1376	14687	8820	23,507
May	13712	7976	136	1516	13848	9292	23,140
June	12970	7930	140	1240	13110	9170	22,280
July	12062	10713	229	1956	12291	12669	24,960
August	14776	9197	109	1349	14885	10546	25,431
September	20489	9932	110	1403	20599	11335	31,934
October	25208	13903	188	2528	25596	16431	41,827
November	21110	14242	250	3002	21360	17244	38,604
December	17812	13463	221	2985	18033	16448	34,481
Total	199909	117018	2273	22117	202182	139135	341,317

COLLECTION OPERATIONS 1923-1922.

	<u>Minneapolis</u>	<u>Helena</u>	<u>Total 1923</u>	<u>Total 1922</u>
Items Received	316,927	24,390	341,317	327,486
Items Returned Unpaid	10,921	3,069	13,990	15,244
Items Collected	306,006	21,339	327,345	313,715
Amount Collected	\$131,611,977	\$8,440,887	\$140,052,864	\$132,740,328

VALUE OF ITEMS RECEIVED--(MINNEAPOLIS ONLY)

	<u>1923</u>	<u>1922</u>
City . . .	\$65,416,785.10	\$59,517,436.73
Country. .	<u>70,421,791.91</u>	<u>69,626,385.62</u>
Total	\$135,838,577.	\$129,143,822.35

COLLECTION DEPARTMENT

COMPARISON OF NUMBER OF ITEMS RECEIVED FOR COLLECTION

1923--1922--1921

MINNEAPOLIS ONLY

	<u>CITY COLLECTIONS</u>			<u>COUNTRY COLLECTIONS</u>			<u>TOTAL COLLECTIONS</u>		
	1923	1922	1921	1923	1922	1921	1923	1922	1921
January	18025	9692	8559	7995	11357	12447	26020	21049	21006
February	12691	8307	6096	6318	8479	10270	19009	16786	16366
March	16522	9599	7605	7905	11181	12310	24427	20780	19915
April	14532	8868	6546	7444	10016	12930	21976	18884	19478
May	13712	9976	8086	7976	11398	11808	21688	21374	19694
June	12970	10513	9376	7930	12637	13316	20900	23150	22692
July	12062	9069	6481	10713	11964	12107	22775	21033	18589
August	14776	13139	10631	9197	11099	11303	23973	24238	21934
September	20489	19228	14022	9932	12070	10722	30421	31298	24744
October	25208	25012	17744	13905	14846	12123	39111	39858	29867
November	21110	20568	11940	14242	14051	12294	35352	34619	24234
December	17812	22364	11305	15463	8142	14321	31275	30506	25626
TOTAL	199909	166335	118391	117018	137240	145951	316927	303375	264342

ITEMS RECEIVED FOR COLLECTION

HELENA BRANCH

	<u>CITY COLLECTIONS</u>			<u>COUNTRY COLLECTIONS</u>			<u>TOTAL COLLECTIONS</u>		
	1923	1922	1921	1923	1922	1921	1923	1922	1921
January	371	118		2262	1935		2633	2053	
February	285	89	59	1222	1109	644	1457	1198	703
March	129	116	64	1478	1837	841	1607	1955	905
April	155	137	66	1376	1578	966	1531	1715	1032
May	136	105	69	1513	1475	1193	1452	1580	1262
June	140	105	91	1240	1379	1425	1380	1484	1516
July	229	171	118	1966	1902	1302	2185	2073	1420
August	109	152	76	1349	1225	1699	1458	1377	1775
September	110	156	92	1403	1252	2090	1513	1408	2182
October	198	192	70	2328	2773	2060	2716	2955	2136
November	250	256	82	3002	2981	3009	3252	3231	2091
December	221	259	56	2936	2625	2769	3206	2884	2825
TOTAL	2273	1842	649	22117	22069	16498	24390	23911	17847

TRANSFER DEPARTMENT

Outgoing wire transfers show a steady increase in number since 1920 although the amount transferred is less than in 1920 and 1922 but exceeds that of 1921. Incoming transfers increased from 7543 in 1920 to 14,667 in 1923 and the increase over 1922 is 1501.

WIRE TRANSFERS HANDLED

	<u>Outgoing</u>		<u>Incoming</u>	
	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>
1920	8587	\$550,429,000	7543	\$813,859,000
1921	9249	398,876,000	10395	851,453,000
1922	9850	550,036,000	13166	1,002,858,000
1923	10062	546,133,000	14667	1,079,866,000

In 1921 this work was handled by three employees being increased to four in 1922. In 1923 a messenger was added making five employees at the present time.

Early in 1923 all outgoing and incoming wires were routed through this department, where the incoming wires are decoded and outgoing wires coded. Mail transfers are also handled in this Department including payments to Redemption Account by National Banks.

The personnel of the department has remained the same with one exception for two years which has enabled them to handle the increased volume without undue increase in hours worked. The greater volume of work handled is perhaps the best example of increased efficiency in the bank.

We are continually emphasizing the importance of cutting down unnecessary wire expense and while giving service free to member banks do not propose to have this service cover matters which could as readily be handled by mail. Were it not for the strained conditions in our district our telegraph expense would show a material reduction. Under the present method of handling the costs are held as low as possible

VOLUME OF WIRE TRANSFERS HANDLED
MINNEAPOLIS AND HELENA BRANCH

<u>INCOMING</u>			<u>OUTGOING</u>	
<u>MONTH</u>	<u>NUMBER</u>	<u>AMOUNT</u>	<u>NUMBER</u>	<u>AMOUNT</u>
January	1,479	\$ 106,196,181.04	1,027	\$ 68,836,455.64
February	1,157	81,380,021.21	795	39,115,320.28
March	1,587	110,500,838.41	909	54,096,441.55
April	1,512	86,482,058.41	880	38,105,389.40
May	1,467	91,178,090.98	990	44,886,110.67
June	1,608	95,993,142.95	1,002	49,171,632.92
July	1,586	90,853,764.66	1,051	48,498,966.77
August	1,501	91,713,763.12	1,007	43,173,656.63
September	1,636	88,285,696.65	962	40,508,394.57
October	1,944	116,899,567.54	1,120	55,166,197.39
November	1,711	103,847,573.45	1,118	48,140,733.36
December	1,831	105,830,603.50	1,014	46,735,158.24
TOTAL	19,019	\$1,169,161,301.90	11,875	\$576,434,467.69

WIRE TRANSFERS INCOMING AND OUTGOING
(Minneapolis Only)

<u>INCOMING</u>			<u>OUTGOING</u>	
<u>MONTH</u>	<u>NUMBER</u>	<u>AMOUNT</u>	<u>NUMBER</u>	<u>AMOUNT</u>
January	1169	\$ 98,913,094.77	866	\$ 66,397,987.00
February	939	76,065,664.00	664	37,842,294.00
March	1228	102,995,341.29	749	51,533,169.00
April	1156	79,409,217.90	721	35,894,692.00
May	1159	85,174,530.87	823	42,420,391.00
June	1283	90,208,724.46	839	46,096,706.00
July	1245	83,378,597.04	878	46,006,707.00
August	1191	85,482,566.26	859	40,685,387.00
September	1187	80,283,948.76	831	38,266,701.00
October	1399	106,171,539.96	971	52,012,076.00
November	1300	95,854,783.97	975	45,495,248.00
December	1411	95,922,463.11	886	43,481,300.00
TOTAL	14,667	\$1,079,865,472.39	10,062	\$546,132,658.00

WIRE TRANSFERS INCOMING AND OUT GOING
(Helena Branch)

<u>INCOMING</u>			<u>OUTGOING</u>	
<u>MONTH</u>	<u>NUMBER</u>	<u>AMOUNT</u>	<u>NUMBER</u>	<u>AMOUNT</u>
January	310	\$ 7,278,086.27	161	\$ 2,438,478.64
February	218	5,514,557.21	131	1,273,026.28
March	359	7,505,497.12	160	2,563,272.82
April	356	7,072,840.51	159	2,210,697.40
May	308	6,003,560.09	167	2,465,719.67
June	325	5,784,418.49	163	3,074,926.92
July	341	7,475,167.62	173	2,492,259.77
August	310	6,231,196.86	148	2,468,269.63
September	449	8,001,747.89	131	2,241,693.57
October	545	10,728,027.58	149	3,154,121.39
November	411	7,992,799.43	143	2,645,495.36
December	420	9,908,140.39	128	3,253,858.24
TOTAL	4,352	\$89,295,829.51	1,813	\$50,501,809.69

AUDITING DEPARTMENT

In the 1922 report the Controller called attention to the failure of the Audit Department to reach the efficiency desired due to shortage of competent people, the necessity of allowing members of the department to do relief work on operating posts and the fact that during December 1922 the entire department had been assigned to help get out of the War Savings congestion.

During January and February the same condition prevailed the entire department being engaged in checking up and straightening out the differences arising from the redemptions of War Savings Stamps and Victory Notes.

There was no escaping this work and the bank is fortunate in having things clean up as well as they did. The Federal Reserve Examiners as a consequence, found much to take exception to in their March examination.

As the chief trouble caused the Auditing Department was in the incompetent handling of checks covering redemptions and the registers, a study was made of the condition which resulted in a greatly improved method. All Fiscal Agency Cashier's Checks are now written on the Ellis Adding Typewriter and on forms which allow the writing of the check, the register and the Auditor's copy in the same operation. The adding machine arrangement accumulates the figures so that at the close of business each day the total of checks issued is obtained without delay, and we have an automatic proof both as to writing and as to amount. The checks are drawn in such a manner that the particulars of payment may be entered on the face and window envelopes are used for forwarding. The foregoing method requires a minimum of checking and is a very material time saver.

In December 1922 there were four men and four women on audit work. Three other senior men were dividing their time between Accounting and Auditing.

In December 1923 eleven men and two women comprised the Audit Department with the vault Custodian operating under the supervision of the Controller. Three new men were added and others were relieved of their accounting duties.

Additional duties undertaken in the department during 1923 include the decoding of all wires transferring funds to or from the Federal Reserve Bank of Minneapolis, checking of the entries and procuring officially signed confirmations of telephone and telegraph requests for transfers of funds. This work takes practically the entire time of one employee.

All functions are being audited monthly with exception of some of the larger functions such as Transit and Discount which are audited once in two months. A daily check is maintained on incoming and outgoing shipments of currency, coupons and securities. In July a daily examination of discounts was started for technicalities. This has served to reduce to a minimum the technicalities which the Federal Reserve Examiners were able to find as well as being of service to the Discount Department.

The time of two members of the department is required to audit War Finance matters. Outstanding War Finance collections were traced twice during the year and each month the notes are listed and verified against the Control Accounts.

Two examinations were made of the branch during 1923, in February and September.

The efficiency of the Auditing Department has been benefitted by the changes in personnel and by the closer supervision of the work made possible through relieving senior men of their accounting duties.

The standards worked out for the Auditing Department mentioned in the last report, have had a beneficial effect on the morale. By placing the requirements for each grade in the hands of the members of the department, each one is acquainted with the minimum requirements for advancement.

The constant emphasis laid on avoiding controversies with other employees has resulted as foreseen in lessened friction with the operating departments.

Written reports are made on all audits to the Controller. After approval of the report, a copy is given to the officer in charge and the original sent to the Executive Committee.

COMMITTEE on ECONOMY and EFFICIENCY

The Federal Reserve Board appointed in 1921, a Committee on Economy and Efficiency which Committee consists of one representative from each bank and two members of the Federal Reserve Board. Each Federal Reserve Bank also has a local committee.

During April, 1923, representatives of the local procedure committees met in group conferences called by the Federal Reserve Board. Each group consisted of four banks and an attempt was made to bring together in each group the banks having conditions or operations more nearly alike. For instance, there were several changes in the group we met with to discuss the Currency functions from that to discuss the Accounting functions. Mr. Moore represented this bank at the Conference on Currency and Coin, Mr. Geery on Loans, Discounts and Investments, Mr. Warren on Transit and Collections and Mr. Dunlop on Accounting.

These meetings discussed and compared the methods in use in each bank of the group and a report was prepared by each group chairman summarizing in comparative form the volume handled, number of employees, cost and methods in use in the various banks. In May the group Chairman met with the Federal Reserve Board Committee for study and discussion of the results of the survey.

Written reports and specific recommendations were made for the elimination of certain phases of the work and changes in procedure of handling of the various functions. These suggestions were specific and not general.

Certain changes were made in the Functional Expense Report by elimination and simplification of the report. In a few instances certain additional figures were requested as giving a better idea of the volume handled in comparison with expense incurred.

In this bank as a result of the recommendations of the Committee, the Reserve Division was combined with the Member Books, resulting in a saving of one employee on the work.

Certain Transfers of Funds handled heretofore by the Government Deposit Division are now handled by the Transfer Department. The Daily Transcript of the Treasurer's Account is now written by the Federal Reserve Bookkeeper. These two changes resulted in the releasing of one employee from the Government Deposit work without increase of employees in other departments.

In February the handling of the Expense segregation was separated from the General Ledger. To this was added the compilation of the Functional Expense Report for the Federal Reserve Board. This change enabled one man to be released for audit work and centralized the handling of expenses in one place. At the same time a change in handling the payment of bills was made. Where formerly officers and department heads approved for payment all bills for their departments, now the outside requisition is attached to the bill bearing the approval of the department head, officer in charge, and the Controller. The new method eliminated duplication of work and allowed the Purchasing Agent more time for other work.

Beginning January 1, 1924, the payment of all bills will be taken over by the expenditures division. This is in accord with the procedure in other Federal Reserve Banks and should result in a saving to the bank. All deliveries must be accompanied by bills and these bills will be checked daily as to price, extensions, etc., which will lessen the first of the month work when vouchers are hurried through. Several errors found in bills after payment during December and failure to pay bills in time to secure the cash discounts, were contributing factors to the decision to make the change.

The Comparative Functional Expense Report of all Federal Reserve Banks issued monthly in 1922 was made a quarterly report in 1923. Study of our expenses in connection with those of other Federal Reserve Banks has proven of some value. This however, has not been of as great value as month to month comparison of costs of departments within our own bank.

Knowledge that waste of supplies and failure to transfer unnecessary help will result in a higher unit cost has had a salutary effect on department heads. Considerable difficulty has been experienced however, in getting our people to realize the importance of the functional expense reports. Co-operation and conformity to the necessary regulations to enable us to get accurate figures, has been difficult to secure although this condition improved during the latter part of the year.

While it is easy to arrange a good comparative showing by changing the allocation of some expense items and by loading up Overhead, the Chairman of our Local Committee has endeavored to bring about strict adherence to the Manual. When differences of opinion have developed, the matter has been referred to the Secretary of the Federal Reserve Board's Committee and in no single instance has he disagreed with the local Chairman.

Each employee on mixed work is requested to allocate his time on a form provided. At the end of the month this time sheet is approved by the department head and the officer in charge. Theoretically, this should give us an accurate distribution of time spent, but in practice it has often been found that in order to make a favorable showing, time has been charged to other units.

It is hoped that during 1924 we will be able to remedy these conditions. Minneapolis ranks among the leaders in low costs and efficiency generally, but there are a number of weak spots which it is hoped to correct.

PERSONNEL

At the close of 1923 we had 427 persons on the bank payroll at Minneapolis and Helena, with 72 persons working under our supervision but paid by the Treasury Department. One year ago we had 11 less people on our work and 30 more performing duties for the Treasury Department. We have reduced the number performing Fiscal Agency work at our expense from 31 to 18 but on other bank work we have employed 24 additional people, the principal change coming in additions to personnel of Closed Bank Department.

The material difference in number employed on Treasury work was due to sudden expansion required one year ago on War Savings Redemptions. This year the amount of redemptions is negligible. Quite a number of transfers have been made between the banking departments and the War Finance Department, places being found in the latter department for some employees we might otherwise have been unable to retain. Part of our difficulty has been a surplus of senior clerks but with the demand for men to be used as representatives at Closed Banks, we have been able to place these men temporarily at least.

Turnover of employees was heavy for the year, 171 persons entering our service with 183 deductions. These changes include the turnover of 96 persons on transit work and also the temporary help required on Fiscal Agency redemptions. The turnover for 1924 should not be heavy in comparison with former years for the reason that the spirit of unrest seems to be dying down and we have had a number of employees, who left to take apparently more attractive positions, apply to be reinstated. This condition relates more to the transit work and has had some bearing on the increased efficiency in that department.

In the report for 1922 was included a table showing the salaries involved in absences by departments for the first eleven months. This tabulation by departments showed a total of \$13,837.73 of which \$2,270.41 was for persons on the reimbursable pay roll making the net cost to the bank \$11,567.32 for the eleven months.

For this year we have shown in the table following, the losses by departments for the period December 1922 to November 1923, inclusive, employees who registered time clocks, separated as to men and women. It will be

noted that for the twelve month period the salaries involved in absences of women were \$2100. in excess of those for men although the women make up less than 40% of the total employees

A report is prepared each year for the use of the Senior Officers covering all employees as to days absent, times late, hours worked and percentage of hours worked to the standard. The standard hours are eight each week day and six hours Saturday.

SALARIES INVOLVED IN ABSENCES - MINNEAPOLIS

Dec. 1, 1922 - Dec. 1, 1923.

<u>Department</u>	<u>Men</u>	<u>Women</u>
Agent's	\$ 109.55	\$ 591.33
Bank General	319.14	682.61
Bond and O. I.	463.54	547.43
Bookkeeping	267.46	
Currency and Coin	317.83	1,800.04
Collateral	534.87	28.76
Collection	204.68	280.20
Controller's and Audit	302.16	108.31
Discount	177.32	197.06
Credit	24.52	261.49
General Books	170.12	
General Files	21.46	229.13
Government Deposits	7.77	54.90
Guards	319.34	
Messengers	144.65	
Multigraph		81.92
Private Wire		91.12
Purchasing	403.94	
Registered Mail		40.15
Reserves	7.17	
Stenographic		1,318.25
Switchboard		397.83
Transfer	33.95	30.36
Transit	1,922.28	631.29
War Finance	280.21	699.80
Welfare		197.14
	<u>\$ 6,031.96</u>	<u>\$ 8,169.12</u>
Salary Loss		
Dec. 1, 1922 - Dec. 1, 1923	\$ 6,031.96	\$ 8,169.12
Annual Salary as of Dec. 1, 1923	307,796.00	166,678.00
Percent of Loss to Salary	1.96	4.90
Number on Pay Roll Dec. 1, 1923	246	145

Above figures include only those for whom attendance records are kept.

MONTHLY BASIS OF SALARIES PAID BY BANK

(MINNEAPOLIS ONLY)

	<u>December 31, 1923</u>		<u>December 31, 1922</u>	
	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>
<u>Officers:</u>				
Bank	9	\$5,267.02	6.50	\$4,483.36
Agent's	5	3,066.60	5	3,025.02
<u>Department:</u>				
Accounting	3	541.60	1.50	279.18
Addressograph	1	90.00	1	90.00
Agent's	12	1,948.42	12	1,906.68
Audit and Control	11	1,741.84	6.50	820.86
Bookkeeping and Reserves	13.23	1,616.06	16.50	2,048.29
Central Files	8.50	611.70	8	548.61
Closed Banks:				
Clerks and collectors on permanent payroll	13.90	2,390.99	5	946.67
Collectors - Extra Help		2,615.64		1,067.50
Collection	17.50	1,711.90	17.50	1,803.03
Credit	4	461.70	- 6	668.36
Currency and Coupon	25.50	2,745.48	27.50	3,065.68
Discount	11	1,533.30	12	1,417.04
Government Deposits	2	191.66	3	358.36
Guards	17	1,761.50	14	1,458.36
Multigraph	1	90.00	1	80.00
Pages	6.70	317.42	5	230.34
Personnel	2	250.10	2.50	329.18
Private Wire	2	275.00	2	275.00
Purchasing	3	418.70	2	283.34
Registered Mail	2	246.70	2	246.68
Stenographic	20.57	2,033.21	19.50	1,963.32
Switchboard	2	216.70	2	216.68
Transit	127.20	10,581.03	126	10,952.64
Welfare and Cafeteria	4	385.18	3	280.00
Wire Transfers	5	568.70	4	466.68
Fiscal Agency	13.80	1,509.05	21	2,290.02
All Other	7	991.70	3	429.18
Extra Help		210.37		488.85
Total Paid by Bank	349.80	\$46,189.27	338	\$42,499.02

Reimbursable Salaries

Certificates of Indebtedness	8.50	1,121.72	12.50	1,611.70
Collateral	1.40	175.00	3	421.68
Treasury Savings System	2.50	796.28	2.50	796.34
War Savings Redemptions, 1918				
Officers	---	---	50	200.00
Employees	1	90.00	14	1,434.53
War Savings Redemptions, 1919	9.10	891.76		
<u>War Finance Corporation:</u>				
Officers	1	583.40	1	500.00
Employees	46	4,516.75	50.50	5,268.10
Total Reimbursable	69.50	\$8,174.91	64	\$10,232.65

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>1923</u>		<u>1922</u>	
Auditors on Fiscal Agency work	3	\$416.70	6	\$801.68
Guards on Fiscal Agency work	1	100.00	1.50	154.17
Stenographers on Fiscal Agency work	6.50	628.40	4	425.00
	10.50	\$1,145.10	11.50	\$1,380.85

STENOGRAPHIC DEPARTMENT

During 1923 the Central Stenographic Department functioned primarily on the same principles as it had since its organization. The rotating of the senior stenographers as department heads, which commenced about the first of the year, has worked out advantageously both to the bank and to the Department. The continuation of this practice will give the senior stenographers a broader view of the operations within the department and its relation to the other departments which it serves, which should ultimately bring about more effective service.

About June 1 the Multigraph and Ditto Departments, which had operated independently of the Stenographic Department, were consolidated under the direct supervision of the Stenographic Department Head and this enabled the Stenographic Department to give better service, in that a great deal of the work sent to the Stenographic Department could be reassigned either to the Ditto or to the Multigraph Departments. In this connection, with a view to determining which operation would be most economical, the photostatic process of copying was employed. A complete record of all forms which could have been photographed but which were typed in the Department was kept and disclosed that we could type copies in the Stenographic Department, provided there was sufficient time, at approximately 12-cents per copy. This, however, does not hold true in cases of large forms composed of a block of figures -- there is considerable saving in having such forms photographed.

The Stenographic Department illustrated most effectively, during the vacation period of 1923, the fruits of one of its primary features of organization and that was the rotating of the stenographers on the various kinds of work. Three senior stenographers resigned during the vacation period, when at least three members of the Department were continuously away, and due only to the familiarity of the remaining members of the Department with all classes of work in the bank, was efficient service rendered, without the necessity of employing additional help to tide over this period.

CAFETERIA

During 1923 an average of 235 employees made use of our lunch room daily. This number is more than one-half the total staff. About 50 persons bring their own lunches but all employees are furnished milk and coffee free of charge. Facilities are not adequate as but 35 persons may be seated at once. No improvement will be possible however until we occupy our new building.

The lunch arrangements meet with approval and the service has been broadened gradually. Early in the year it was our practice to buy our sandwiches. On May 29 we began making part of our sandwiches and on November 27 installed a bread cutter and now make all the sandwiches, approximately fifteen to eighteen dozen daily. With the arrival of cold weather one hot dish is served or an occasional salad substituted.

Employees are encouraged to watch their weight, a scale being provided and when below normal each person is permitted to drink milk between meals. The Welfare Secretary advises that many excellent results have been obtained.

All food for which payment is required is furnished at practically cost. Bank assumes all other costs which includes rent, service, milk, coffee, etc. As indicated by the following figures the net expense to the bank for 1923 was \$5,662.20. Of this amount \$350.13 was incurred in furnishing meals to employees on Sundays during the congestion due to the War Savings Redemptions.

In the new building quarters ample space will be available for seating and serving.

COSTS OF OPERATION FOR 1923

Salaries - Waitresses	\$ 1,476.86
Paper plates, napkins, spoons, etc.	940.72
Glassware, china, etc.	176.89
Rent	708.00
Cost of Food	9,217.23
Miscellaneous expense	<u>52.49</u>
Total	12,572.19
Receipts from employees	<u>6,909.99</u>
Net cost of Bank	5,662.20

WELFARE DEPARTMENT

The number of services rendered by the Welfare Secretary during 1923 were not nearly as great as in 1922. A reduction of over 1000 in requests for office attention is noted for the year. It is evident that the additional attention required in lunch room matters prevents the Welfare Secretary and her Assistant from devoting all the time they would like to their regular duties. Outside calls were greater in number than during 1922. These calls take considerable time and when possible we use the bank automobile or that of one of the employees.

While services requiring attention at the bank decreased we had more cases of a serious nature requiring extended leave than for any previous year.

Total number services at office	2,710
Total outside calls	116

During the past three years we lost the following employees through death or permanent disability.

<u>Name</u>	<u>Department</u>	<u>Amount</u>	<u>Date of Death</u>
Wallace, Roy	Gov't. Bond	\$1500.	August 10, 1921.
Ryan, John E.	Guard	1500.	March 21, 1922.
Nestor, Wm.E.	Gov't. Bond	1400.	February 26, 1923. (1PM)
Johnson, Wallace	Transit	540.	April 10, 1919.
MacKenzie, Floyd	Bookkeeping	720.	Insurance Paid Account Permanent Disability
Olseen, Ina M.	Currency	1100.	Insurance Paid Account Permanent Disability

NEW BUILDING

During the past year satisfactory progress has been made on the new building. The two upper floors will probably be ready for occupancy within the next 60 to 90 days. The ground-floor and those below are rapidly approaching completion and with the recent letting of the contract for the finishing of the first floor we are justified in anticipating completion during the late summer or early fall.

The letting of our vault contract was materially delayed through the necessity and advisability of a very careful investigation of the relative merits of the various types of wall-reinforcing as we found little or no agreement among the experts as to the best available method. Our final selection will provide a vault which will in all respects prove more than adequate to our present needs and we believe, give us all required protection due to the intrinsic strength of the wall-reinforcing in conjunction with the underlying basic principles of defense incorporated in our building design.

The accepted design for the finish of the main banking room is one of high dignity, coupled with a simplicity of design which will make for a most attractive room. The walls, lobbies, floors and partitions to counter height, will be of Italian marble, with a bronze screen extending the entire width of the building, separating the Public Lobby from the work section. This plan should prove satisfactory from both the practical and artistic standpoints for in this combination we have serviceability as well as refined artistry. The Reception Room and executive offices will be finished in American walnut with a wainscoting chair-back high, with floors of teakwood. Overhead lighting will give a most satisfactory effect to the subdued elegance of these rooms.

We are all anticipating with much impatience, the privilege of performing our daily tasks under so pleasant an environment as will be found in the completed structure.

COST TO DATE AND ESTIMATED TO COMPLETION OF NEW BUILDING

QUARTER ENDING DECEMBER 31, 1923.

<u>NEW BUILDING OPERATIONS</u>		<u>TOTAL TO DATE</u>	<u>ESTIMATED COST TO COMPLETE</u>
<u>Building Site</u>			
1.	Original cost of land, including build- ings, if any	600,000.00	
2.	Incidental expenditures connected with purchase	2,468.66	
3.	Cost of wrecking old buildings	0	
4.	Total (1, 2 and 3)	602,468.66	
5.	Less proceeds from sale of salvaged material	1,948.00	
6.	Cost of building site	600,520.66	
<u>New Building</u>			
7.	Preliminary expenditures	3,000.48	
8.	Cost of construction:		
	(a) Building, exclusive of vaults and fixed machinery and equipment	1,086,313.72	
	(b) Vault construction, including any additional structure or foundation made necessary by vault	59,099.00	
	(c) Vault equipment, including doors, lining, and all interior equipment	0	
	(d) Fixed machinery and equipment	322,121.42	
9.	Miscellaneous building construction ex- penses incurred by Federal Reserve Bank	0	
10.	Fees and expenses: (a) Architects	165,544.27	
	(b) Engineers	5,440.66	
	Taxes	19,960.00	
	Maintenance	2,101.93	
11.	Cost of New Building	1,663,581.48	
12.	Cost of building and building site (6 & 11)	2,264,102.14	
13.	Charge-offs to Current Net Earnings:		
	(a) Depreciation allowances	130,189.31	
	(b) Taxes	19,960.00	
	(c) Maintenance	2,101.93	
	(d) Total	152,251.24	
14.	Book value of property (12 & 13d)	\$2,111,850.90	\$1,338,149.10
<u>MEMORANDA</u>			
15.	Reserves against depreciation (as shown on Form 34):		
	(a) Charged to current net earnings	\$100,000.00	
	(b) Charged to super-surplus	0	
	(c) Total	\$100,000.00	
16.	Floor space:		
	(a) Occupied by Federal Reserve Bank	None	Sq. Ft.
	(b) Rented	None	"
	(c) Unoccupied	*124,739	"
	(d) Total floor area in new building	124,739	"

* Measurements taken from wall to wall without deduction for stairways, elevators, toilets, etc. and including basements, boiler room, etc.

HELENA BRANCH

The report of the Branch Auditor covering 1923 operations is offered separately. As no written comment accompanies this report, we draw attention briefly to some of the more important changes from one year ago.

There has been a decrease of five persons in the branch staff during the year, four being deductions on bank pay-roll and one from the War Finance pay-roll. One person was taken off audit expense on account of a clearer division of the auditing and accounting work. Two persons less were required on transit work largely due to part of the volume being transferred to Minneapolis. The examination work formerly done by an examiner on Helena pay-roll is now handled through Minneapolis.

We are showing elsewhere in this report the heavy increase in expense due to closed bank situation. The branch personnel and pay-roll would show a large increase if the employees needed to handle our affairs in connection with Closed Montana banks were added to branch employees.

Earnings of \$264,091.31 fell \$167,000 below the total earned in 1922. Since the opening of the branch our net earnings at Helena have amounted to \$911,546.40.

Current expenses of the branch were \$141,501.39 which is approximately \$18,000 less than in 1922. Better organization and a material reduction in expenditures for supplies enter into the reduced costs.

Discount operations were on a much smaller scale during 1923, 4815 less pieces of paper being discounted and the amount was approximately \$10,000,000 less than in 1922. The amount of paper held under discount on December 31, 1923 was slightly over one-half the amount carried on the same date in 1922, but livestock paper increased \$900,000 during the year. The transferring of all failed bank paper to Minneapolis

immediately after the closing of a bank has operated to reduce the branch discounts more rapidly than formerly.

Wire transfers handled for member banks increased in number 1031 and in amount \$29,000.000. At the same time branch telegraph costs were \$1260 lower for the year.

Volume of currency handled totalled \$48,000,000 in both 1922 and 1923. Demand for notes in the latter part of 1923 was materially greater than during 1922 due to the strained condition that developed during the Fall in some of the larger banking centers.

The collection of checks through Helena showed a large decrease in volume on account of Minneapolis assuming the collection of items received from all Federal Reserve Districts except San Francisco District, drawn on Montana banks outside of Helena. The decrease was from 2,456,000 checks in 1922 to 1,599,000 in 1923. Items drawn on Helena banks increased about 10,000. Non-cash country collections were no greater in number during 1923, but the amount increased \$1,250,000, the 1923 total being \$8,265,000. City collections average about 7 items per day.

Two examinations of the branch were made by Controller during the year. Since the examination of February 10 substantial improvement was shown as evidenced in the report of September 28. During the interval Manager Towle had been absent for several months due to poor health and it was necessary for the Auditor, Mr. Zimmermann, to be away for some time on account of the illness of his wife. Although the turnover of the employees was high during the year, sufficient experienced help remained to carry on operations smoothly.

Asset holdings of the branch were in accord with the records and liabilities to member banks were reconciled and only minor exceptions found.

All paper held for account of the War Finance Corporation was verified direct with the borrowing banks.

WAR FINANCE DEPARTMENT

On December 31, 1923, there was still unpaid and owing the War Finance Corporation from its loans in this district, other than the state of Montana, the sum of \$17,336,694.63. There was also due upon the bills payable of banks that have closed, the sum of \$3,863,710.13, or a total amount yet due and unpaid to the War Finance Corporation from its original advances, the sum of \$21,200,404.76. Securing the current loans, the War Finance Corporation held in these states above mentioned, collateral to the amount of \$30,073,056.24; securing the amount in closed banks, \$6,947,691.51, or a total of collateral securing the unpaid balance due the Corporation, of \$37,020,747.75.

This collateral is represented by approximately 34,000 unpaid notes. The War Finance Department has handled during the year 1923, approximately 9,385 payments, totaling \$13,124,450.34.^x It has handled approximately 5,622 interest payments totaling \$1,367,824.86. It has handled the renewals and substitutions of outstanding collateral, approximately 81,000 items, involving the renewal and substitution of approximately \$56,212,000. in collateral.

Its present outstanding collection items total \$7,464,920.38, and it holds matured paper not forwarded because of stop orders against banks, approximately \$2,336,637.52. Against the above two items, it is holding in its abeyance files, unaccepted and unrun collateral amounting to approximately \$8,992,408.03. Its records show that it is holding past due, unrenewed bills payable of applicant banks, as follows:

North Dakota	\$5,651,455.38
South Dakota	3,585,105.57
Minnesota	2,593,416.84

or a total of past due bills payable on which renewals have not yet been approved by the War Finance Corporation at Washington, of \$11,829,977.79.

The outstanding feature in the operations of the Department is the number of closed banks which owe the War Finance Department approximately the following sums as of December 31, 1923:

	<u>Present Un-</u> <u>paid Advances</u>	<u>Present</u> <u>Collateral</u>
Minnesota	636,518.49	1,149,349.49
South Dakota	788,222.80	1,489,032.84
North Dakota	<u>3,128,972.38</u>	<u>5,664,958.29</u>
	4,553,713.67	8,303,340.62

(Continued) #2

There have been collected upon closed bank collateral the following amounts:

Minnesota	\$113,054.83
South Dakota	242,710.19
North Dakota	<u>516,778.93</u>
	872,543.95

The above figures do not take into consideration closed banks in the state of Montana.

On December 31, 1922, there was outstanding in the hands of applicant banks for which renewals had not then been accepted, collateral in the amount of \$39,427,405.28, whereas on December 31, 1923, there was outstanding only the sum of \$7,464,920.38. This wide difference is exhibited by the fact that during the year, due to unsatisfactory and delayed returns from country banks, the Corporation installed a non-par list and now prevents collateral from going to banks, in excess of 25% of their total pledged collateral, at any one time.

Since the beginning of the War Finance Corporation, there has been collected against its total advances, the sum of \$25,637,186.03 in the above three states. Likewise there has been collected in total interest since the beginning, the sum of \$2,882,029.42.

On December 31, 1922, there were in the department, 46 employees and one officer, not including the central Stenographic Department. On December 31, 1923, there were 34 employees and one officer, and the Department continues to use the central Stenographic Department.

Advances to the Cooperative Wheat Growers' Association in this district were discontinued during the year 1923, and are now being handled by the Intermediate Credit Bank of Saint Paul. All prior advances made by the War Finance Corporation have been liquidated with this office in full.

The great number of closed banks has entailed a large amount of detail work, principally stenographic. The non-par list and limited amount of outgoing collections have entailed additional work in making up the detailed statements and reports. However, the original accounting system installed at the beginning of the operations of the Department, has served well. We have available at all times, such statistical information as is daily requested by the Local Agricultural Loan Agency and the Corporation at Washington.

DAILY AVERAGE MEMBER BANK BALANCES BY MONTHS 1923
'000 omitted

	<u>1923</u>	<u>1922</u>	<u>1921</u>	<u>1920</u>
January	\$50,237 M	\$42,234 M	\$43,444 M	\$52,344 M
February	48,901	42,628	42,745	52,018
March	49,527	43,193	44,008	57,271
April	49,055	43,960	42,298	53,595
May	46,869	44,036	40,540	48,038
June	47,198	44,110	40,774	48,308
July	46,504	44,286	41,745	47,789
August	46,606	43,133	40,178	45,628
September	46,245	45,149	40,706	45,782
October	47,203	45,399	40,095	44,115
November	48,552	46,786	40,589	44,122
December	47,824	48,508	42,301	45,058

Daily Average Balance for 1923 . . .	\$47,513
" " " " 1922 . . .	44,451
" " " " 1921 . . .	41,535
" " " " 1920 . . .	48,680
" " " " 1919 . . .	50,945

MEMBER BANK RESERVE BALANCES BY STATES
AT CLOSE OF BUSINESS DECEMBER 31, 1923
'000 omitted

	<u>1923</u>	<u>1922</u>	<u>1921</u>	<u>1920</u>
Michigan	\$ 2,544 M	\$ 2,424 M	\$ 2,153 M	\$ 2,663 M
Minnesota	29,200	30,521	26,702	26,733
Montana	5,392	5,954	5,546	4,853
North Dakota	3,703	3,767	3,134	3,434
South Dakota	3,826	3,893	4,093	3,690
Wisconsin	<u>2,128</u>	<u>2,128</u>	<u>1,896</u>	<u>2,198</u>
	\$ 45,993	\$ 48,687	\$ 43,524 M	\$ 43,571 M

DEFICIENT RESERVE PENALTIES

	<u>Minneapolis</u> <u>1923</u>	<u>Helena</u> <u>1923</u>	<u>Combined</u> <u>1923</u>	<u>1922</u>
Amount of Penalties	\$46,611.25	\$45,371.95	\$91,943.16	\$128,087.06
No. of Banks Penalized	303	135	439	501
Highest Penalty Rate	10%			10%
Highest point Member Bank Reserves 3/21	\$48,086,219.75		\$53,440,220.76	
Low Point 10/20	\$37,297,918.79		\$42,602,700.00	
High Point Member Bank Reserves 1/6		\$6,219,069.43		
Low Point 7/5		4,315,476.84		
Highest Point Member Bank Reserves 5/18				\$50,507,295.92
Low Point 2/16				38,787,651.21

**ACCOUNT WITH TREASURER OF THE UNITED STATES
FEDERAL RESERVE BANK OF MINNEAPOLIS AND HELENA BRANCH COMBINED
1924.**

	Withdrawals	Deposits	Balance End of Month
January	\$105,881,829.05	\$105,708,552.84	\$2,627,014.97
February	12,518,542.77	11,951,327.58	2,259,799.78
March	57,215,443.29	87,508,988.72	2,353,345.21
April	18,475,061.45	16,331,018.24	209,302.00
May	57,498,887.71	38,853,559.84	1,563,974.13
June	22,828,191.14	22,217,191.36	952,974.35
July	16,456,242.23	17,242,734.55	1,739,516.67
August	11,181,064.85	11,179,209.29	1,737,641.11
September	25,124,567.70	24,409,254.04	1,022,327.45
October	28,235,863.09	30,479,027.21	3,207,491.57
November	16,332,152.58	14,145,384.78	1,020,823.77
December	<u>28,953,483.48</u>	<u>30,349,039.24</u>	<u>2,416,279.53</u>
	\$358,559,349.34	\$360,175,337.69	

**ACCOUNT WITH TREASURER OF THE UNITED STATES
FEDERAL RESERVE BANK OF MINNEAPOLIS ONLY 1923**

	Withdrawals	Deposits	Balance End of Month
January	\$101,041,584.61	\$102,834,086.15	\$2,507,936.12
February	10,364,513.53	9,975,294.64	2,119,717.23
March	24,593,280.84	24,634,969.60	2,160,405.99
April	16,468,076.89	14,410,279.84	102,608.94
May	35,603,561.82	37,008,688.14	1,507,935.26
June	20,732,678.74	20,038,912.30	814,168.82
July	14,346,124.37	15,193,644.83	1,661,689.38
August	9,249,045.52	9,244,315.22	1,656,958.98
September	22,787,286.17	22,126,296.74	995,969.55
October	25,251,670.18	27,335,626.93	3,129,926.30
November	13,889,420.16	11,704,502.02	945,006.16
December	<u>25,509,837.24</u>	<u>26,908,750.16</u>	<u>2,343,920.38</u>
	\$329,836,880.77	\$331,465,366.57	

**ACCOUNT WITH TREASURER OF THE UNITED STATES
HELENA BRANCH
1923**

	Withdrawals	Deposits	Balance End of Month
January	\$3,840,244.44	\$2,874,466.69	\$119,078.85
February	1,954,029.24	1,976,032.94	141,082.55
March	2,622,162.45	2,674,019.13	192,989.22
April	2,006,984.56	1,920,738.40	106,693.06
May	1,895,525.89	1,844,671.70	56,038.87
June	2,095,512.40	2,178,279.66	138,805.53
July	2,110,117.86	2,049,139.72	77,827.39
August	1,932,039.33	1,934,894.07	80,682.13
September	2,337,281.53	2,282,957.30	26,357.90
October	2,042,192.91	3,093,400.28	77,565.27
November	2,442,732.42	2,440,882.76	75,715.61
December	<u>3,443,645.54</u>	<u>3,440,289.08</u>	<u>72,359.15</u>
	\$20,723,468.67	\$26,709,971.12	

BANK CHANGES IN 1923.

Total number of banks in the district January 1, 1923.....	1,014
New national banks organized.....	4
New national banks by conversion.....	6
National bank reopened, stock previously surrendered.....	1
Total number of national banks admitted during 1923.....	11
State banks and trust companies admitted.....	1
	<u>1,025</u>

National banks absorbed by state institutions.....	4
State institutions absorbed by national banks.....	2
State institutions converted into national banks.....	1
National banks absorbed by other national banks.....	4
National banks succeeded by other national banks.....	2
State institutions consolidated with other state banks.....	2
National banks liquidated.....	17
State institutions liquidated.....	9
State bank withdrawals.....	6
Total number of banks at the end of the year.....	<u>875</u>

<u>STATE</u>	<u>NATIONAL</u>	<u>TOTAL</u>
Michigan.....	39	49
Minnesota.....	344	375
Montana.....	116	164
North Dakota.....	184	188
South Dakota.....	130	147
Wisconsin.....	48	56
	<u>861</u>	<u>975</u>

A. Membership

At the close of the year, there were 979 member banks in this district as compared with 1014 at the beginning of the year. There was a net loss of sixteen national banks and nineteen state banks. The total membership at the close of 1923 was divided into 861 national banks and 118 state banks. The new members are:

<u>NAME OF BANK</u>	<u>TOWN</u>	<u>SHARES SUBSCRIBED</u>
<u>MICHIGAN</u>		
Merchants & Miners National Bank,...	Ironwood	69
<u>MINNESOTA</u>		
First National Bank.....	Two Harbors	38
First National Bank.....	Cokato	22
<u>MONTANA</u>		
First National Bank.....	Poplar (Reopened)	
Labor National Bank.....	Three Forks	18
Midland National Bank.....	Billings	150
<u>NORTH DAKOTA</u>		
First National Bank.....	Drake	30
Liberty National Bank.....	Dickinson	33
First National Bank.....	Whitman	16

<u>SOUTH DAKOTA</u>		
Farmers National Bank	Fairfax	33
Gold & Company State Bank.....	Big Stone City	33
Dakota National Bank.....	Webster	15

Since the organization of this bank, 141 state banks have acquired membership by conversion and 133 have taken and retained membership as state banks, making a total of 274 state institutions which entered and remained in the System.

MEMBER BANKS SEVERING CONNECTION WITH THIS FEDERAL RESERVE BANK DURING 1923.

NATIONAL BANKS ABSORBED BY STATE INSTITUTIONS

<u>DATE</u>	<u>NAME OF BANK</u>	<u>LOCATION</u>	<u>SHARES SURRENDERED</u>
1-5-23	First National Bank (Absorbed by Whitehall State Bank)	Whitehall, Montana	18
4-23-23	First National Bank (Absorbed by State Bank of Westby)	Westby, Montana	16
10-6-23	First National Bank (Absorbed by Farmers State Bank)	Sheldon, North Dakota	18
11-19-23	First National Bank (Absorbed by First State Bank of Froid, Montana)	McCabe, Montana	17

STATE MEMBER BANKS ABSORBED BY NATIONAL BANKS

2-23-23	North American Bank (Absorbed by Northwestern National Bank of Mpls.)	Minneapolis, Minn.	240
4-16-23	Bank of Fergus County (Absorbed by First National Bank of Lewistown)	Lewistown, Montana	300

STATE MEMBER BANK CONVERTED INTO A NATIONAL BANK

6-1-23	Merchants & Miners State Bank (Converted into Merchants & Miners National Bank)	Ironwood, Michigan	69
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NATIONAL BANKS ABSORBED BY OTHER NATIONAL BANKS

6-7-23	First National Bank (Absorbed by American National Bank of Bridger)	Bridger, Montana	19
7-26-23	Minneapolis National Bank (Absorbed by M. W. National Bank of Minneapolis)	Minneapolis, Minn.	180
9-12-23	First National Bank (Absorbed by Farmers National Bank of Dodge Center)	Dodge Center, Minn.	17

NATIONAL BANKS SUCCEEDED BY OTHER NATIONAL BANKS

2-24-23	First National Bank (Succeeded by Farmers National Bank of Fairfax, S.Dak.)	Fairfax, S. Dak.	35
7-3-23	First National Bank (Succeeded by Labor National Bank of Three Forks, Mont.)	Three Forks, Montana	18
11-6-23	Yellowstone-Merchants National Bank, (Succeeded by Midland National Bank of Billings, Mont.)	Billings, Montana	270

STATE MEMBER BANKS CONSOLIDATED WITH OTHER STATE MEMBER BANKS

5-21-23	Lewistown State Bank (Consolidated with Empire Bank and Trust Co. of Lewistown)	Lewistown, Montana	75
7-11-23	Beaverhead State Bank (Consolidated with Security State Bank of Dillon)	Dillon, Montana	31

NATIONAL BANKS LIQUIDATED DUE TO INSOLVENCY

<u>DATE</u>	<u>NAME OF BANK</u>	<u>LOCATION</u>	<u>SHARES SURRENDERED</u>
2-23-23	Citizens National Bank	Laurel, Montana	27
3- 6-23	First National Bank	Wessington Springs, S.D.	45
3-26-23	First National Bank	Winner, S. Dak.	21
5-19-23	First National Bank	Harlowton, Montana	51
5-22-23	Commercial National Bank	Great Falls, Montana	136
5-24-23	First National Bank	Broadview, Montana	18
5-25-23	First National Bank	Bottineau, N. Dak.	30
7- 3-23	First National Bank	Gregory, S. Dak.	36
7-16-23	First National Bank	Roundup, Montana	42
8- 9-23	First National Bank	Highwood, Montana	24
9- 4-23	First National Bank	Willow City, N. Dak.	21
10-22-23	First National Bank	Shelby, Montana	15
10-22-23	First National Bank	Chester, Montana	21
10-30-23	Howard National Bank	Howard, S. Dak.	19
11-10-23	Roundup National Bank	Roundup, Montana	23
11-14-23	First National Bank	Oswego, Montana	18
11-17-23	First National Bank	Big Sandy, Montana	18

STATE MEMBER BANKS LIQUIDATED DUE TO INSOLVENCY

2-27-23	Hingham State Bank	Hingham, Montana	26
6-13-23	Ballantine State Bank	Ballantine, Montana	18
7-11-23	Banking Corporation of Montana	Helena, Montana	180
7-23-23	Yellowstone Valley Bank & Trust Co.,	Sidney, Montana	69
8- 9-23	First State Bank	Clyde Park, Montana	17
8-29-23	State Bank of Belt	Belt, Montana	30
11-6-23	Hardin State Bank	Hardin, Montana	51
11-6-23	Citizens Bank & Trust Company	Rapid City, S. Dak.	36
11-17-23	Inverness State Bank	Inverness, Montana	17

STATE MEMBER BANK WITHDRAWALS

7-11-23	Iron Exchange Bank	Harley, Wisconsin.	48
7-16-23	Brule State Bank	Chamberlain, S. Dak.	36
8- 6-23	Sioux Falls Savings Bank	Sioux Falls, S. Dak.	210
8- 3-23	Bank of Arcadia	Arcadia, Wisconsin.	36
8-20-23	Clarkfield State Bank	Clarkfield, Minnesota	36
11-23-23	Farmers State Bank	Rockham, S. Dak.	21

MEMBER BANKS THAT HAVE CONSOLIDATED WITH OTHER BANKS, AND HAVE NOT AS YET SURRENDERED THEIR STOCK IN THE FEDERAL RESERVE BANK

About	5 -31-23	First National Bank	Galata, Montana
		(Consolidated with the First National Bank of Shelby)	
	11- 1-23	Miles City National Bank	Miles City, Montana
		(Taken over by the Commercial National Bank of Miles City)	
	11-13-23	First National Bank	Brady, Montana.
		(Absorbed by Farmers State Bank of Brady)	

CLOSED MEMBER BANKS THAT HAVE NOT AS YET SURRENDERED THEIR STOCK IN THE FEDERAL RESERVE BANK.

<u>DATE CLOSED</u>	<u>NAME OF BANK</u>	<u>LOCATION</u>
11-28-22	Huntley State Bank	Huntley, Montana.
2- 8-23	Citizens State Bank	Roundup, Montana.
9 - 1-23	Cavalier County National Bank	Langdon, N. Dak.
9 -26-23	First National Bank	Wells, Minnesota.
10- 8-23	" " "	Grey Eagle, Minnesota.
10-13-23	" " "	Rosebud, Montana
	(Voluntary Liquidation)	
10-16-23	First National Bank	Mitchell, S. Dak.
10-19-23	" " "	Fairview, Montana
10-22-23	American National Bank	Three Forks, Montana
10-31-23	Denton State Bank	Denton, Montana
	(Voluntary Liquidation)	
11- 2-23	First National Bank	Tower City, N. Dak.
11- 2-23	" " "	Turtle Lake, N. Dak.
11- 7-23	" " "	Springfield, S. Dak.
11 -9-23	" " "	Carter, Montana

CLOSED MEMBER BANKS THAT HAVE NOT AS YET SURRENDERED THEIR STOCK IN THE FEDERAL RESERVE
BANK
CONTINUED

<u>Date Closed</u>	<u>Name of Bank</u>	<u>Location</u>
11-14-23	First National Bank	Lancaster, Minnesota.
11-15-23	Citizens National Bank	Crosby, N. Dak.
11-19-23	Milnor National Bank	Milnor, N. Dak.
11-20-23	First National Bank	Tolley, N. Dak.
11-21-23	Willow Creek State Bank	Willow Creek, Montana
11-28-23	Stock Growers State Bank	Timber Lake, S. Dak.
11-30-23	Farmers State Bank	Spring Valley, Minnesota.
12- 6-23	Security State Bank	Wolf Point, Montana
12- 8-23	State Bank of Plentywood	Plentywood, Montana
12-10-23	First National Bank of Fergus Co.,	Lewistown, Montana
12-10-23	First National Bank	Moore, Montana
12-10-23	" " "	Roy, Montana
12-10-23	" " "	Woodworth, N. Dak.
12-13-23	" " "	Forsyth, Montana
12-13-23	Bank of Commerce	Forsyth, Montana
12-14-23	First National Bank	Lansford, N. Dak.
12-14-23	" " "	Winnett, Montana
12-17-23	" " "	Poplar, Montana
12-21-23	" " "	Webster, S. Dak.
12-22-23	Merchants National Bank	Mandan, N. Dak.
12-24-23	First National Bank	Bisbee, N. Dak.
12-29-23	" " "	Dodson, Montana

**THRIFT STAMPS, TREASURY SAVINGS AND
WAR SAVINGS STAMPS REDEEMED 1923.**

**WAR SAVINGS STAMPS
SERIES 1918 REDEEMED**

	<u>NO. OF STAMPS</u>	<u>AMOUNT</u>
January	2,795,519	\$13,977,595.00
February	148,560	742,800.00
March	79,322	396,610.00
April	51,300	256,500.00
May	33,036	165,180.00
June	20,520	102,600.00
July	13,437	67,185.00
August	7,712	38,560.00
September	7,218	36,065.00
October	5,897	28,485.00
November	5,265	26,325.00
December	5,529	27,645.00
	<u>3,173,110</u>	<u>\$15,865,550.00</u>

**STAMPS REDEEMED (EX-
CLUDING SERIES OF 1918.**

	<u>NO. OF STAMPS</u>	<u>AMOUNT</u>
January	1546	\$ 7,076.19
February	1891	6,326.55
March	698	2,721.01
April	782	3,559.81
May	289	1,316.87
June	838	3,320.37
August	745	3,416.85
September	218	1,006.64
October	679	2,661.63
November	474	2,136.01
December	197	903.83
	<u>7,657</u>	<u>\$34,945.26</u>

THRIFT STAMPS REDEEMED

	<u>NO. OF STAMPS</u>	<u>AMOUNT</u>
January	142,322	\$35,580.50
February	37,336	9,334.00
March	23,610	7,152.50
April	18,634	4,153.50
May	11,216	2,805.75
June	4,325	1,061.25
July	2,879	719.75
August	10,098	2,524.50
September	3,412	853.00
October	4,426	1,106.50
November	2,873	668.25
December	7,854	1,963.50
	<u>271,784</u>	<u>\$ 67,946.00</u>

TREASURY SAVINGS CERTIFICATES REDEEMED

	<u>NO. OF CERTIFICATES</u>	<u>AMOUNT</u>
January	34	\$ 228.00
February	10	78.00
March	23	149.00
June	4	28.00
July	6	63.00
August	7	52.00
October	11	123.00
December	7	28.00
	<u>102</u>	<u>\$ 749.00</u>

**OPERATIONS OF PRIVATE WIRE
1923-1922-1921**

	<u>Sent</u>			<u>Telegrams</u>			<u>Received</u>		
Month	1923	1922	1921	1923	1922	1921	1923	1922	1921
January	2228	2752	2207	2296	2446	2109	2296	2446	2109
February	1756	1987	1759	1851	1842	1732	1851	1842	1732
March	2008	2273	1947	2372	3146	2033	2372	3146	2033
April	1806	1913	1734	2256	1871	1819	2256	1871	1819
May	1962	2092	1776	2209	2096	1867	2209	2096	1867
June	2014	2198	2172	2413	2293	2167	2413	2293	2167
July	1981	1948	2263	2305	2131	2353	2305	2131	2353
August	2085	2128	2374	2224	2374	2645	2224	2374	2645
September	2191	2032	2290	2236	2175	2499	2236	2175	2499
October	2668	2278	2431	2672	2542	2722	2672	2542	2722
November	2313	2097	2509	2473	2292	2787	2473	2292	2787
December	2348	2325	2895	2675	2362	2973	2675	2362	2973
Total	25365	26023	26401	27932	26569	27706	27932	26569	27706

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

	1923	1922
January	\$ 28,447,200.	\$ 5,708,400.
February	26,719,700	10,270,000.
March	27,493,350.	5,706,650.
April	23,715,500.	2,578,750.
May	23,818,750.	483,100.
June	22,655,350.	5,185,100.
July	20,194,750.	5,525,900.
August	18,592,250.	7,874,000.
September	21,112,150	6,329,950.
October	15,901,100.	6,070,100.
November	10,396,400.	4,427,400.
December	11,820,750.	8,972,400.

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

	1923	1922
January	\$ 7,544,464.92	\$ 5,708,424.50
February	4,992,453.51	10,270,191.25
March	9,912,160.45	7,111,078.22
April	6,127,013.86	7,492,250.80
May	5,899,962.00	5,171,592.65
June	8,393,032.40	5,183,062.00
July	5,497,236.79	3,525,908.78
August	4,468,799.08	7,874,049.78
September	8,735,900.00	6,329,950.00
October	3,001,021.32	6,070,178.90
November	1,363,015.47	4,427,389.53
December	4,464,500.00	8,972,425.75

COMPARATIVE STATEMENT
OPERATIONS COLLATERAL DEPARTMENT
1923 and 1922
(Minneapolis only)

	<u>1923</u>		<u>1922</u>	
	Number	Amount	Number	Amount
Bond Sales	1,003	\$3,890,100.00	2,341	\$10,890,137.68
Pieces Placed in Reserve Vault	35,218	114,473,424.17	26,277	115,107,084.44
Pieces Taken Out Reserve Vault	24,098	106,061,648.78	29,551	92,473,497.65
Coupons Clipped	39,145	2,532,603.14	41,143	2,703,652.42
Trust Receipts Issued	1,185	75,251,035.57	1,906	51,785,750.39
Trust Receipts Cancelled	1,317	55,222,725.41	2,874	58,904,791.29

UNITED STATES CERTIFICATES OF INDEBTEDNESS AND TREASURY NOTES ISSUED

1923

<u>No. Issues</u>	<u>Series</u>	<u>No. Sub.</u>	<u>Amount</u>
	A-1927	500	\$14,580,300.
	TM-1924	750	2,496,500.
	TS-1923	325	4,893,000.
	D-1927	1,400.	15,414,000.
	TD-1923	200.	5,323,500.
	TM-1924	270	6,179,000.
	TD-1924	217	3,571,500.
	TN-1924	470	3,924,000.
Total		4,133.	\$62,381,800.

Number of Depository Banks

1923

Michigan	49	49
Minnesota	786	816
Montana	108	142
North Dakota	245	292
South Dakota	294	322
Wisconsin	130	129
Total	1,612.	1,760.

Repurchases and Resales of Cert. & Notes

1923

<u>Month</u>	<u>Repurchases</u>		<u>Resales</u>	
	<u>No.</u>	<u>Amount</u>	<u>No.</u>	<u>Amount</u>
January	107	\$ 15,033,300	120	\$ 11,775,100
February	35	7,516,900	41	1,438,700
March	65	10,952,300	50	2,903,100
April	123	12,976,400	128	7,312,500
May	121	9,076,200	150	7,235,300
June	204	10,797,700	228	12,734,300
July	255	22,348,400	215	18,099,000
August	139	8,811,700	99	3,612,800
September	217	16,102,200	158	8,601,300
October	279	14,291,200	216	13,903,600
November	314	8,977,500	209	6,226,900
December	324	9,720,850	256	6,800,150
	2,243	\$145,814,650.	1,880	\$102,642,750

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. Pieces Issued on Exchange	Amount Issued on Exchange
\$ 50	2,156	\$107,800.	4	\$ 200.
100	1,442	144,200.	8	800.
500.	107	53,500.	33	16,500.
1000.			288	288,000.
Total	<u>3,705</u>	<u>\$305,500.</u>	<u>333</u>	<u>\$305,500.</u>

Permanent 4½% First Liberty Loan 1932-1947 Converted

50	1,221	\$ 61,050.	56	\$ 2,750.
100	1,023	102,300.	91	9,100.
500	72	36,000.	61	30,500.
1000	50	50,000.	167	167,000.
5000			8	40,000.
10000	<u>1</u>	<u>10,000.</u>	<u>1</u>	<u>10,000.</u>
Total	<u>2,367</u>	<u>\$259,350.</u>	<u>383</u>	<u>\$259,350.</u>

Permanent 4½% Second Liberty Loan 1927-1942 Converted

50	8,913	\$445,650.	337	\$ 16,850.
100	6,962	696,200.	575	57,500.
500	589	294,500.	298	149,000.
1000	32	589,000.	1,107	1,107,000.
5000	10	160,000.	69	345,000.
10000		<u>100,000.</u>	<u>61</u>	<u>610,000.</u>
Total	<u>16,506</u>	<u>\$ 2,285,350.</u>	<u>2,447</u>	<u>\$2,285,350.</u>

Permanent 4½% Third Liberty Loan 1928

50	13,616	\$ 680,800.	178	\$ 8,900.
100	11,502	1,150,200.	741	74,100.
500	907	453,500.	453	226,500.
1000	586	586,000.	1,756	1,756,000.
5000	51	255,000.	116	580,000.
10000	<u>18</u>	<u>180,000.</u>	<u>66</u>	<u>660,000.</u>
Total	<u>26,680</u>	<u>\$ 3,305,500.</u>	<u>3,310</u>	<u>\$ 3,305,500.</u>

Permanent 4½% Fourth Liberty Loan 1933-1938

50	13,782	\$ 689,100.	262	\$ 13,100.
100	15,468	1,546,800.	493	49,300.
500	1,268	634,000.	381	190,500.
1000	920	920,000.	2,182	2,182,000.
5000	70	350,000.	183	915,000.
10000	<u>31</u>	<u>310,000.</u>	<u>110</u>	<u>1,100,000.</u>
Total	<u>31,539</u>	<u>\$ 4,449,900.</u>	<u>3,611</u>	<u>\$4,449,900.</u>

Permanent 4½% Victory Liberty Loan 1922-23

50	2,957	\$ 147,850.	59	\$ 2,950.
100	2,835	283,500.	119	11,900.
500	261	130,500.	130	65,000.
1000	45	45,000.	477	477,000.
5000	5	25,000.	17	85,000.
10000	<u>4</u>	<u>40,000.</u>	<u>3</u>	<u>30,000.</u>
Total	<u>5,107</u>	<u>\$ 671,850.</u>	<u>805</u>	<u>\$ 671,850.</u>

EXCHANGE OF BONDS - (Continued)

UNITED STATES TREASURY BONDS

Denomination	No. of Pieces Received for Exchange	Amount Received for Exchange	No. of Pieces Issued on Exchange	Amount Issued on Exchange
\$ 100.	18	\$ 1,500.	90	\$ 9,000.
500	6	3,000.	19	9,500.
1000	212	212,000.	63	63,000.
5000	2	10,000.	3	15,000.
10000	7	70,000.	20	200,000.
Total	242	\$ 296,500.	195	\$ 296,500.

Treasury Notes - A-1924

500			4	\$ 2,000.
1000	2	\$ 2,000.		
Total	2	\$ 2,000.	4	\$ 2,000.

Treasury Notes - B-1924

100			15	\$ 1,500.
500	1	\$ 500.	14	7,000.
1000	2	2,000.	9	9,000.
5000	3	15,000.	2	10,000.
10000	1	10,000.	10	100,000.
100000	1	100,000.		
Total	0	\$ 127,500.	50	\$ 127,500.

Treasury Notes - A-1925

100	5	\$ 500.	10	\$ 1,000.
500	10	5,000.	7	3,500.
1000	115	115,000.	11	11,000.
5000	139	695,000.	2	10,000.
10000	141	1,410,000.	10	100,000.
100000	1	100,000.	22	2,200,000.
Total	411	\$2,325,500.	62	\$2,325,500.

Treasury Notes - A-1926

100	20	\$ 2,000.	10	\$ 1,000.
500	0	4,000.	14	7,000.
1000	36	36,000.	29	29,000.
5000	4	20,000.	1	5,000.
10000	8	80,000.	20	200,000.
100000	2	200,000.	1	100,000.
Total	78	\$ 342,000.	75	\$ 342,000.

Treasury Notes - A-1927

100	40	\$ 4,000.	280	\$ 28,000.
500	22	11,000.	259	129,000.
1000	40	40,000.	343	343,000.
5000	30	150,000.	55	275,000.
10000	29	290,000.	52	520,000.
100000	9	900,000.	1	100,000.
Total	170	\$1,395,000.	939	\$1,395,000.

Treasury Notes - B-1925

100			10	\$ 1,000.
500	1	\$ 500.	27	13,500.
1000	3	3,000.	14	14,000.
5000	1	5,000.	2	10,000.
10000			27	270,000.
100000	3	300,000.		
Total	5	\$ 308,500.	80	\$ 308,500.

Denominational Exchange of Certificates of Indebtedness - (Continued)

Treasury Notes - B-1926

Denomination	No. of Pieces Received for Exchange	Amount Received for Exchange	No. of Pieces Issued on Exchange	Amount Issued on Exchange
100	10	\$ 1,000.	5	\$ 500.
500	1	500.	8	4,000.
1000	1	1,000.	38	38,000.
5000	22	110,000.	2	10,000.
10000	34	340,000.	20	200,000.
100000	<u>2</u>	<u>200,000.</u>	<u>4</u>	<u>400,000.</u>
Total	70	\$ 652,500.	77	\$ 652,500.

Treasury Notes - B-1927

100	112	\$ 11,200.	782	\$ 78,200.
500	86	43,000.	446	223,000.
1000	126	126,000.	454	454,000.
5000	42	210,000.	69	345,000.
10000	107	1,070,000.	36	360,000.
100000	<u>4</u>	<u>400,000.</u>	<u>4</u>	<u>400,000.</u>
Total	477	\$ 1,860,200.	1,791	\$ 1,860,200.

Treasury Notes - C-1928

100	25	\$ 2,500.	305	\$ 30,500.
500	15	7,500.	51	40,500.
1000	75	75,000.	144	144,000.
5000	9	45,000.	15	75,000.
10000	16	160,000.	32	320,000.
100000	<u>3</u>	<u>300,000.</u>	<u>5</u>	<u>500,000.</u>
Total	145	\$ 610,000.	577	\$ 610,000.

DENOMINATIONAL EXCHANGE OF CERTIFICATES OF INDEBTEDNESS

Series TM-1923

Total	4	\$ 121,000.	32	\$ 121,000.
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Series TD-1923

Total	3	\$ 30,000.	14	\$ 30,000.
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Series TM-1924

Total	117	\$ 506,000.	161	\$ 506,000.
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Series TD-1923

Total	52	\$ 577,000.	109	\$ 577,000.
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Series TM-1924

Total	32	\$ 786,000.	239	\$ 786,000.
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Series TD-1924

Total	15	\$ 274,000.	93	\$ 274,000.
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Series TD-1924

Total	24	\$ 391,000.	86	\$ 391,000.
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**1. -- TEMPORARY BONDS SUBMITTED FOR EXCHANGE OR/AND CONVERSION, YEAR ENDING
DECEMBER 31, 1923.**

	NUMBER OF PIECES						AMOUNT
	\$50	\$100	\$500	\$1,000	\$5,000	\$10,000	
1. For Exchange:							
First 4% surrendered for exchange for 4% permanent bonds	110	12	1	2			13,500
First 4½% surrendered for exchange for 4½% permanent bonds	25	15	4				4,750
First L. L. Second Conv Temp. surrendered for exchange for Per. Second Conv.	2	1					200
Second 4% surrendered for exchange for 4% permanent bonds	1132	302	12				94,650
Second 4½% surrendered for exchange for permanent 4½% bonds	214	109	11				27,100
Third 4½% surrendered for exchange for 4½% permanent bonds	3112	322	36	12			251,400
Fourth 4½% surrendered for exchange for 4½% permanent bonds	3991	1225	69	24			150,350
11 For Conversion							
First 4% surrendered for exchange for 4½% permanent bonds	122	122	13	5			27,000
Second 4% surrendered for exchange for 4½% permanent bonds	949	527	54	29	1		168,100
TOTALS (pieces):	9021	3212	131	71	1		1,117,350

	NUMBER OF PIECES					AMOUNT
	\$50	\$100	\$500	\$1,000	\$5,000	\$10,000
1. In Exchange:						
First 4% delivered in exchange for temporary 4% bonds.....	94	59	2	2		15,500
First 4½% delivered in exchange for temporary 4½% bonds.....	21	17	2	1		4,750
First L. L. Second Conv. 4½% in exchange for temporary 4½% bonds.....	1	1				150
Second 4% delivered in exchange for temporary 4% bonds.....	725	224	24	5	1	24,650
Second 4½% delivered in exchange for temporary 4½% bonds.....	174	114	6	4		27,100
Third 4½% delivered in exchange for temporary 4½% bonds.....	222	242	76	25		251,400
Fourth 4½% delivered in exchange for temporary 4½% bonds.....	251	1648	124	25		450,350
11. Through Conversion:						
First 4½% delivered in exchange for permanent 4% bonds.....	100	124	21	12		42,600
Second 4½% delivered in exchange for permanent 4% bonds.....	225	612	55	41	1	174,950
TOTAL (pieces).....	6113	3768	300	195	2	1,059,450

REGISTERED-COUPON EXCHANGES. YEAR ENDING DECEMBER 31, 1922

A. REGISTERED BONDS EXCHANGED FOR COUPON BONDS:

	No. Pieces	Amount
First 3½%	143	\$ 39,900.
First 4%	56	13,550.
First Second Converted	2	200.
First Liberty Loan Conv. 4½%	135	88,950.
Second 4%	451	69,650.
Sec. 2d Liberty Loan Converted 4½%	672	334,300.
Third Liberty Loan 4½%	1700	445,800.
Fourth Liberty Loan 4½%	2790	787,200.
Victory Liberty Loan 4½%	346	86,350.
United States Treasury Bonds	7	22,300.
Total	6302	\$1,666,200.

B. COUPON BONDS EXCHANGED FOR REGISTERED BONDS:

	No. Pieces	Amount
First 3½%	14	\$ 66,900.
First 4%	89	42,150.
First Second Liberty Loan conv.	✓	
Second Converted 4½%	426	1,515,700.
Third Liberty Loan	744	401,100.
Fourth Liberty Loan	850	1,717,750.
United States Treasury Bonds	124	320,600.
Total	2257	\$4,064,200.

EXCHANGE OF REGISTERED BONDS FOR REGISTERED:

	No. Pieces	Amount
First 3½%	25	\$ 106,000.
First Converted 4½%	7	1,000.
Second Converted 4½%	120	87,650.
Third Liberty Loan	277	93,550.
Fourth Liberty Loan	363	100,900.
Victory Liberty Loan 4½%	7	1,950.
Treasury Bonds	3	700.
Total	802	\$ 391,750.

UNITED STATES TREASURY NOTES AND CERTIFICATES OF INDEBTEDNESS ISSUED DURING 1923

Series	Date of issue	Interest rate	No. Pieces	Total amount each issue
Treasury Notes A-1927	Jan. 15, 1923.	4½%	3,406	\$ 14,580,300.
" " A-1924	June 15, 1921.	5½%	5	1,200.
" " B-1924	Sept. 15, 1921.	5½%	2	1,000.
" " B-1927	May 15, 1923.	4½%	8,076	15,414,000.
" " C-1925	Dec. 15, 1922.	4½%	902	701,500.
Cert. Inc. TM-1924	Mar. 15, 1923.	4½%	1,616	8,496,500.
" " TS2-1923	Mar. 15, 1923.	4½%	700	4,893,000.
" " TD2-1923	June 15, 1923.	4½%	562	5,323,500.
" " TM2-1924	Sept. 15, 1923.	4½%	766	6,179,000.
" " TD-1924	Dec. 15, 1923.	4½%	394	3,571,500.
" " TJ-1924	Dec. 15, 1923.	4½%	478	3,924,000.
Total			17,107	\$ 63,085,500.