

## The Papers of Charles Hamlin (mss24661)

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Hamlin, Charles S., Scrap Book – Volume 158, FRBoard Members

205.001 - Hamlin Charles S  
Scrap Book - Volume 158  
FRBoard Members

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BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

205.001

# Office Correspondence

Date June 26, 1941To Files

Subject: \_\_\_\_\_

From Mr. Coe

After correspondence with Mrs. Hamlin (See letters of May 25 and June 4, 1941) the items attached hereto and listed below, because of their possible confidential character, were taken from Volume 158 of Mr. Hamlin's scrap book and placed in the Board's files:

VOLUME 158

- Page 7 - Average Amount of "Float" Carried by F.R.Bks. During February 1926.
- Pages 9 and 10 - Cost of Bank Premises of F.R.Bks. & Branches to December 31, 1925.
- Page 13 - Ratio of Current Net Earnings of each F.R.Bk.
- Page 31 - Memo to Mr. Eddy from Mr. Smead re Losses on paper of failed banks.
- Page 47 - Ratio of Current Net Earnings to Average Paid-In Capital & Surplus 1915 - 1925.
- Page 48 - Average Annual Rates of Earnings on Total Bills and Securities.
- Page 49 - Ratio of Current Net Earnings to Daily Average Holdings of Total Bills and Securities.
- Page 51 - Summary of Cost of Bank Premises and of Furniture and Equipment at Each Federal Reserve Bank and Branch to December 31, 1925.
- Page 77 - (X-4568) Re Eligibility for rediscount at a F.R.Bk. of notes made or endorsed by a Federal Intermediate Credit Bank when offered by a member bank.
- Page 87 - (X-4565) Report of Open Market Inv. Comm. to the Governors' Conference, March 22, 1926.
- Page 102 - Rates Charged by F.R.Bks. on Acceptances Purchased in Open Market during January & February 1926 & 1925.
- Page 117 - Memo from Mr. Smead to Mr. Hamlin containing -
1. Daily Average holdings of U.S. Gov. securities by each F.R.Bk. by six-month periods from the organization of the System to the end of 1925.
  2. Maximum, minimum, and average holdings of U.S. Gov. securities by all F.R.Bks. combined by six-month periods from the organization of the System to the end of 1925.
  3. Statements showing the earnings and profit and loss account of the System and of each F.R.Bk. from date of organization to the end of 1924. Similar figures for 1925 are shown on pages 136-137 of the February 1925 Bulletin.

See 124

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Not for publication

AVERAGE AMOUNT OF "FLOAT" CARRIED BY THE FEDERAL RESERVE BANKS  
ON WEEKLY STATEMENT DATES DURING FEBRUARY 1926.  
(Amounts in thousands of dollars)

St. 4879

Federal Reserve Bank	Total deposits	"Float (excess of uncollected over deferred availability items)		Classification of Uncollected items					Classification of Deferred availability items		
		Amount	Per cent of total deposits	Transit items	Clearing House Exchanges	Other cash items	F. R. notes of other F. R. banks	Total	Government transit items	Other transit items	Total
Boston	148,925	2,046	1.4	59,377	1,459	56	243	61,135	297	58,792	59,089
New York	876,675	23,483	2.7	132,907	17,895	475	3,929	155,206	1,673	130,050	131,723
Philadelphia	133,198	4,739	3.6	51,403	8,411	1,428	4	61,246	981	55,526	56,507
Cleveland	183,178	6,133	3.3	60,074	2,762	30	1,245	64,111	609	57,369	57,978
Richmond	71,941	4,373	6.1	52,677	2,450	97	1,194	56,418	1,850	50,195	52,045
Atlanta	85,918	4,838	5.6	35,769	546	65	1,748	38,128	566	32,724	33,290
Chicago	324,391	9,507	2.9	77,541	2,979	406	3,294	84,220	1,244	73,469	74,713
St. Louis	84,342	(a) 59	-	33,518	244	69	1,535	35,366	357	35,068	35,425
Minneapolis	54,343	721	1.3	11,329	263	244	352	12,188	222	11,245	11,467
Kansas City	90,604	4,359	4.8	39,197	81	280	1,248	40,812	611	35,842	36,453
Dallas	63,760	(a) 1,720	-	28,209	13	1	245	28,468	383	29,805	30,188
San Francisco	174,561	(a) 470	-	34,185	1,584	222	1,438	37,429	523	37,376	37,899
TOTAL											
Feb. 1926	2,291,836	57,950	2.5	616,186	38,687	3,379	16,475	674,727	9,316	607,461	616,777
Feb. 1925	2,259,197	54,571	2.4	565,496	32,277	9,344	13,790	620,907	7,386	558,950	566,336
Feb. 1924	1,965,800	43,715	2.2	512,192	36,780	4,948	14,982	568,902	10,293	514,894	525,187

FEDERAL RESERVE BOARD  
DIVISION OF BANK OPERATIONS  
MARCH 16, 1926.

(a) Excess of deferred availability over uncollected items.

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COST OF BANK PREMISES OF FEDERAL RESERVE BANKS  
AND BRANCHES TO DECEMBER 31, 1925.

BUILDINGS (INCLUDING LAND)

Boston	\$5,451,486	
New York: Main Building	19,520,531	
Annex Building	2,220,230	
No. 10 Gold Street	103,562	
Philadelphia	(a) 2,817,857	
Cleveland	9,354,296	
Richmond	2,643,878	
Atlanta	1,813,765	
Chicago	10,457,232	
St. Louis	4,593,220	
Minneapolis	3,541,232	
Kansas City	4,664,341	
Dallas	1,675,827	
San Francisco	<u>4,332,312</u>	\$73,189,769
Pittsburgh	996,454	
Baltimore	201,023	
Jacksonville	282,776	
Nashville	284,717	
New Orleans	1,097,233	
Little Rock	421,693	
Louisville	392,496	
Helena	177,399	
Denver	(b) 601,850	
Oklahoma City	542,777	
Omaha	(b) 638,650	
El Paso	161,196	
Houston	<u>411,299</u>	6,209,563

BUILDING SITES

Baltimore	251,343	
Birmingham	(c) 136,488	
Detroit	650,000	
Salt Lake City	<u>114,075</u>	1,151,906
Grand Total		<u>80,551,238</u>

- (a) Estimated cost to complete addition under construction - \$235,615.
- (b) Subject to minor adjustment.
- (c) Includes \$10,934 preliminary expenses in connection with new building.

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205,000

All Fed. Res. Banks	---Earnings ---		-----Disposition of net earnings----		
	Gross	Net <sup>o</sup>	Dividends	To Surp.	U. S. tax
1914	63	* 310	.....	.....	.....
1915	2,110	169	217	.....	.....
1916	5,218	2,751	1,743	.....	.....
1917	16,128	9,579	6,802	1,134	1,134
1918	67,584	52,716	5,541	48,334	.....
1919	102,380	78,367	5,012	70,651	2,704
1920	181,297	149,294	5,654	82,916	60,724
1921	122,864	82,087	6,119	15,993	59,974
1922	50,490	16,497	6,307	659	10,850
1923	50,708	12,711	6,552	2,545	3,613
1924	38,340	3,718	6,682	188	114
1925	41,801	9,449	6,916	3,124	59
Total...	\$678,987	\$517,028	\$57,546	\$224,227	\$139,174

\* Excess of expenses  
o After charge offs.

Ser. 151

RATIO OF CURRENT NET EARNINGS (GROSS EARNINGS LESS CURRENT EXPENSES) OF EACH FEDERAL RESERVE BANK  
TO AVERAGE PAID-IN CAPITAL, 1914 to 1925, inc.

Federal Reserve Bank	1914-1915:	1916 :	1917 :	1918 :	1919 :	1920 :	1921 :	1922 :	1923 :	1924 :	1925
Boston	.23	5.19	17.4	54.7	84.3	137.3	60.0	18.9	17.1	5.9	15.1
New York	.75	3.61	28.2	113.5	137.5	217.4	99.0	16.6	15.5	5.1	12.4
Philadelphia	.28	4.78	14.1	46.3	69.1	116.8	60.8	24.4	23.7	9.8	9.8
Cleveland	*	4.92	14.9	49.2	69.0	119.0	58.5	21.9	17.4	12.4	10.9
Richmond	8.04	5.57	14.8	60.3	91.7	110.3	85.7	21.6	23.3	25.1	12.2
Atlanta	6.91	5.26	13.2	54.7	104.8	162.0	142.2	24.8	31.5	23.9	18.4
Chicago	1.29	6.05	20.6	67.7	81.0	195.6	109.1	18.3	14.2	10.8	10.8
St. Louis	*	5.05	15.9	53.9	69.3	124.3	71.2	17.7	25.9	9.7	13.0
Minneapolis	.41	5.22	16.8	56.5	81.6	131.5	103.2	24.8	18.8	18.7	10.6
Kansas City	*	7.45	21.8	78.4	99.0	129.3	73.8	23.6	22.2	8.8	13.5
Dallas	5.26	6.14	12.9	52.2	63.5	89.3	56.7	13.6	23.0	20.4	13.9
San Fran.	*	2.84	13.7	70.6	113.3	159.1	74.0	24.3	23.1	10.4	14.3
Total	1.18	4.99	18.9	72.6	98.2	160.7	85.1	19.9	19.2	10.7	12.4

\*Current expenses were in excess of earnings.

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205,001

To Mr. Eddy March 13, 1926.

From Mr. Smead SUBJECT: Losses on paper of failed banks.

In accordance with your request I am handing you herewith two tables, one showing determined losses actually charged off by Federal reserve banks on paper held under discount for member banks which have failed, and the other showing claims against failed member banks on January 1, 1926, the estimated probable losses thereon, estimated losses on paper held under discount for over-extended banks, and reserves held to take care of such losses.

As is apparent from the table first mentioned, the Federal reserve banks have not followed a uniform policy with reference to losses on account of failed banks, some having charged off a very substantial amount against reserves set aside to cover losses, while others, especially Minneapolis, have adopted a different policy. Definite information as to the policy followed by each bank with reference to settlements on paper held under discount for failed banks is not available at this office. We find, however, that the Federal Reserve Banks of Richmond, St. Louis, Minneapolis, Kansas City, and San Francisco have apparently uniformly followed the policy of not charging off any losses until the actual amount thereof has been definitely determined. Richmond and Minneapolis had not charged off any amounts up to the end of 1925, St. Louis had charged off \$150,000 on account of the failure of the First National Bank of Rosedale, Miss., and a small loss on the First National Bank of Judsonia, Ark., both of which failed in 1921. Kansas City and San Francisco have definitely determined their losses in the case of only a few banks, and consequently have charged off relatively small amounts, practically the entire charge-off made by San Francisco being made at the end of 1925. The Atlanta and Dallas banks apparently have followed the plan of writing off losses as soon as the amounts have been approximately determined, the losses written off frequently being round amounts. In accordance with this policy Atlanta, on December 31, 1925, charged off losses amounting to \$1,273,312.56, the bank stating in reply to our telegraphic inquiry that actual facts reaching them since their estimate to the Board had definitely determined their losses in connection with failed banks as \$734,859.51 in excess of the reserve they were carrying at the end of the year. Dallas since the first of the year has charged off \$630,142.09, thereby reducing its reserve for probable losses to \$182,133.57. The Dallas bank has, of course, made compromises in a number of instances, with the result that in some cases, at least, the amounts actually charged off represent losses which have been definitely and finally determined.

Prior to 1924 it had been the policy of the Chicago bank, with the approval of the Federal Reserve Board, to charge off at the end of each year the total amount of paper held under discount for failed member banks, and then to credit back any recoveries subsequently received. This plan was unsatisfactory, and after a conference with Governor McDougal, the Board decided to allow the Chicago bank to set up reserves to cover any probable losses, but not to authorize such losses to be charged off until the amount of losses were definitely determined.



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CLAIMS ACCOUNT FAILED BANKS, ESTIMATED PROBABLE LOSSES ON PAPER OF  
FAILED OR OVEREXTENDED BANKS, AND RESERVES FOR PROBABLE LOSSES.

Federal Reserve banks	Claims account failed banks on Jan. 1, 1926	Estimated probable losses*			Reserve for probable losses on Jan. 1, 1926
		Failed banks	Overextended banks	Total	
Boston	-	-	-	-	-
New York	-	-	-	-	-
Philadelphia	-	-	-	-	-
Cleveland	-	-	-	-	-
Richmond	\$321,342.92	\$85,300.00	\$115,000.00	\$200,300.00	\$300,000.00
Atlanta	1,337,419.61	23,316.09	-	23,316.09	-
Chicago	1,333,105.69	90,000.00	-#	##90,000.00	1,000,000.00
St. Louis	229,681.99	158,631.66	-	158,631.66	250,000.00
Minneapolis	2,381,882.12	364,600.00	**335,400.00	700,000.00	700,000.00
Kansas City	320,471.89	182,407.97	187,663.54	270,071.51	294,684.40
Dallas	891,775.05	644,605.78	-	644,605.78	812,275.66
San Francisco	3,397,256.62	1,782,000.00	-	1,782,000.00	1,257,990.92
<b>Total</b>	<b>10,212,935.89</b>	<b>3,230,861.50</b>	<b>638,063.54</b>	<b>3,868,925.04</b>	<b>4,614,950.98</b>

\*Estimates on basis of November 30 figures reduced by amount of losses charged off thereafter to December 31, 1925.  
 \*\*No estimate except that reserve of \$700,000 is ample to cover all losses.  
 #Unable to estimate.  
 ##Does not include probable losses on paper of overextended banks.

(St. 4867a)

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LOSSES ON PART OF FAILED BANKS, BY YEARS FROM ORGANIZATION OF SYSTEM TO DECEMBER 31, 1925.  
(Determined losses actually charged off)

Federal Reserve District	1914-1919	1920	1921	1922	1923	1924	1925	Total	Reserves for losses probable to January 1, 1926
Boston	-	-	-	-	-	-	-	-	-
New York	-	-	-	-	-	-	-	-	-
Philad.	-	-	-	-	-	-	-	-	-
Cleveland	-	-	-	-	-	-	-	-	-
Richmond	-	-	-	-	-	-	-	-	\$300,000.00
Atlanta	-	-	-	\$50,000.00	15.98	\$476,632.42	\$1,273,312.56	\$2,128,360.96	-
Chicago	-	\$258,811.78	*127,460.00	-	163,586.04	*157,200.93	61,971.70	199,703.13	1,000,000.00
St. Louis	-	-	-	150 00.00	686.67	-	-	150,686.67	250,000.00
Minneapolis	-	-	-	-	-	-	-	-	700,000.00
Kansas City	-	-	-	-	7,187.38	2,622.18	23,592.03	33,401.59	294,684.40
Dallas	\$38,053.78	107.34	*2,183.05	571,879.00	1,010,744.96	*44,390.62	1,578,202.61	812,275.66	-
San Francisco	-	-	-	5,958.13	-	-	91,809.52	97,767.65	1,257,990.92
<b>Total</b>	-	38,053.78	262919.32	76,309.62	1,071,755.07	1,356,798.63	1,406,286.35	4,188,122.77	4,614,950.98

\*Recovery of amounts previously charged off.

#Loss on transit items in connection with the Bank of America, Ranger failure.

(St. 4887b)

See Bk

RATIO OF CURRENT NET EARNINGS (GROSS EARNINGS LESS CURRENT EXPENSES) TO AVERAGE PAID-IN CAPITAL AND SURPLUS COMBINED, 1915 TO 1925

Federal Reserve Bank	1914 - 1915#	1916#	1917#	1918	1919	1920	1921	1922	1923	1924	1925
	(Per cent)										
Boston	.23	5.19	17.4	54.1	54.1	57.4	19.8	6.2	5.6	2.4	5.1
New York	.75	3.61	28.2	110.0	63.8	73.5	31.3	5.2	5.1	2.5	4.3
Philadelphia	.28	4.78	14.1	46.3	59.7	50.3	20.2	8.1	8.1	2.5	3.5
Cleveland	*	4.92	14.9	49.3	46.8	55.8	19.9	7.4	5.9	3.0	4.0
Richmond	8.04	5.57	14.8	58.5	54.9	45.5	28.5	7.2	7.8	3.8	4.1
Atlanta	6.91	5.26	13.2	54.0	64.6	63.2	46.2	7.9	10.4	4.9	6.2
Chicago	1.29	6.05	20.6	66.3	49.2	79.9	35.3	6.1	4.7	2.8	3.7
St. Louis	*	5.05	15.9	53.9	46.1	58.1	24.2	5.9	8.8	1.6	4.4
Minneapolis	.41	5.22	16.8	55.8	51.5	56.2	34.1	8.0	6.1	5.0	3.2
Kansas City	*	7.45	21.8	78.4	55.5	48.0	24.1	7.6	7.6	2.8	4.4
Dallas	5.26	6.14	12.9	52.2	43.5	45.6	22.1	4.9	8.3	7.0	5.0
San Francisco	*	2.84	13.7	70.6	67.8	63.7	24.4	8.0	7.8	2.7	5.0
TOTAL	1.18	4.99	18.9	71.6	56.8	63.9	28.0	6.5	6.4	3.0	4.3

FEDERAL RESERVE BOARD  
MARCH 18, 1926.

#Represents the ratio of current net earnings to average paid-in capital, as the Federal reserve banks had no surplus account until 1918.

\*Current expenses were in excess of earnings.

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See Bn

AVERAGE ANNUAL RATES OF EARNINGS ON TOTAL BILLS AND SECURITIES

Federal Reserve Bank	1914-1915*	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925
(Per cent)											
Boston	2.49	2.40	3.39	4.02	4.01	5.48	5.42	3.87	4.28	3.69	3.35
New York	2.75	2.48	3.15	3.97	4.00	5.59	5.69	3.82	4.30	3.53	3.39
Philadelphia	2.64	2.42	3.32	4.19	3.92	5.02	4.95	4.11	4.37	4.02	3.58
Cleveland	3.07	2.63	3.29	4.14	4.02	5.45	5.39	4.10	4.29	3.79	3.47
Richmond	4.57	3.60	3.47	4.29	4.16	5.29	5.61	4.57	4.44	4.24	3.83
Atlanta	4.32	3.22	3.55	4.17	4.03	5.33	5.63	4.40	4.41	4.24	3.63
Chicago	3.00	2.74	3.35	4.19	4.02	5.75	5.91	4.23	4.26	3.92	3.69
St. Louis	3.58	2.58	3.36	4.17	3.92	5.29	5.43	4.14	4.40	4.01	3.59
Minneapolis	3.36	2.78	3.50	4.45	4.11	5.76	6.09	4.64	4.42	4.10	3.65
Kansas City	3.27	2.59	3.20	4.35	4.26	5.38	5.39	4.25	4.37	4.02	3.56
Dallas	4.70	3.60	3.41	4.30	4.28	5.14	5.79	4.56	4.26	3.84	3.50
San Francisco	3.23	2.43	3.44	4.41	4.26	5.49	5.56	4.08	4.32	3.78	3.39
Total	3.38	2.67	3.29	4.12	4.04	5.50	5.61	4.11	4.33	3.83	3.51

FEDERAL RESERVE BOARD  
MARCH 22, 1926.

\*Based on average of holdings of bills and securities on weekly statement dates.

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See 1211

RATIO OF CURRENT NET EARNINGS TO DAILY AVERAGE HOLDINGS OF TOTAL BILLS AND SECURITIES

Federal Reserve Bank	1914-1915*	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925
(Per cent)											
Boston	(a)	1.8	2.6	3.5	3.2	4.6	3.8	1.7	1.7	.9	1.3
New York	(a)	1.4	2.2	3.7	3.4	5.0	4.4	1.6	1.7	1.0	1.4
Philadelphia	(a)	1.7	2.6	3.5	3.2	4.2	3.5	2.1	2.2	1.1	1.3
Cleveland	(a)	2.0	2.7	3.7	3.4	4.6	3.8	2.1	2.0	1.2	1.3
Richmond		2.9	2.4	2.8	3.8	3.5	4.3	4.1	2.0	2.1	1.3
Atlanta		1.8	1.8	2.5	3.4	3.3	4.5	4.5	2.0	2.3	1.5
Chicago		.3	2.3	2.8	3.7	3.3	5.1	4.6	1.7	1.4	1.0
St. Louis	(a)	1.6	2.6	3.4	2.9	4.1	3.5	1.4	2.1	.6	1.2
Minneapolis	(a)	1.8	2.9	3.8	3.5	4.9	4.7	2.2	1.8	1.5	.9
Kansas City	(a)	1.9	2.1	3.9	3.5	4.3	3.4	1.6	1.7	.8	1.0
Dallas		1.6	2.3	2.6	3.7	3.3	4.0	3.7	1.3	1.8	1.2
San Francisco	(a)	1.1	2.6	3.6	3.6	4.6	3.4	1.6	1.7	.7	1.0
Total	(a)	1.8	2.5	3.6	3.3	4.7	4.1	1.8	1.8	1.0	1.3

FEDERAL RESERVE BOARD  
 MARCH 22, 1926.

\*Based on average holdings of bills and securities on weekly statement dates.  
 (a) Current expenses were in excess of earnings.

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See Bn  
205,000

SUMMARY OF COST OF BANK PREMISES AND OF FURNITURE AND EQUIPMENT AT  
EACH FEDERAL RESERVE BANK AND BRANCH TO DECEMBER 31, 1925.

	Land	Building	Total	Furniture and Equipment*
<u>BUILDINGS OCCUPIED</u>				
<u>Federal Reserve Banks</u>				
Boston	\$1,246,726	\$4,204,760	\$5,451,486	\$388,582
New York: Main Building	4,850,210	14,670,321	19,520,531)	
Annex Building	592,679	1,627,551	2,220,230)	1,575,434
No. 10 Gold St.	(a) 91,715	(b) 11,847	103,562)	
Philadelphia	(c) 799,652	(d) 2,018,205	2,817,857	571,831
Cleveland	1,295,490	8,058,806	9,354,296	715,976
Richmond	202,025	2,441,853	2,643,878	507,312
Atlanta	283,000	1,530,765	1,813,765	191,908
Chicago	2,963,548	7,493,684	10,457,232	1,080,966
St. Louis	1,354,874	3,238,346	4,593,220	496,701
Minneapolis	600,521	2,940,711	3,541,232	377,484
Kansas City	495,300	4,169,041	4,664,341	383,578
Dallas	181,120	1,494,707	1,675,827	337,341
San Francisco	412,996	3,919,316	4,332,312	728,241
<b>Total</b>	<b>15,369,856</b>	<b>57,819,913</b>	<b>73,189,769</b>	<b>7,355,354</b>
<u>Federal Reserve Branches</u>				
Pittsburgh	(c) 297,000	699,454	996,454	135,017
Baltimore	(a) 201,023	-	201,023	148,728
Jacksonville	45,842	236,934	282,776	27,399
Nashville	83,704	201,013	284,717	22,133
New Orleans	201,250	895,983	1,097,233	64,979
Little Rock	85,007	336,686	421,693	84,497
Louisville	(c) 131,177	261,319	392,496	81,008
Helena	(c) 5,000	172,399	177,399	17,675
Denver	101,512	(e) 500,338	601,850	67,765
Oklahoma City	65,021	477,756	542,777	107,700
Omaha	176,427	(e) 462,223	638,650	99,434
El Paso	39,003	122,193	161,196	63,914
Houston	66,312	344,987	411,299	83,243
<b>Total</b>	<b>1,498,278</b>	<b>4,711,285</b>	<b>6,209,563</b>	<b>1,003,492</b>

(a) Including building on land when purchased.

(b) Remodeling cost only.

(c) Estimated value of land. Balance of purchase price is included in cost of building.

(d) Estimated cost to complete addition under construction - \$235,615.

(e) Subject to minor adjustment.

\*Total cost, including replacements, from organization to December 31, 1925.

(Continued on next page)

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SUMMARY OF COST OF BANK PREMISES AND OF FURNITURE AND EQUIPMENT AT EACH FEDERAL RESERVE BANK AND BRANCH TO DECEMBER 31, 1925 (Cont'd)

	Land	Building	Total	Furniture and Equipment *
<u>BUILDING SITES</u>				
<u>Federal Reserve Branches (Cont'd)</u>				
Baltimore	\$251,343	-	\$251,343	See preceding page
Birmingham	125,554	(a) 10,934	136,488	\$11,723
Detroit	650,000	-	650,000	107,258
Salt Lake City	114,075	-	114,075	121,930
<b>Total</b>	<b>1,140,972</b>	<b>10,934</b>	<b>1,151,906</b>	<b>240,911</b>
<u>NO BUILDINGS OR BUILDING SITES</u>				
Buffalo				72,090
Cincinnati				85,887
Memphis				112,916
Los Angeles				136,778
Portland				77,008
Seattle				71,290
Spokane				50,657
<u>Federal Reserve Agencies</u>				
Havana (Boston)				887
Havana (Atlanta)				3,143
Savannah				1,741
<b>Total, all Federal reserve banks, branches and agencies</b>	<b>18,009,106</b>	<b>62,542,132</b>	<b>80,551,238</b>	<b>9,212,154</b>

(a) Preliminary expenses.

NOTE: Property purchased by the Reserve banks as Bank premises or as sites for proposed buildings has been sold, exchanged, or otherwise disposed of as follows:

Boston. Site purchased in 1918 was sold in 1919 at a profit of \$150,000 which was deducted from cost of present site.

Dallas. Building purchased in 1918 for \$100,000 and remodeled for bank use at a cost of \$53,336 was sold in 1922 for \$130,000 on completion of present building.

Denver. Site purchased in 1921 was exchanged in 1924 for site now owned.

Omaha. Building purchased in 1920 for \$165,602 and remodeled for use as bank premises at a cost of \$39,748 was exchanged in 1924 for the site now owned.

Cincinnati. Property purchased in 1920 for \$380,744 as a site for a proposed building was leased to the Cincinnati Chamber of Commerce in 1925 for a period of 99 years with an option to purchase for \$600,000. Space in the proposed building of the Chamber of Commerce will be leased to the Cincinnati Branch.

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# FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO  
THE FEDERAL RESERVE BOARD

X-4568

March 24, 1926.

SUBJECT: Eligibility for rediscount at a Federal reserve bank of notes made or endorsed by a Federal Intermediate Credit Bank when offered by a member bank.

Dear Sir:

The Federal Reserve Board has been requested to rule upon the eligibility for rediscount at a Federal reserve bank of a note of a Federal Intermediate Credit Bank and also of a note made by a cooperative marketing association and endorsed by a Federal Intermediate Credit Bank. In each case the note is offered for rediscount by a member bank which has discounted it for the Federal Intermediate Credit Bank.

It was suggested to the Board that if such paper is eligible for rediscount, the provision of the Board's Regulation A which prohibits a Federal reserve bank to discount paper for any Federal Intermediate Credit Bank when its own reserves are less than 50% of its aggregate liabilities for deposits and Federal reserve notes might be circumvented and a Federal Intermediate Credit Bank might obtain accommodation indirectly from a Federal reserve bank even though the Federal reserve bank's reserve might be less than 50%. The principle underlying this provision of the regulation, however, is that member banks are entitled to preferential treatment in the matter of receiving credit accommodations from the Federal reserve bank because they contribute to the resources of the Federal reserve banks and their credit facilities ought not to be curtailed in any way through the extension of credit to Federal Intermediate Credit Banks, which contribute nothing to the resources of the Federal Reserve System and which are not members of the System. This principle, of course, would not be applicable when a member bank offers for rediscount at a Federal reserve bank paper made or endorsed by a Federal Intermediate Credit Bank, because in such a case the member bank would be obtaining credit accommodation from the Federal reserve bank. If the paper is otherwise eligible this provision of the Board's regulations would not prevent its rediscount by a member bank.

The question whether a note made by a cooperative marketing association and endorsed by a Federal Intermediate Credit Bank is eligible for rediscount at a Federal reserve bank, when offered

by a member bank, is to be determined by the purpose for which it was issued or the use made of its proceeds and is not affected by the fact that it is endorsed by a Federal Intermediate Credit Bank (except for the prohibition contained in Section 19 which is discussed below.) As the Board has ruled, heretofore, it is the purpose of the original negotiation which is determinative of the eligibility of a note for rediscount. In the fourth paragraph of Section 13 (a) of the Act, it is provided that a note issued by a cooperative marketing association shall be deemed to have been issued for an agricultural purpose if its proceeds have been or are to be used for certain specified purposes. If, therefore, a note made by a cooperative marketing association has been issued for one of the purposes so enumerated, or may be otherwise considered agricultural paper, it is eligible for rediscount at a Federal reserve bank when offered by a member bank, regardless of the fact that it may have been discounted by the member bank for a Federal Intermediate Credit Bank. Of course, it is necessary that the note comply in all other respects with the pertinent provisions of the Federal Reserve Act and the Board's Regulations.

While in theory the general principles applicable in determining the eligibility of other paper would govern the eligibility of a note made by a Federal Intermediate Credit Bank when offered for rediscount by a member bank, as a practical matter, since Federal Intermediate Credit Banks are not ordinarily engaged in commercial, agricultural or industrial pursuits but in the business of lending money, it seems almost certain that such a note would not be issued for an eligible purpose but for the purpose of obtaining funds to be advanced or loaned to some other borrower. Under such circumstances, of course, the note made by the Federal Intermediate Credit Bank would be ineligible for rediscount under Section II(b) of the Board's Regulation A.

The eligibility for rediscount of paper made or endorsed by a Federal Intermediate Credit Bank when offered by a member bank is also affected by that provision of Section 19 which prohibits a member bank from acting as the medium or agent of a non-member bank in discounting with a Federal reserve bank except by the Board's permission; and it is accordingly necessary, under the principles laid down in the Board's ruling published in the 1923 Bulletin at page 891, for the Board to grant its permission before paper bearing the signature or endorsement of a Federal Intermediate Credit Bank may properly be rediscounted for a member bank. Accordingly, the Federal Reserve Board hereby grants its permission for Federal reserve banks to rediscount for member banks paper bearing the signature or endorsement of Federal Intermediate Credit Banks, if such paper is otherwise eligible under the law and the regulations. In the ruling referred to it was stated that as a general rule, the Board will not grant to member banks permission to rediscount with Federal reserve banks the paper of

nonmember banks which are eligible for membership in the Federal Reserve System. Federal Intermediate Credit Banks, however, are not eligible for membership in the Federal Reserve System and, therefore, the granting of this permission is not a departure from the policy announced in that ruling.

Very truly yours,

D. R. Crissinger,  
Governor.

TO ALL FEDERAL RESERVE AGENTS.

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REPORT OF THE OPEN MARKET INVESTMENT COMMITTEE TO THE  
GOVERNORS' CONFERENCE, March 22, 1926.

Since the last Governors' Conference the changes in the special investment account have consisted of (a) temporary readjustments to offset the effects on the money market of government financing at tax periods, (b) purchases and sales to offset seasonal changes over the turn of the year, and (c) a reduction in total caused by the repayment of March 15 maturities, which have not yet been wholly replaced.

At the December 15 tax period temporary sales of 30 million dollars were made to New York City banks, and at the March tax period temporary sales of \$38,000,000 were made, of which \$35,000,000 were made in New York and \$3,000,000 in Chicago. The result of these sales was to exert a considerable stabilizing influence on the market at these periods.

During the latter part of December the committee purchased 50 million of short-term government securities to decrease the seasonal strain in the market, and these securities were resold in the latter part of January and early in February.

On March 15 there matured 65 million dollars of securities held in the special account, and in addition \$32,500,000 held for foreign account. These amounts have been fully replaced for the foreign accounts but only partially replaced as yet by the purchase of \$34,355,600 of securities for the System account. This leaves a balance of \$31,411,100 to be purchased for the special account in order to re-

store it to 210 million dollars; the \$38,160,000 of Treasury notes which matured December 15, 1925, were replaced by purchases of other maturities, thus causing no change in the account.

In the past few weeks, there has been some change in credit conditions, but more particularly in business and financial psychology. The stock market boom has lost its impetus and the amount of funds employed by the market has diminished by about 300 million dollars from the date when public reports were commenced. Real estate speculation has calmed down somewhat. There are also reports of business hesitation, evidence of which may be found in a weakness in commodity prices, a decline of unfilled orders of the Steel Corporation, some recession in retail trade and some decrease in the amount of building permits taken out, although the actual volume of current business transactions continues very large. But some business hesitation appears to be a not unusual accompaniment of a rather sharp arrest of stock speculation following a long extended period of activity.

Thus far it would appear that the diminution of speculative activity is wholesome. The movements which have taken place have been orderly and there has been no indication so far of untoward consequences. It is not yet clear how far liquidation will be continued and it is, of course, still possible that there might be a revival of speculation with the dangers it involves. It appears more probable, however, that the peak of this speculative and business expansion has been passed. It therefore seems appropriate in view of the above to discuss at this time what our open market policy should be in the

event a business recession calls for a revision of policy before we meet in another governors' conference.

Experience in the past has indicated that member banks when in debt at the Federal Reserve Bank of New York, and in less degree at other money centers, constantly endeavor to free themselves from that indebtedness, and as a consequence such pressure as arises is in the direction of curtailing loans. This is now accentuated over a year ago as the discount rate at New York is a full 1% higher, and 1/2% higher at four other banks. As the accompanying table of the earning assets of the System shows, the amount of credit furnished by Reserve Banks on member banks direct borrowing, just prior to the March 15th operations, was larger this year than on any corresponding date since 1923.

EARNING ASSETS - FEDERAL RESERVE SYSTEM  
(In millions of dollars)

	1922 <u>Mar. 8-</u>	1923 <u>Mar. 7-</u>	1924 <u>Mar. 12-</u>	1925 <u>Mar. 11-</u>	1926 <u>Mar. 10</u>
Discounts					
New York (City)	14	149	53	149	103
Chicago (City)	3	22	7	2	17
Other	614	400	423	259	382
Total	631	571	483	410	502
Bankers Acceptances	102	219	243	301	285
U.S. Securities-Committee-	-	-	140	275	245
U.S. Securities-Other	444	345	72	113	115
Other Earnings Assets	-	-	-	15	12
Total	1,177	1,135	938	1,114	1,159

- 4 -

The total amount of borrowing undoubtedly exerts some pressure upon the business community. Should we go into a business recession while the member banks were continuing to borrow directly 500 or 600 million dollars, (if bills are included nearly 800 million dollars,) we should consider taking steps to relieve some of the pressure which this borrowing induces by purchasing government securities and thus enabling member banks to reduce their indebtedness.

It is not possible to predict to what extent member banks will continue their borrowing on the present scale in the event of a business recession. The release of funds now employed in the security markets, a decrease in currency requirements, and some decrease in bank loans for business undertakings, would likely be partly offset by increased requirements for funds to carry accumulating inventories. Perhaps the major determining factor will be the movement of gold. During the first half of March we received 30 million dollars of gold from Canada and this movement resulted in easy money rates in New York in the second week of the month. It seems possible that this gold movement may be continued somewhat further, and, if so, it would correspondingly liquidate the borrowings of member banks in New York. The usual movement of gold, however, if seasonal causes operate, would lead us to anticipate gold exports rather than imports during the summer months, with perhaps further imports in the fall. With these conflicting tendencies future changes in our loan account are especially significant as a guide and we should see that the total does not become or continue too burdensome.



Future Policy.

As a guide to the timing and extent of any purchases which might appear desirable, one of our best guides will be the amount of borrowing by member banks in principal centers, and particularly in New York and Chicago. Our experience has shown that when New York City banks are borrowing in the neighborhood of 100 million dollars or more, there is then some real pressure for reducing loans, and money rates tend to be markedly higher than the discount rate. On the other hand, when borrowings of these banks are negligible, as in 1924, the money situation tends to be less elastic and if gold imports take place, there is liable to be some credit inflation, with money rates dropping below our discount rate. When member banks are owing us about 50 million dollars or less the situation appears to be comfortable, with no marked pressure for liquidation and with the requisite elasticity. Under these circumstances no single bank tends to be in debt for any extended period and borrowings are passed around among the different banks. Call and time money rates tend to be but slightly above our discount rate. With this situation existing in New York, there is less tendency for funds to be attracted to New York (particularly since commercial rates at such times are apt to be higher than stock exchange rates for call money) and the situation has a considerable degree of stability.

The accompanying chart shows the amount of borrowing of New York City banks by weeks during the past four years. It shows borrowings to be large during 1923, when, as we all know, there was some

pressure for liquidation. Allowing for the seasonal increase and decrease in December 1923 and January 1924 borrowings were very small during 1924 and we recall that during the balance of that year while there was considerable instability in money conditions, it was accompanied by a gradual revival of business over 1923. In 1925 borrowings were sufficiently high during parts of the year to place some pressure on the New York City banks. It was in this stage that rate advances were made. In the event of business liquidation now appearing it would seem advisable to keep the New York City banks out of debt beyond something in the neighborhood of 50 million dollars. It would probably be well if some similar rule could be applied to the Chicago banks, although the amount would, of course, be smaller and the difficulties greater because of the influence of the New York money market.

In general it would appear that we should not increase or diminish the special account immediately beyond gradually replacing the issues which matured on March 15 as market conditions warrant, but that we should prepare ourselves now for the prompt purchase of some further amount of securities if and when there should be further evidence of a recession in business activity, especially if there is no further liquidation in the amount of Federal Reserve credit employed.

March 19, 1926.

Exhibit A

STATEMENT SHOWING PARTICIPATION BY FEDERAL RESERVE BANKS IN SYSTEM SPECIAL INVESTMENT ACCOUNT AND CLASSIFICATION OF ISSUES HELD IN THE ACCOUNT BY MATURITIES

	Holdings	Holding Ratio	Holdings by Maturities		
Boston	\$ 1,688,000	1.0%	June	15, 1926 3% C/I	\$ 1,800,000
New York	43,733,900	24.5%	June	15, 1926 3 1/4% C/I	28,900,000
Philadelphia	1,331,000	.7%	September	15, 1926 4 1/4% T/N	17,901,000
Cleveland	9,908,500	5.5%	December	15, 1926 3 3/4% C/I	47,260,000
Richmond	3,488,500	1.9%	March	15, 1927 4 3/4% T/N	44,856,600
Atlanta	10,289,000	5.8%	December	15, 1927 4 1/2% T/N	35,371,300
Chicago	18,718,000	10.5%	September	15, 1928 4 1/4% 3rd L/L	2,500,000
St. Louis	16,049,500	9.0%			
Minneapolis	7,671,000	4.3%			
Kansas City	17,726,000	9.9%			
Dallas	18,831,500	10.6%			
San Francisco	29,154,000	16.3%			
	<u>\$178,588,900</u>	<u>100.0%</u>			<u>\$178,588,900</u>

This statement includes future purchases to be delivered on or before March 20, 1926.

## Exhibit B

PURCHASES OF BANKERS ACCEPTANCES FROM JANUARY 4 TO MARCH 10, 1926 AND AMOUNT  
EACH BANK HAS RECEIVED IN EXCESS OR SHORT OF ITS PRO RATA SHARE  
UNDER APPORTIONMENT PLAN PUT INTO EFFECT JANUARY 4, 1926

	<u>Ratios of Participation</u>	<u>Bills Acquired (Net)</u>	<u>Bills Entitled to Acquire</u>	<u>Bills Over Pro rata Share</u>	<u>Bills Short Pro rata Share</u>
Boston	7%	\$ 19,830,000	\$ 19,247,000	\$ 583,000	\$ 0
New York	24%	62,659,000	65,992,000	0	3,333,000
Philadelphia	8%	25,752,000	21,997,000	3,755,000	0
Cleveland	10%	27,395,000	27,497,000	0	102,000
Richmond	5%	13,792,000	13,748,000	44,000	0
Atlanta	4%	11,390,000	10,999,000	391,000	0
Chicago	14%	38,012,000	38,495,000	0	483,000
St. Louis	5%	13,262,000	13,748,000	0	486,000
Minneapolis	4%	10,691,000	10,999,000	0	308,000
Kansas City	6%	15,908,000	16,498,000	0	590,000
Dallas	4%	10,732,000	10,999,000	0	267,000
San Francisco	9%	25,543,000	24,747,000	796,000	0
Totals	100%	<u>\$274,966,000</u>	<u>\$274,966,000</u>	<u>\$5,569,000</u>	<u>\$5,569,000</u>

## Exhibit C.

STATEMENT SHOWING EFFECT OF DISTRIBUTION OF SYSTEM OPEN MARKET PURCHASES DURING 1925 TO MEET EXPENSE REQUIREMENTS OF FEDERAL RESERVE BANKS, WHICH DISTRIBUTION (1) DURING FIRST NINE MONTHS WAS ON BASIS OF CURRENT EXPENSES AND DIVIDENDS AND (2) DURING BALANCE OF YEAR TO PROVIDE FOR CHARGE-OFFS AS COMPLETELY AS POSSIBLE

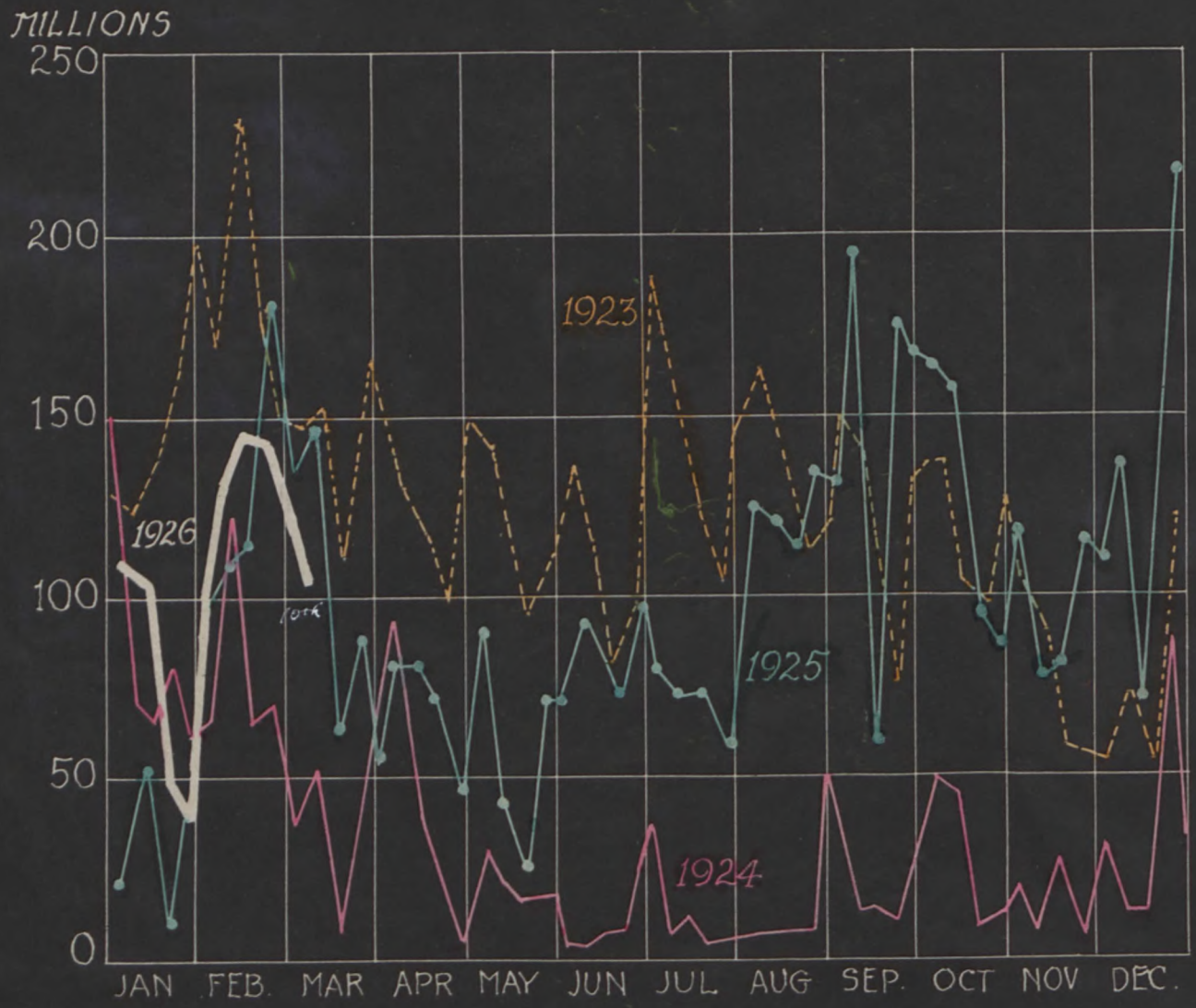
	<u>Gross Earnings</u>	<u>Current Expenses and Dividends</u>	<u>Current Net Earnings</u>	<u>Charge-offs, Depreciation Charges, etc.</u>	<u>Net After All Charges and Dividends</u>
Boston	\$ 3,288,546	\$ 2,528,503	\$ 760,043	\$ 122,110	\$ 637,933
New York	10,217,174	8,213,398	2,003,776	788,674	1,215,102
Philadelphia	3,135,549	2,709,480	426,069	21,162	404,907
Cleveland	4,013,456	3,378,441	635,015	203,250	431,765
Richmond	2,182,460	1,809,776	372,684	154,736	217,948
Atlanta	2,072,378	1,502,220	570,158	820,455	250,297
Chicago	5,424,663	4,686,253	738,410	551,153	187,257
St. Louis	2,055,637	1,696,853	358,784	759,078	400,294
Minneapolis	1,438,341	1,291,388	146,953	105,558	41,395
Kansas City	2,309,986	1,985,870	324,116	299,621	24,495
Dallas	1,813,626	1,478,583	335,043	312,147	22,896
San Francisco	<u>3,848,890</u>	<u>3,171,555</u>	<u>677,335</u>	<u>677,335</u>	-
Totals	<u>\$41,800,706</u>	<u>\$34,452,320</u>	<u>\$7,348,386</u>	<u>\$4,815,279</u>	<u>\$2,533,107 Net</u>

STATEMENT SHOWING EARNING ASSET HOLDINGS OF ALL FEDERAL RESERVE BANKS MARCH 10, 1926 COMPARED WITH PREVIOUS WEEK AND MARCH 11, 1925; ALSO WEEKLY AVERAGE OF EARNING ASSETS FROM DECEMBER 31, 1925 TO MARCH 10, 1926 AS COMPARED WITH CORRESPONDING PERIOD AND ENTIRE YEAR 1925  
(000 Omitted)

		Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco	Total
Bills discounted	- March 3	\$36,089	\$172,576	\$53,887	\$48,620	\$43,417	\$33,055	\$88,667	\$25,607	\$10,518	\$22,558	\$6,644	\$41,576	\$583,214
" "	" 10	22,311	156,018	51,117	52,007	43,650	30,336	64,501	20,214	3,876	14,145	6,705	37,545	502,425
Net Change		13,778-	16,558-	2,770-	3,387+	233+	2,719-	24,166-	5,393-	6,642-	8,413-	61+	4,031-	80,789-
Bills purchased	- March 3	43,375	67,263	19,299	19,124	9,374	22,312	31,092	13,797	7,047	14,739	14,194	24,991	286,607
" "	" 10	40,595	69,140	19,717	21,009	10,841	18,499	30,234	14,300	7,974	13,896	13,723	24,592	284,520
Net Change		2,780-	1,877+	418+	1,885+	1,467+	3,813-	858-	503+	927+	843-	471-	399-	2,087-
Government securities	- March 3	8,267	54,349	19,063	31,559	5,443	15,208	44,021	23,907	16,578	33,960	29,458	43,945	325,758
" "	" 10	7,778	61,297	21,309	33,496	6,125	17,219	46,816	27,044	18,078	37,474	33,387	49,643	359,666
Net Change		489-	6,948+	2,246+	1,937+	682+	2,011+	2,795+	3,137+	1,500+	3,514+	3,929+	5,698+	33,908+
Total earning assets	- March 3	88,392	296,572	96,126	100,234	58,695	70,923	164,972	63,685	34,421	71,696	50,601	111,112	1,207,429
" " " "	" 10	71,353	288,866	96,029	107,453	61,082	66,406	142,757	61,936	30,209	65,958	54,123	112,387	1,158,559
Net Change		17,039-	7,706-	97-	7,219+	2,387+	4,517-	22,215-	1,749-	4,212-	5,738-	3,522+	1,275+	48,870-
<u>Weekly Average of Earning Assets</u>														
Dec. 31, 1925 to March 10, 1926		109,703	269,672	93,283	100,275	52,909	82,023	153,667	63,756	31,940	67,702	56,654	103,448	1,185,032
Corresponding period 1925		92,788	323,935	76,011	122,724	34,709	24,422	129,311	38,668	27,033	45,023	41,791	103,775	1,060,690
Net Change		16,915+	54,263-	17,272+	22,449-	18,200+	57,601+	23,356+	25,088+	4,907+	22,679+	14,863+	327-	124,342+
December 31, 1925 to Mar. 10, 1926		109,703	269,672	93,283	100,275	52,909	82,023	153,667	63,756	31,940	67,702	56,654	103,448	1,185,032
Entire year 1925		93,459	287,133	85,078	113,904	54,734	56,548	138,045	55,936	37,271	57,293	49,024	109,866	1,138,291
Net Change		16,244+	17,461-	8,205+	13,629-	1,825-	25,475+	15,622+	7,320+	5,331-	10,409+	7,630+	6,418-	46,741+
<u>Comparison of Earning Assets</u>														
March 10, 1926		71,353	288,866	96,029	107,453	61,082	66,406	142,757	61,936	30,209	65,958	54,123	112,387	1,158,559
March 11, 1925		91,730	384,709	87,649	125,294	44,466	29,501	121,914	31,195	30,581	43,490	32,469	91,062	1,114,060
Net Change		20,377-	95,843-	8,380+	17,841-	16,616+	36,905+	20,843+	30,741+	372-	22,468+	21,654+	21,325+	44,499+

SUMMARY FOR SYSTEM

Bills discounted for week	\$ 80,789-
Bills purchased for week	2,087-
Government securities for week	33,908+
Total earning assets for week	48,870-
Weekly average of earning assets Dec. 31, 1925 to Mar. 10/26 against corresponding period 1925	124,342+
Weekly average of earning assets Dec. 31, 1925 to Mar. 10/26 against entire year 1925	46,741+
Comparison of earning assets March 10, 1926 with March 11, 1925	44,499+



Borrowings of New York City Member Banks at Federal Reserve Bank

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C O N F I D E N T I A L

For use of Federal Reserve Board only

St. 4906

RATES CHARGED\* BY FEDERAL RESERVE BANKS ON ACCEPTANCES PURCHASED IN OPEN MARKET DURING JANUARY AND FEBRUARY 1926 AND 1925.

(Amounts in thousands of dollars)

Rates (Per cent)	1 9 2 6		1 9 2 5	
	February	January	February	January
2-3/4	-	-	10,087	45,941
2-7/8	-	-	8,924	29,969
3	-	-	188,581	99,224
3-1/8	-	-	25,961	2,689
3-1/4	-	19,466	10,282	4,008
3-3/8	-	20,210	593	213
3-1/2	184,340	94,035	547	56
3-5/8	49,982	55,460	141	-
3-3/4	8,213	5,555	-	-
3-7/8	995	1,763	-	-
4	1,919	2,714	1,359	797
4-9/32	15	-	-	-
4-13/32	18	-	-	-
TOTAL	245,482	199,203	246,475	182,897
Average rates (365-day basis)	3.64	3.60	3.08	3.01

Monthly Comparison

Month	Amount Purchased		Average rate charged Per cent	
	1926	1925	1926	1925
January	199,203	182,897	3.60	3.01
February	245,482	246,475	3.64	3.08
March		259,331		3.18
April		219,287		3.16
May		296,237		3.16
June		245,996		3.19
July		201,663		3.24
August		188,214		3.26
September		214,570		3.42
October		326,219		3.43
November		244,943		3.43
December		335,338		3.42

\* F. R. Banks purchase acceptances on a 360 day basis but for comparative purposes all average rates compiled by this Division are calculated on the basis of 365 days to the year.

FEDERAL RESERVE BOARD  
DIVISION OF BANK OPERATIONS  
MARCH 31, 1926.

C.



## Office Correspondence

FEDERAL RESERVE  
BOARD

Date April 1, 1926.

To Mr. Hamlin

Subject: *205,001*From *ES* Mr. Smead

2-8495

In accordance with your request of March 29 I am enclosing herewith the following statements:

1. Daily average holdings of United States Government securities by each Federal reserve bank by six-month periods from the organization of the System to the end of 1925.
2. Maximum, minimum, and average holdings of United States Government securities by all Federal reserve banks combined by six-month periods from the organization of the System to the end of 1925.
3. Statements showing the earnings and profit and loss account of the System and of each Federal reserve bank from date of organization to the end of 1924. Similar figures for 1925 are shown on pages 136-137 of the February 1925 Bulletin. These statements, as you will note, show the amount charged off for depreciation on buildings, bad debts, etc.
4. Losses actually charged off on paper of failed banks by years since the organization of the System.

On examining the earnings and profit and loss statements you will note that some of the Federal reserve banks have credited back to profit and loss certain reserves set up for probable losses on paper of failed banks and for depreciation on United States bonds. These credits should, of course, be deducted from the actual charges as shown under "Deductions from current net earnings" in order to get the net charge. The amounts set up as reserves for probable losses represent estimates of probable losses rather than actual losses charged off during those years. Accordingly, we are giving you an additional statement, mentioned under number 4 above, which shows the yearly charge-offs, as distinct from reserves, on paper of failed banks.

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DAILY AVERAGE HOLDINGS OF U. S. GOVERNMENT SECURITIES BY FEDERAL RESERVE BANKS  
(In thousands of dollars)

6-month period ending	Federal Reserve Bank of												
	Total	Boston	New York	Phila- delphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minn- neapolis	Kansas City	Dallas	San Francisco
1915- June	5,593	-	-	8	115	-	-	3,008	163	730	695	-	874
Dec.	10,446	547	-	821	1,100	-	-	3,968	559	1,096	1,304	51	1,000
1916 -June	40,176	2,140	2,549	3,696	4,475	1,315	1,142	7,461	2,953	2,459	6,899	2,018	3,069
Dec.	54,251	2,987	3,474	3,452	6,900	1,754	2,094	9,380	3,266	3,572	10,204	3,793	3,375
1917- June	82,346	3,776	13,385	4,409	9,331	3,890	3,210	12,359	4,675	3,990	11,354	6,158	5,809
Dec.	94,250	2,980	15,364	4,127	13,227	3,419	5,807	19,428	3,859	3,677	10,806	5,931	5,625
1918- June	150,445	2,825	61,030	8,423	26,352	3,231	4,536	10,949	3,211	5,329	13,404	6,520	4,635
Dec.	106,615	4,020	40,213	5,889	9,531	3,545	3,028	12,170	4,040	2,367	10,752	5,564	5,496
1919- June	209,295	14,350	69,500	16,974	15,554	6,936	8,704	23,459	12,201	8,772	15,006	8,576	9,263
Dec.	298,105	22,004	78,638	29,431	25,142	11,410	13,822	46,442	18,301	8,606	20,874	11,670	11,765
1920- June	326,558	23,512	84,315	32,875	26,837	13,907	15,899	48,166	18,749	9,407	23,832	13,339	15,720
Dec.	320,630	26,802	79,837	35,049	27,958	13,641	15,915	45,523	18,390	8,641	21,733	12,335	14,806
1921- June	293,852	22,116	72,664	32,093	25,641	13,078	17,924	43,472	15,290	8,547	19,740	10,533	12,754
Dec.	234,481	16,342	71,861	21,861	17,822	6,209	20,231	33,720	10,907	5,291	15,763	5,274	9,200
1922- June	460,999	40,993	155,134	25,168	46,820	4,836	9,023	72,058	19,504	9,924	32,938	4,911	39,690
Dec.	447,496	34,947	132,655	33,263	54,348	4,429	5,919	41,280	25,369	12,400	43,371	8,867	50,648
1923- June	278,926	16,954	41,170	26,729	26,956	2,003	4,068	47,873	21,870	13,533	36,934	10,018	30,818
Dec.	94,519	4,561	14,121	16,211	10,576	1,341	259	9,675	3,080	10,960	9,963	4,480	9,292
1924- June	250,935	18,961	56,664	24,834	28,613	4,486	1,982	36,055	5,079	16,259	16,018	16,373	25,611
Dec.	550,237	37,460	181,020	30,771	58,235	4,984	2,648	77,887	14,798	27,052	32,914	26,199	56,269
1925 -June	381,214	19,391	105,689	24,055	39,929	4,092	6,581	54,929	15,951	18,776	28,352	22,691	40,778
Dec.	336,679	8,166	66,108	18,748	30,926	5,585	14,620	44,255	24,967	16,475	33,131	29,669	44,029

NOTE: Figures for each six-month period were obtained by dividing the sum of the average monthly figures by six, except those for 1915 which are averages of holdings reported on weekly statement dates.

LOSSES ON PAPER OF FAILED BANKS, BY YEARS FROM ORGANIZATION OF SYSTEM TO DECEMBER 31, 1925.  
(Determined losses actually charged off)

Federal Reserve District	1914-1919	1920	1921	1922	1923	1924	1925	Total	Reserves for probable losses January 1, 1926
Boston	-	-	-	-	-	-	-	-	-
New York	-	-	-	-	-	-	-	-	-
Philadelphia	-	-	-	-	-	-	-	-	-
Cleveland	-	-	-	-	-	-	-	-	-
Richmond	-	-	-	-	-	-	-	-	\$300,000.00
Atlanta	-	-	-	\$50,000.00	\$328,415.98	\$476,632.42	\$1,273,312.56	\$2,128,360.96	-
Chicago	-	-	\$258,811.78	*127,465.46	163,586.04	*157,200.93	61,971.70	199,703.13	1,000,000.00
St. Louis	-	-	-	150,000.00	686.67	-	-	150,686.67	250,000.00
Minneapolis	-	-	-	-	-	-	-	-	700,000.00
Kansas City	-	-	-	-	7,187.38	2,622.18	23,592.03	33,401.59	294,684.40
Dallas	-	#38,053.78	#4,107.54	*2,183.05	571,879.00	1,010,744.96	*44,399.62	1,578,202.61	812,275.66
San Francisco	-	-	-	5,958.13	-	-	91,809.68	97,767.81	1,257,990.92
Total	-	38,053.78	26,219.32	76,309.62	1,071,755.07	1,332,798.63	1,406,286.35	4,188,122.77	4,614,950.98

\*Recovery of amounts previously charged off.

#Loss on transit items in connection with the Bank of Ranger failure.

(St. 4887b)

## EARNINGS AND PROFIT AND LOSS ACCOUNT OF ALL FEDERAL RESERVE BANKS COMBINED

St. 4501

	1914-15	1916	1917	1918	1919	1920	1921	1922	1923	1924	Total
<b>Earnings:</b>											
Discounted bills	\$1,218,516	\$1,025,675	\$6,971,479	\$48,348,007	\$80,768,144	\$149,059,825	\$109,598,675	\$26,523,123	\$32,956,293	\$15,942,845	\$472,412,582
Purchased bills	244,664	1,560,918	4,951,729	11,939,808	13,994,544	22,020,158	5,234,141	5,628,956	9,371,288	5,709,809	80,656,015
United States securities	171,831	1,106,860	2,367,989	3,828,782	5,761,300	7,140,615	6,253,854	16,682,463	7,444,089	14,712,593	65,470,376
Municipal warrants	490,689	708,867	215,119	14,222	85	-	2,305	3,565	3,812	850	1,439,514
Deficient reserve penalties	-	1,157	194,526	698,991	727,844	1,573,335	1,177,562	602,951	521,061	381,619	5,879,046
Net service charges received	-	244,395	704,670	421,332	-	-	-	-	-	-	1,370,397
Miscellaneous	47,552	570,126	722,827	2,333,275	1,128,666	1,502,778	599,329	1,057,641	412,023	1,592,733	9,966,950
<b>TOTAL EARNINGS</b>	<b>2,173,252</b>	<b>5,217,998</b>	<b>16,128,339</b>	<b>67,584,417</b>	<b>102,380,583</b>	<b>181,296,711</b>	<b>122,865,866</b>	<b>50,498,699</b>	<b>50,708,566</b>	<b>38,340,449</b>	<b>637,194,880</b>
<b>CURRENT EXPENSES</b>											
<b>CURRENT NET EARNINGS</b>	<b>*147,334</b>	<b>2,943,999</b>	<b>10,968,612</b>	<b>56,624,884</b>	<b>83,040,950</b>	<b>153,038,681</b>	<b>88,402,021</b>	<b>20,939,650</b>	<b>20,944,393</b>	<b>9,909,323</b>	<b>446,665,179</b>
<b>Additions to current net earnings:</b>											
Withdrawn from reserve for --											
Federal Reserve Board expenses	-	-	-	-	-	523,277	37,209	-	-	-	560,486
Probable losses	-	-	-	-	-	200,000	-	508,449	-	-	708,449
Depreciation on U. S. bonds	-	-	-	-	219,548	-	359,299	572,622	141,857	246,165	1,539,491
All other	20,503	-	12,781	132,059	39,448	147,583	94,221	258,579	88,527	308,904	1,102,605
<b>Total additions</b>	<b>20,503</b>	<b>-</b>	<b>12,781</b>	<b>132,059</b>	<b>258,996</b>	<b>870,860</b>	<b>490,729</b>	<b>1,339,650</b>	<b>230,384</b>	<b>555,069</b>	<b>3,911,031</b>
<b>Deductions from current net earnings:</b>											
Bank premises - depreciation	-	7,500	44,679	1,828,954	2,742,512	2,124,075	1,574,801	3,112,127	4,022,246	4,034,782	##19,491,676
Furniture and equipment	14,628	185,440	305,421	1,006,888	938,791	1,603,537	1,385,295	788,612	1,202,808	1,074,591	8,506,011
Reserve for probable losses	-	-	-	200,000	-	130,963	3,122,312	891,958	2,448,775	1,067,259	7,861,267
Reserve for self insurance	-	-	-	-	200,000	250,000	400,000	444,072	202,756	105,197	1,602,025
Reserve for F. R. Board expenses	-	-	-	-	493,928	66,558	-	-	-	-	560,486
Reserve for depreciation -											
U. S. bonds	-	-	756,174	848,129	34,156	268,642	49,295	78,058	66,034	-	2,100,488
All other	-	61	295,512	156,662	523,055	170,992	273,822	466,737	520,872	464,383	2,872,096
<b>Total deductions</b>	<b>14,628</b>	<b>193,001</b>	<b>1,401,786</b>	<b>4,040,633</b>	<b>4,932,442</b>	<b>4,614,767</b>	<b>6,805,525</b>	<b>5,781,564</b>	<b>8,463,491</b>	<b>6,746,212</b>	<b>42,994,049</b>
<b>NET DEDUCTIONS</b>	<b>**5,875</b>	<b>193,001</b>	<b>1,389,005</b>	<b>3,908,574</b>	<b>4,673,446</b>	<b>3,743,907</b>	<b>6,314,796</b>	<b>4,441,914</b>	<b>8,233,107</b>	<b>6,191,143</b>	<b>39,083,018</b>
<b>NET EARNINGS</b>	<b>*141,459</b>	<b>2,750,998</b>	<b>9,579,607</b>	<b>52,716,310</b>	<b>78,367,504</b>	<b>149,294,774</b>	<b>82,087,225</b>	<b>16,497,736</b>	<b>12,711,286</b>	<b>3,718,180</b>	<b>407,582,161</b>
<b>Distribution of net earnings:</b>											
Dividends paid	217,463	1,742,774	6,801,726	5,540,684	5,011,832	5,654,018	6,119,673	6,307,035	6,552,717	6,682,496	50,630,418
Transferred to surplus account	-	-	1,134,234	48,334,341	70,651,778	82,916,014	15,993,086	#- 659,904	2,545,513	188,360	221,103,422
Franchise tax paid U. S. Govt.	-	-	1,134,234	-	2,703,894	60,724,742	59,974,466	#10,850,605	3,613,056	113,646	139,114,643
Deficit in earnings after payment of dividends, charged to surplus account	-	-	-	-	-	-	-	-	-	3,266,322	3,266,322
<b>Balance to Profit and loss</b>	<b>-358,922</b>	<b>1,008,224</b>	<b>509,413</b>	<b>-1,158,715</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* Excess expenses. \*\* Net additions.

# After charging surplus and crediting franchise tax with \$270,389 paid as an additional franchise tax for 1920 and \$3,129,673 for 1921. Amounts transferred to surplus and paid as a franchise tax out of earnings for 1922 were \$2,740,158 and \$7,450,543, respectively.

## Net charge-off after deduction of salvage receipts and other credits was \$19,489,444.

EARNINGS AND PROFIT AND LOSS ACCOUNT OF THE FEDERAL RESERVE BANK OF BOSTON

St. 4501.

	1914-15	1916	1917	1918	1919	1920	1921	1922	1923	1924	Total
<b>Earnings:</b>											
Discounted bills	\$10,687	\$43,303	\$571,117	\$3,068,028	\$6,003,252	\$10,031,301	\$6,007,117	\$1,543,539	\$2,320,839	\$783,450	\$30,382,633
Purchased bills	49,038	236,857	502,397	931,701	1,077,691	1,613,012	515,192	591,647	741,384	599,172	6,858,091
United States securities	6,351	57,194	94,785	107,719	369,457	554,172	415,931	1,391,691	419,739	1,049,841	4,466,880
Municipal warrants	57,916	78,578	5,203	-	-	-	-	-	-	-	141,697
Deficient reserve penalties	-	-	6,105	18,426	27,836	41,783	13,778	9,777	9,172	4,576	131,453
Net service charges received	-	40,674	87,876	59,695	-	-	-	-	-	-	188,245
Miscellaneous	1,467	34,282	18,401	289,626	19,347	32,985	16,644	4,659	15,549	121,977	554,937
<b>TOTAL EARNINGS</b>	<b>125,459</b>	<b>490,888</b>	<b>1,285,884</b>	<b>4,475,195</b>	<b>7,497,583</b>	<b>12,273,253</b>	<b>6,968,662</b>	<b>3,541,313</b>	<b>3,506,683</b>	<b>2,559,016</b>	<b>42,723,936</b>
<b>CURRENT EXPENSES</b>	<b>158,310</b>	<b>173,101</b>	<b>392,284</b>	<b>928,393</b>	<b>1,628,077</b>	<b>2,011,078</b>	<b>2,165,315</b>	<b>2,022,106</b>	<b>2,134,254</b>	<b>1,973,501</b>	<b>13,586,419</b>
<b>CURRENT NET EARNINGS</b>	<b>*32,851</b>	<b>317,787</b>	<b>893,600</b>	<b>3,546,802</b>	<b>5,869,506</b>	<b>10,262,175</b>	<b>4,803,347</b>	<b>1,519,207</b>	<b>1,372,429</b>	<b>585,515</b>	<b>29,137,517</b>
<b>Additions to current net earnings:</b>											
Withdrawn from reserve for --											
Federal Reserve Board expenses	-	-	-	-	-	38,666	-	-	-	-	38,666
Depreciation on U. S. bonds	-	-	-	-	-	-	43,681	32,100	5,290	15,870	96,941
All other	-	-	-	-	-	26,621	3,894	9,200	20,559	4,686	64,960
<b>Total additions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65,287</b>	<b>47,575</b>	<b>41,300</b>	<b>25,849</b>	<b>20,556</b>	<b>200,567</b>
<b>Deductions from current net earnings:</b>											
Bank premises - depreciation	-	-	-	200,000	-	-	489,000	328,215	122,048	122,048	1,261,311
Furniture and equipment	1,752	21,852	14,974	41,622	43,748	24,585	73,692	133,106	20,309	11,650	387,290
Reserve for F.R. Board expenses	-	-	-	-	38,666	-	-	-	-	-	38,666
Reserve for depreciation -											
U. S. bonds	-	-	138,267	-	-	28,162	-	-	-	-	166,429
All other	-	-	-	-	9,711	2,151	6,877	1,784	3,786	1,951	26,260
<b>Total deductions</b>	<b>1,752</b>	<b>21,852</b>	<b>153,241</b>	<b>241,622</b>	<b>92,125</b>	<b>54,898</b>	<b>569,569</b>	<b>463,105</b>	<b>146,143</b>	<b>135,649</b>	<b>1,879,956</b>
<b>NET DEDUCTIONS</b>	<b>1,752</b>	<b>21,852</b>	<b>153,241</b>	<b>241,622</b>	<b>92,125</b>	<b>**10,389</b>	<b>521,994</b>	<b>421,805</b>	<b>120,294</b>	<b>115,093</b>	<b>1,679,389</b>
<b>NET EARNINGS</b>	<b>*34,603</b>	<b>295,935</b>	<b>740,359</b>	<b>3,305,180</b>	<b>5,777,381</b>	<b>10,272,564</b>	<b>4,281,353</b>	<b>1,097,402</b>	<b>1,252,135</b>	<b>470,422</b>	<b>27,458,128</b>
<b>Distribution of net earnings:</b>											
Dividends paid	-	249,735	601,756	384,180	414,447	447,266	473,109	481,951	480,267	477,798	4,010,509
Transferred to surplus account	-	-	75,100	2,921,000	5,362,934	7,351,799	772,324	#170,782	77,187	-	16,389,562
Franchise tax paid U.S. Gov't.	-	-	75,100	-	-	2,473,499	3,035,920	#786,233	694,681	-	7,065,433
Deficit in earnings after payment of dividends, charged to surplus account	-	-	-	-	-	-	-	-	-	7,376	7,376
Balance to Profit and Loss	-34,603	46,200	-11,597	-	-	-	-	-	-	-	-

\*Excess of current expenses.

\*\*Net additions.

#After charging surplus and crediting franchise tax with \$247,350 paid as an additional franchise tax for 1921. Amounts transferred to surplus and paid as a franchise tax out of earnings for 1922 were \$76,568 and \$538,883, respectively.

EARNINGS AND PROFIT AND LOSS ACCOUNT OF THE FEDERAL RESERVE BANK OF NEW YORK

St. 4501.

	1914-15	1916	1917	1918	1919	1920	1921	1922	1923	1924	Total
<b>Earnings:</b>											
Discounted bills	\$36,782	\$37,368	\$2,455,533	\$17,736,261	\$29,935,911	\$49,839,183	\$30,762,021	\$3,970,210	\$8,255,646	\$2,613,566	\$145,642,481
Purchased bills	97,135	530,484	1,843,325	5,411,821	3,334,605	8,323,050	1,829,665	1,619,512	1,969,837	1,446,693	26,406,127
United States securities	-	81,645	378,668	1,561,839	1,888,497	1,975,649	1,955,970	5,227,488	1,087,251	4,165,856	18,322,863
Municipal warrants	192,520	214,122	66,470	2,621	-	-	-	-	-	-	475,733
Deficient reserve penalties	-	-	18,565	27,192	36,405	141,664	63,804	49,738	40,800	24,974	403,142
Net service charges received	-	20,377	80,923	50,167	-	-	-	-	-	-	151,467
Miscellaneous	18,598	87,030	85,730	524,835	136,994	245,775	98,814	482,331	59,649	318,261	2,058,017
<b>TOTAL EARNINGS</b>	<b>345,035</b>	<b>971,026</b>	<b>4,929,214</b>	<b>25,314,736</b>	<b>35,332,412</b>	<b>60,525,321</b>	<b>34,710,274</b>	<b>11,349,279</b>	<b>11,413,183</b>	<b>8,569,350</b>	<b>193,459,830</b>
<b>CURRENT EXPENSES</b>	<b>468,922</b>	<b>486,255</b>	<b>1,655,507</b>	<b>2,509,770</b>	<b>5,561,086</b>	<b>6,797,764</b>	<b>8,078,362</b>	<b>6,776,530</b>	<b>6,880,136</b>	<b>6,350,821</b>	<b>45,565,153</b>
<b>CURRENT NET EARNINGS</b>	<b>*123,887</b>	<b>484,771</b>	<b>3,273,707</b>	<b>22,804,966</b>	<b>29,771,326</b>	<b>53,727,557</b>	<b>26,631,912</b>	<b>4,572,749</b>	<b>4,533,047</b>	<b>2,218,529</b>	<b>147,894,677</b>
<b>Additions to current net earnings:</b>											
Withdrawn from reserve for --											
Federal Reserve Board expenses	-	-	-	-	-	168,682	-	-	-	-	168,682
Probable losses	-	-	-	-	-	200,000	-	-	-	-	200,000
All other	-	-	10,654	132,059	31,096	6,050	3,654	2,743	1,697	176,240	364,193
<b>Total additions</b>	<b>-</b>	<b>-</b>	<b>10,654</b>	<b>132,059</b>	<b>31,096</b>	<b>374,732</b>	<b>3,654</b>	<b>2,743</b>	<b>1,697</b>	<b>176,240</b>	<b>732,875</b>
<b>Deductions from current net earnings:</b>											
Bank premises - depreciation	-	-	-	803,800	900,032	385,677	104,054	365,053	1,235,937	910,440	4,704,993
Furniture and equipment	-	70,707	-	170,933	204,014	201,491	156,149	50,172	58,021	536,776	1,448,263
Reserve for probable losses	-	-	-	200,000	-	-	-	-	-	-	200,000
Reserve for self insurance	-	-	-	-	200,000	250,000	250,000	294,072	52,756	55,197	1,102,025
Reserve for F. R. Board expenses	-	-	-	-	168,682	-	-	-	-	-	168,682
Reserve for depreciation - U. S. bonds	-	-	205,880	-	-	25,299	-	-	-	-	231,179
All other	-	-	-	99,375	370,075	111,692	31,531	144,602	144,351	275,504	1,177,130
<b>Total deductions</b>	<b>-</b>	<b>70,707</b>	<b>205,880</b>	<b>1,274,108</b>	<b>1,842,803</b>	<b>974,159</b>	<b>541,734</b>	<b>853,899</b>	<b>1,491,065</b>	<b>1,777,917</b>	<b>9,032,272</b>
<b>NET DEDUCTIONS</b>	<b>-</b>	<b>70,707</b>	<b>195,226</b>	<b>1,142,049</b>	<b>1,811,707</b>	<b>599,427</b>	<b>538,080</b>	<b>851,156</b>	<b>1,489,368</b>	<b>1,601,677</b>	<b>8,299,397</b>
<b>NET EARNINGS</b>	<b>*123,887</b>	<b>414,064</b>	<b>3,078,481</b>	<b>21,662,917</b>	<b>27,959,619</b>	<b>53,128,130</b>	<b>26,093,832</b>	<b>3,721,593</b>	<b>3,043,679</b>	<b>616,852</b>	<b>139,595,280</b>
<b>Distribution of net earnings:</b>											
Dividends paid	-	127,113	1,942,819	1,195,026	1,291,047	1,477,096	1,608,721	1,652,138	1,749,239	1,796,530	12,839,729
Transferred to surplus account	-	-	649,363	20,467,891	23,964,678	12,332,523	3,782,671	#-1,397,603	129,444	-	59,928,967
Franchise tax paid U. S. Gov't.	-	-	649,363	-	2,703,894	39,318,511	20,702,440	#3,467,058	1,164,996	-	68,006,262
Deficit in earnings after payment of dividends, charged to surplus account	-	-	-	-	-	-	-	-	-	-	-
<b>Balance to Profit and loss</b>	<b>-123,887</b>	<b>286,951</b>	<b>-163,064</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,179,678</b>	<b>1,179,678</b>

\*Excess of current expenses.

#After charging surplus and crediting franchise tax with \$270,389 paid as an additional franchise tax for 1920 and \$1,334,160 for 1921. Amounts transferred to surplus and paid as a franchise tax out of earnings for 1922 were \$206,946 and \$1,862,509, respectively.

EARNINGS AND PROFIT AND LOSS ACCOUNT OF THE FEDERAL RESERVE BANK OF PHILADELPHIA

St. 4501

	1914-15	1916	1917	1918	1919	1920	1921	1922	1923	1924	Total
<b>Earnings:</b>											
Discounted bills	\$20,174	\$28,391	\$370,359	\$3,241,105	\$7,987,864	\$10,420,161	\$6,849,905	\$2,393,673	\$2,693,392	\$1,290,080	\$35,295,104
Purchased bills	29,605	198,243	474,653	756,313	67,019	574,074	513,710	712,383	952,999	408,409	4,687,408
United States securities	8,288	81,081	123,875	233,489	495,768	742,235	597,553	1,119,457	910,010	1,136,303	5,448,059
Municipal warrants	54,156	69,183	18,170	49	-	-	414	2,604	884	707	146,167
Deficient reserve penalties	-	-	6,878	29,784	25,673	69,150	34,442	14,409	21,754	7,839	209,929
Net service charges received	-	30,241	79,581	47,714	-	-	-	-	-	-	157,536
Miscellaneous	1,749	41,041	22,024	49,286	33,556	42,931	12,071	9,424	13,732	72,508	298,322
<b>TOTAL EARNINGS</b>	<b>113,972</b>	<b>448,180</b>	<b>1,095,540</b>	<b>4,357,740</b>	<b>8,609,880</b>	<b>11,848,551</b>	<b>8,008,095</b>	<b>4,251,950</b>	<b>4,592,771</b>	<b>2,915,846</b>	<b>46,242,525</b>
<b>CURRENT EXPENSES</b>	<b>165,992</b>	<b>182,586</b>	<b>332,821</b>	<b>837,837</b>	<b>1,581,624</b>	<b>2,074,118</b>	<b>2,367,630</b>	<b>2,053,919</b>	<b>2,295,726</b>	<b>2,153,836</b>	<b>14,046,089</b>
<b>CURRENT NET EARNINGS</b>	<b>*52,020</b>	<b>265,594</b>	<b>762,719</b>	<b>3,519,903</b>	<b>7,028,256</b>	<b>9,774,433</b>	<b>5,640,465</b>	<b>2,198,031</b>	<b>2,297,045</b>	<b>762,010</b>	<b>32,196,436</b>
<b>Additions to current net earnings:</b>											
Withdrawn from reserve for --											
Federal Reserve Board expenses	-	-	-	-	-	41,828	-	-	-	-	41,828
Depreciation on U. S. bonds	-	-	-	-	-	-	127,192	67,732	18,807	20,433	234,164
All other	20,503	-	-	-	3,697	104,366	8,188	14,946	810	1,698	154,208
<b>Total additions</b>	<b>20,503</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,697</b>	<b>146,194</b>	<b>135,380</b>	<b>82,678</b>	<b>19,617</b>	<b>22,131</b>	<b>430,200</b>
<b>Deductions from current net earnings:</b>											
Bank premises - depreciation	-	-	244	324,570	92,693	673,711	318,054	-	23,733	-	1,433,005
furniture and equipment	-	15,653	8,600	107,113	100,868	75,065	110,759	42,931	70,648	23,307	554,944
Reserve for F.R. Board expenses	-	-	-	-	41,828	-	-	-	-	-	41,828
Reserve for depreciation -											
U. S. bonds	-	-	-	116,131	29,112	105,396	-	-	-	-	250,639
All other	-	-	-	-	108,283	1,339	7,578	902	44,444	13,742	176,288
<b>Total deductions</b>	<b>-</b>	<b>15,653</b>	<b>8,844</b>	<b>547,814</b>	<b>372,784</b>	<b>855,511</b>	<b>436,391</b>	<b>43,833</b>	<b>138,825</b>	<b>37,049</b>	<b>2,456,704</b>
<b>NET DEDUCTIONS</b>	<b>**20,503</b>	<b>15,653</b>	<b>8,844</b>	<b>547,814</b>	<b>369,087</b>	<b>709,317</b>	<b>301,011</b>	<b>**38,845</b>	<b>119,208</b>	<b>14,918</b>	<b>2,026,504</b>
<b>NET EARNINGS</b>	<b>*31,517</b>	<b>249,941</b>	<b>753,875</b>	<b>2,972,089</b>	<b>6,659,169</b>	<b>9,065,116</b>	<b>5,339,454</b>	<b>2,236,876</b>	<b>2,177,837</b>	<b>747,092</b>	<b>30,169,932</b>
<b>Distribution of net earnings:</b>											
Dividends paid	-	128,458	623,603	583,983	462,330	496,679	517,663	541,552	582,292	615,135	4,551,745
Transferred to surplus account	-	-	-	2,608,344	6,196,789	8,204,775	935,239	#803,594	1,178,588	131,957	20,059,286
Franchise tax paid U.S. Gov't.	-	-	-	-	-	363,662	3,886,552	#391,730	416,957	-	5,558,901
Balance to Profit and Loss	-31,517	121,483	130,272	-220,238	-	-	-	-	-	-	-

\*Excess of current expenses.

\*\*Net additions.

#After charging surplus and crediting franchise tax with \$36,366 paid as an additional franchise tax for 1921. Amounts transferred to surplus and paid as a franchise tax out of earnings for 1922 were \$839,960 and \$355,364, respectively.

## EARNINGS AND PROFIT AND LOSS ACCOUNT OF THE FEDERAL RESERVE BANK OF CLEVELAND

St. 4501

	1914-15	1916	1917	1918	1919	1920	1921	1922	1923	1924	Total
<b>Earnings:</b>											
Discounted bills	\$31,632	\$18,064	\$375,169	\$3,124,696	\$5,341,785	\$10,570,827	\$8,041,788	\$2,247,667	\$2,326,579	\$1,361,771	\$33,439,978
Purchased bills	11,281	106,993	496,711	1,141,585	1,882,985	3,064,409	737,533	743,759	1,511,554	670,338	10,367,148
United States securities	15,516	144,844	317,924	611,895	450,308	602,939	479,840	1,946,915	739,935	1,581,943	6,892,059
Municipal warrants	55,972	116,925	48,132	-	-	-	-	-	-	-	221,029
Deficient reserve penalties	-	-	17,844	66,462	66,442	102,804	57,017	27,223	29,564	16,669	384,025
Net service charges received	-	22,973	69,972	41,029	-	-	-	-	-	-	133,974
Miscellaneous	#586	42,330	41,464	241,197	59,309	117,640	74,685	28,718	47,458	139,968	792,183
<b>TOTAL EARNINGS</b>	<b>113,815</b>	<b>452,129</b>	<b>1,367,216</b>	<b>5,226,864</b>	<b>7,800,829</b>	<b>14,458,619</b>	<b>9,390,863</b>	<b>4,994,282</b>	<b>4,655,090</b>	<b>3,770,689</b>	<b>52,230,396</b>
<b>CURRENT EXPENSES</b>	<b>169,589</b>	<b>150,224</b>	<b>358,078</b>	<b>906,401</b>	<b>1,342,617</b>	<b>2,329,155</b>	<b>2,871,012</b>	<b>2,461,266</b>	<b>2,550,659</b>	<b>2,664,850</b>	<b>15,803,851</b>
<b>CURRENT NET EARNINGS</b>	<b>*55,774</b>	<b>301,905</b>	<b>1,009,138</b>	<b>4,320,463</b>	<b>6,458,212</b>	<b>12,129,464</b>	<b>6,519,851</b>	<b>2,533,016</b>	<b>2,104,431</b>	<b>1,105,839</b>	<b>36,426,545</b>
<b>Additions to current net earnings:</b>											
Withdrawn from reserve for--											
Federal Reserve Board expenses	-	-	-	-	-	63,246	37,209	-	-	-	100,455
Depreciation on U. S. bonds	-	-	-	-	-	-	55,739	43,728	4,148	21,612	125,227
All other	-	-	-	-	-	-	32,123	5,161	7,803	18,385	63,472
<b>Total additions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63,246</b>	<b>125,071</b>	<b>48,889</b>	<b>11,951</b>	<b>39,997</b>	<b>289,154</b>
<b>Deductions from current net earnings:</b>											
Bank premises - depreciation	-	-	-	-	254,684	129,551	64,759	125,428	699,651	1,509,445	2,783,518
Furniture and equipment	-	8,097	45,986	85,784	53,414	141,008	85,684	42,779	336,702	102,466	901,920
Reserve for probable losses	-	-	-	-	-	-	100,000	-	-	-	100,000
Reserve for self insurance	-	-	-	-	-	-	100,000	100,000	100,000	-	300,000
Reserve for F.R. Board expenses	-	-	-	-	46,555	53,900	-	-	-	-	100,455
Reserve for depreciation -											
U. S. bonds	-	-	-	84,406	5,044	48,220	-	-	-	-	137,670
All other	-	-	209,470	14,477	4,730	-	10,096	45,010	58,808	7,078	349,669
<b>Total deductions</b>	<b>-</b>	<b>8,097</b>	<b>255,456</b>	<b>184,667</b>	<b>364,427</b>	<b>372,679</b>	<b>360,539</b>	<b>313,217</b>	<b>1,195,161</b>	<b>1,618,989</b>	<b>4,673,232</b>
<b>NET DEDUCTIONS</b>	<b>-</b>	<b>8,097</b>	<b>255,456</b>	<b>184,667</b>	<b>364,427</b>	<b>309,433</b>	<b>235,468</b>	<b>264,328</b>	<b>1,183,210</b>	<b>1,578,992</b>	<b>4,384,078</b>
<b>NET EARNINGS</b>	<b>*55,774</b>	<b>293,808</b>	<b>753,682</b>	<b>4,135,796</b>	<b>6,093,785</b>	<b>11,820,031</b>	<b>6,284,383</b>	<b>2,268,688</b>	<b>921,221</b>	<b>**473,153</b>	<b>32,042,467</b>
<b>Distribution of net earnings:</b>											
Dividends paid	-	143,237	716,168	716,107	556,785	604,194	660,228	692,436	725,626	756,152	5,570,933
Transferred to surplus account	-	-	-	3,552,000	5,537,000	11,215,837	2,329,442	861,264	195,595	-	23,691,138
Franchise tax paid U. S. Gov't.	-	-	-	-	-	-	3,294,713	714,988	-	-	4,009,701
Deficit in earnings after payment of dividends, charged to surplus account	-	-	-	-	-	-	-	-	-	1,229,305	1,229,305
<b>Balance to Profit and Loss</b>	<b>-55,774</b>	<b>150,571</b>	<b>37,514</b>	<b>-132,311</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*Excess of current expenses.

#Debit

\*\*Deficit in earnings before payment of dividends.



EARNINGS AND PROFIT AND LOSS ACCOUNT OF THE FEDERAL RESERVE BANK OF RICHMOND

St. 4501.

	1914-15	1916	1917	1918	1919	1920	1921	1922	1923	1924	Total
<b>Earnings:</b>											
Discounted bills	\$317,637	\$214,857	\$418,629	\$2,390,422	\$4,099,953	\$5,920,893	\$6,166,477	\$2,569,887	\$2,681,590	\$1,905,118	\$26,685,463
Purchased bills	858	29,171	201,008	273,634	351,418	477,557	184,592	74,655	62,795	47,787	1,703,475
United States securities	-	39,175	96,143	83,437	185,293	276,991	196,299	95,378	39,541	164,559	1,176,816
Municipal warrants	601	3,495	560	-	-	-	-	-	-	-	4,656
Deficient reserve penalties	-	-	31,362	122,654	125,192	216,559	175,797	87,080	83,614	65,026	907,284
Net service charges received	-	22,344	55,573	49,065	-	-	-	-	-	-	126,982
Miscellaneous	484	25,060	17,920	59,836	13,468	10,643	6,514	5,944	11,356	27,750	178,975
<b>TOTAL EARNINGS</b>	<b>319,580</b>	<b>334,102</b>	<b>821,195</b>	<b>2,979,048</b>	<b>4,775,324</b>	<b>6,902,643</b>	<b>6,729,679</b>	<b>2,832,944</b>	<b>2,878,896</b>	<b>2,210,240</b>	<b>30,783,651</b>
<b>CURRENT EXPENSES</b>	<b>142,276</b>	<b>143,017</b>	<b>252,122</b>	<b>533,789</b>	<b>862,507</b>	<b>1,412,949</b>	<b>1,929,845</b>	<b>1,631,356</b>	<b>1,551,156</b>	<b>1,537,834</b>	<b>9,996,851</b>
<b>CURRENT NET EARNINGS</b>	<b>177,304</b>	<b>191,085</b>	<b>569,073</b>	<b>2,445,259</b>	<b>3,912,817</b>	<b>5,489,694</b>	<b>4,799,834</b>	<b>1,201,588</b>	<b>1,327,740</b>	<b>672,406</b>	<b>20,786,800</b>
<b>Additions to current net earnings:</b>											
Withdrawn from reserve for --						25,531	-	-	-	-	25,531
Federal Reserve Board expenses	-	-	-	-	58,606	-	6,827	3,618	-	-	69,051
Depreciation on U.S. bonds	-	-	-	-	940	6,486	4,202	8,831	1,888	2,006	24,353
All other	-	-	-	-	-	-	-	-	-	-	-
<b>Total additions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59,546</b>	<b>32,017</b>	<b>11,029</b>	<b>12,449</b>	<b>1,888</b>	<b>2,006</b>	<b>118,935</b>
<b>Deductions from current net earnings:</b>											
Bank premises - depreciation	-	-	28,435	28,245	20,000	170,000	54,069	178,358	89,671	82,114	**650,892
Furniture and equipment	2,349	4,514	28,414	91,786	49,420	103,126	197,329	64,710	43,216	52,819	637,683
Reserve for probable losses	-	-	-	-	-	-	100,000	50,000	50,000	100,000	300,000
Reserve for self insurance	-	-	-	-	-	-	50,000	50,000	50,000	50,000	200,000
Reserve for F.R. Board expenses	-	-	-	-	25,531	-	-	-	-	-	25,531
Reserve for depreciation -											
U. S. bonds	-	-	50,000	13,198	-	5,865	-	-	-	-	69,063
All other	-	-	-	-	146	4,214	15,838	3,521	3,898	9,688	37,305
<b>Total deductions</b>	<b>2,349</b>	<b>4,514</b>	<b>106,849</b>	<b>133,229</b>	<b>95,097</b>	<b>283,205</b>	<b>417,236</b>	<b>346,589</b>	<b>236,785</b>	<b>294,621</b>	<b>1,920,474</b>
<b>NET DEDUCTIONS</b>	<b>2,349</b>	<b>4,514</b>	<b>106,849</b>	<b>133,229</b>	<b>35,551</b>	<b>251,188</b>	<b>406,207</b>	<b>334,140</b>	<b>234,897</b>	<b>292,615</b>	<b>1,801,539</b>
<b>NET EARNINGS</b>	<b>174,955</b>	<b>186,571</b>	<b>462,224</b>	<b>2,312,030</b>	<b>3,877,266</b>	<b>5,238,506</b>	<b>4,393,627</b>	<b>867,448</b>	<b>1,092,843</b>	<b>379,791</b>	<b>18,985,261</b>
<b>Distribution of net earnings:</b>											
Dividends paid	151,940	197,922	240,944	232,432	252,872	293,052	322,203	333,321	342,295	351,251	2,718,232
Transferred to surplus account	-	-	116,472	2,079,598	3,624,394	4,740,869	693,792	#32,954	384,404	28,540	11,701,023
Franchise tax paid U.S. Gov't.	-	-	116,472	-	-	204,585	3,377,632	#501,173	366,144	-	4,566,006
Balance to Profit and Loss	23,015	-11,351	-11,664	-	-	-	-	-	-	-	-

\*\*Net charge-off, after deduction in 1917 of \$500 received from salvaged material, was \$650,392.

#After charging surplus and crediting franchise tax with \$20,459 paid as an additional franchise tax for 1921. Amounts transferred to surplus and paid as a franchise tax out of earnings for 1922 were \$53,413 and \$480,714, respectively.

EARNINGS AND PROFIT AND LOSS ACCOUNT OF THE FEDERAL RESERVE BANK OF ATLANTA

St. 4501

	1914-15	1916	1917	1918	1919	1920	1921	1922	1923	1924	Total
<b>Earnings:</b>											
Discounted bills	\$230,020	\$141,774	\$231,636	\$1,758,075	\$3,735,033	\$6,688,342	\$6,624,052	\$1,951,695	\$1,998,189	\$1,532,222	\$24,891,038
Purchased bills	89	52,474	102,311	302,231	367,338	337,991	154,440	164,704	550,770	234,196	2,266,544
United States securities	-	40,725	140,820	114,451	228,958	320,451	533,022	189,390	79,752	85,388	1,732,957
Municipal warrants	1,541	5,102	3,629	2,889	85	-	-	7	796	112	14,161
Deficient reserve penalties	-	-	13,527	35,240	68,313	102,846	90,825	44,357	42,278	40,720	438,106
Net service charges received	-	17,576	47,967	21,752	-	-	-	-	-	-	87,295
Miscellaneous	4,810	21,869	49,899	58,420	16,274	26,801	4,313	2,583	10,529	14,483	209,981
<b>TOTAL EARNINGS</b>	<b>236,460</b>	<b>279,520</b>	<b>589,789</b>	<b>2,293,058</b>	<b>4,416,001</b>	<b>7,476,431</b>	<b>7,406,652</b>	<b>2,352,736</b>	<b>2,682,314</b>	<b>1,907,121</b>	<b>29,640,082</b>
<b>CURRENT EXPENSES</b>	<b>151,611</b>	<b>145,771</b>	<b>255,374</b>	<b>537,627</b>	<b>925,373</b>	<b>1,309,384</b>	<b>1,547,186</b>	<b>1,293,053</b>	<b>1,294,232</b>	<b>1,247,012</b>	<b>8,706,623</b>
<b>CURRENT NET EARNINGS</b>	<b>84,849</b>	<b>133,749</b>	<b>334,415</b>	<b>1,755,431</b>	<b>3,490,628</b>	<b>6,167,047</b>	<b>5,859,466</b>	<b>1,059,683</b>	<b>1,388,082</b>	<b>660,109</b>	<b>20,933,459</b>
<b>Additions to current net earnings:</b>											
Withdrawn from reserve for --											
Federal Reserve Board expenses	-	-	-	-	-	20,302	-	-	-	-	20,302
Depreciation on U. S. bonds	-	-	-	-	13,096	-	8,379	2,590	848	2,067	26,980
All other	-	-	-	-	3,584	17	622	1,823	1,941	12,231	20,218
Total additions	-	-	-	-	16,680	20,319	9,001	4,413	2,789	14,298	67,500
<b>Deductions from current net earnings:</b>											
Bank premises - depreciation	-	-	2,500	72,003	51,478	87,267	47,088	153,294	305,411	94,934	823,975
Furniture and equipment	2,317	4,442	18,923	30,640	46,844	76,057	33,399	17,387	57,228	17,321	304,558
Reserve for probable losses	-	-	-	-	-	-	250,000	200,000	668,416	285,585	1,404,001
Reserve for F. R. Board expenses	-	-	-	-	20,302	-	-	-	-	-	20,302
Reserve for depreciation - U. S. bonds	-	-	24,909	-	-	9,506	-	-	-	-	34,415
All other	-	-	-	315	6,287	4,212	41,761	10,685	7,637	3,911	74,808
Total deductions	<b>2,317</b>	<b>4,442</b>	<b>46,332</b>	<b>102,958</b>	<b>124,911</b>	<b>177,042</b>	<b>372,248</b>	<b>391,366</b>	<b>1,038,692</b>	<b>401,751</b>	<b>2,662,059</b>
<b>NET DEDUCTIONS</b>	<b>2,317</b>	<b>4,442</b>	<b>46,332</b>	<b>102,958</b>	<b>108,231</b>	<b>156,723</b>	<b>363,247</b>	<b>386,953</b>	<b>1,035,903</b>	<b>387,453</b>	<b>2,594,559</b>
<b>NET EARNINGS</b>	<b>82,532</b>	<b>129,307</b>	<b>288,083</b>	<b>1,652,473</b>	<b>3,382,397</b>	<b>6,010,324</b>	<b>5,496,219</b>	<b>672,730</b>	<b>352,179</b>	<b>272,656</b>	<b>18,338,900</b>
<b>Distribution of net earnings:</b>											
Dividends paid	-	201,719	218,203	182,473	197,397	225,571	245,862	256,618	264,622	272,656	2,065,121
Transferred to surplus account	-	-	40,000	1,470,000	3,185,000	3,648,465	770,106	#-172,018	8,756	-	8,950,309
Franchise tax paid U. S. Gov't.	-	-	40,000	-	-	2,136,288	4,480,251	#588,130	78,801	-	7,323,470
Balance to Profit and Loss	82,532	-72,412	-10,120	-	-	-	-	-	-	-	-

#After charging surplus and crediting franchise tax with \$213,629 paid as an additional franchise tax for 1921. Amounts transferred to surplus and paid as a franchise tax out of earnings for 1922 were \$41,611 and \$374,501, respectively.

## EARNINGS AND PROFIT AND LOSS ACCOUNT OF THE FEDERAL RESERVE BANK OF CHICAGO

St. 4501

	1914-15	1916	1917	1918	1919	1920	1921	1922	1923	1924	Total
<b>Earnings:</b>											
Discounted bills	\$94,120	\$124,452	\$938,543	\$6,447,466	\$8,915,827	\$25,726,750	\$18,829,302	\$3,862,291	\$3,872,139	\$2,044,407	\$70,855,297
Purchased bills	24,069	101,186	394,340	1,253,259	2,141,789	2,989,035	374,864	547,339	1,420,395	705,723	9,951,999
United States securities	75,698	204,051	443,958	310,616	736,241	995,377	858,205	2,081,340	1,049,666	2,121,708	8,876,860
Municipal warrants	62,431	90,700	30,880	662	-	-	-	-	-	-	184,673
Deficient reserve penalties	-	-	12,223	65,382	44,569	174,470	123,250	49,761	37,573	39,910	547,138
Net service charges received	-	18,954	62,450	26,570	-	-	-	-	-	-	107,974
Miscellaneous	12,567	126,594	200,770	377,792	173,652	417,586	196,549	208,132	131,586	290,421	2,135,649
<b>TOTAL EARNINGS</b>	<b>268,885</b>	<b>665,937</b>	<b>2,083,164</b>	<b>8,481,747</b>	<b>12,012,078</b>	<b>30,303,218</b>	<b>20,382,170</b>	<b>6,748,863</b>	<b>6,511,359</b>	<b>5,202,169</b>	<b>92,659,590</b>
<b>CURRENT EXPENSES</b>	<b>245,584</b>	<b>237,731</b>	<b>584,069</b>	<b>1,478,310</b>	<b>2,450,244</b>	<b>4,164,176</b>	<b>4,734,100</b>	<b>4,080,057</b>	<b>4,373,024</b>	<b>3,946,436</b>	<b>26,293,731</b>
<b>CURRENT NET EARNINGS</b>	<b>23,301</b>	<b>428,206</b>	<b>1,499,095</b>	<b>7,003,437</b>	<b>9,561,834</b>	<b>26,139,042</b>	<b>15,648,070</b>	<b>2,668,806</b>	<b>2,138,335</b>	<b>1,255,733</b>	<b>66,365,859</b>
<b>Additions to current net earnings:</b>											
Withdrawn from reserve for --											
Federal Reserve Board expenses	-	-	-	-	-	66,764	-	-	-	-	66,764
Probable losses	-	-	-	-	-	-	-	427,465	-	-	427,465
Depreciation on U. S. bonds	-	-	-	-	-	-	-	144,554	29,946	21,370	195,870
All other	-	-	2,127	-	-	2,543	4,826	-	11,957	6,487	27,940
<b>Total additions</b>	<b>-</b>	<b>-</b>	<b>2,127</b>	<b>-</b>	<b>-</b>	<b>69,307</b>	<b>4,826</b>	<b>572,019</b>	<b>41,903</b>	<b>27,857</b>	<b>718,039</b>
<b>Deductions from current net earnings:</b>											
Bank premises - depreciation	-	-	-	-	820,000	29,062	145,000	1,400,000	451,044	165,197	**3,010,303
Furniture and equipment	3,210	25,000	32,225	172,365	98,080	289,064	118,158	238,923	166,662	11,818	1,155,505
Reserve for probable losses	-	-	-	-	-	-	758,812	-	363,586	181,674	1,304,072
Reserve for F. R. Board expenses	-	-	-	-	66,764	-	-	-	-	-	66,764
Reserve for depreciation -											
U. S. bonds	-	-	237,118	-	-	-	-	-	-	-	237,118
All other	-	-	-	25,991	786	14,474	125,809	196,687	20,591	15,778	400,116
<b>Total deductions</b>	<b>3,210</b>	<b>25,000</b>	<b>269,343</b>	<b>198,356</b>	<b>985,630</b>	<b>332,600</b>	<b>1,147,779</b>	<b>1,835,610</b>	<b>1,001,883</b>	<b>374,467</b>	<b>6,173,878</b>
<b>NET DEDUCTIONS</b>	<b>3,210</b>	<b>25,000</b>	<b>267,216</b>	<b>198,356</b>	<b>985,630</b>	<b>263,293</b>	<b>1,142,953</b>	<b>1,263,591</b>	<b>959,980</b>	<b>346,610</b>	<b>5,455,839</b>
<b>NET EARNINGS</b>	<b>20,091</b>	<b>403,206</b>	<b>1,231,879</b>	<b>6,805,081</b>	<b>8,576,204</b>	<b>25,875,749</b>	<b>14,505,117</b>	<b>1,405,215</b>	<b>1,178,355</b>	<b>909,123</b>	<b>60,910,020</b>
<b>Distribution of net earnings:</b>											
Dividends paid	-	361,319	862,259	604,635	700,807	792,769	853,785	876,203	904,371	909,123	6,865,271
Transferred to surplus account	-	-	215,799	6,200,446	7,875,397	14,688,500	2,075,323	#657,289	27,398	-	30,425,574
Franchise tax paid U. S. Gov't.	-	-	215,799	-	-	10,394,480	11,576,009	#1,186,301	246,586	-	23,619,175
Balance to Profit and Loss	20,091	41,887	-61,978	-	-	-	-	-	-	-	-

\*\*Net charge-off after deduction of receipts from salvaged material amounting to \$1,035 in 1920 and \$628 in 1921 was \$3,008,640.

#After charging surplus and crediting franchise tax with \$710,190 paid as an additional franchise tax for 1921. Amounts transferred to surplus and paid as a franchise tax out of earnings for 1922 were \$52,901 and \$476,111, respectively.

## EARNINGS AND PROFIT AND LOSS ACCOUNT OF THE FEDERAL RESERVE BANK OF ST. LOUIS

ST. 4501.

	1914-15	1916	1917	1918	1919	1920	1921	1922	1923	1924	Total
<b>Earnings:</b>											
Discounted bills	\$54,299	\$46,041	\$358,239	\$2,218,069	\$2,918,462	\$6,382,357	\$4,739,032	\$1,303,808	\$1,968,788	\$1,140,622	\$21,129,717
Purchased bills	6,387	81,599	170,233	226,164	564,495	273,425	41,427	255,750	253,773	141,778	2,015,031
United States securities	7,488	70,362	110,301	89,096	320,412	391,611	284,151	832,169	520,780	352,652	2,979,022
Municipal warrants	16,325	31,619	13,691	-	-	-	-	-	-	-	61,635
Deficient reserve penalties	-	-	14,968	52,107	52,373	104,164	80,640	45,915	38,857	27,441	416,465
Net service charges received	-	11,790	39,058	25,943	-	-	-	-	-	-	76,791
Miscellaneous	2,334	56,537	66,616	65,449	28,736	28,560	21,065	18,805	**28,763	25,650	284,989
<b>TOTAL EARNINGS</b>	<b>86,833</b>	<b>297,948</b>	<b>773,106</b>	<b>2,676,828</b>	<b>3,884,478</b>	<b>7,180,117</b>	<b>5,166,315</b>	<b>2,456,447</b>	<b>2,753,435</b>	<b>1,688,143</b>	<b>26,963,650</b>
<b>CURRENT EXPENSES</b>	<b>184,002</b>	<b>153,576</b>	<b>263,222</b>	<b>623,990</b>	<b>1,100,995</b>	<b>1,748,354</b>	<b>1,907,168</b>	<b>1,623,222</b>	<b>1,472,675</b>	<b>1,440,536</b>	<b>10,517,740</b>
<b>CURRENT NET EARNINGS</b>	<b>*97,169</b>	<b>144,372</b>	<b>509,884</b>	<b>2,052,838</b>	<b>2,783,483</b>	<b>5,431,763</b>	<b>3,259,147</b>	<b>833,225</b>	<b>1,280,760</b>	<b>247,607</b>	<b>16,445,910</b>
<b>Additions to current net earnings:</b>											
Withdrawn from reserve for --											
Federal Reserve Board expenses	-	-	-	-	-	19,520	-	-	-	-	19,520
Depreciation on U. S. bonds	-	-	-	-	-	-	-	3,883	80,294	-	84,177
All other	-	-	-	-	-	-	13,241	2,257	564	15,452	31,514
Total additions	-	-	-	-	-	19,520	13,241	6,140	80,858	15,452	135,211
<b>Deductions from current net earnings:</b>											
Bank premises - depreciation	-	-	-	-	335,000	350,000	112,224	2,000	2,200	4,400	805,824
Furniture and equipment	-	3,355	7,728	102,031	73,798	176,102	54,082	44,755	29,971	25,927	517,749
Reserve for probable losses	-	-	-	-	-	-	152,000	125,000	123,687	-	400,687
Reserve for F.R. Board expenses	-	-	-	-	19,520	-	-	-	-	-	19,520
Reserve for depreciation -											
U. S. bonds	-	-	-	172,997	-	34,615	-	-	-	-	207,612
All other	-	-	-	-	11	15,000	2,156	20,038	23,597	28,795	89,597
Total deductions	-	3,355	7,728	275,028	428,329	575,717	320,462	191,793	179,455	59,122	2,040,989
<b>NET DEDUCTIONS</b>	<b>-</b>	<b>3,355</b>	<b>7,728</b>	<b>275,028</b>	<b>428,329</b>	<b>575,717</b>	<b>320,462</b>	<b>191,793</b>	<b>179,455</b>	<b>59,122</b>	<b>2,040,989</b>
<b>NET EARNINGS</b>	<b>*97,169</b>	<b>141,017</b>	<b>502,156</b>	<b>1,777,810</b>	<b>2,355,154</b>	<b>4,875,566</b>	<b>2,951,926</b>	<b>647,572</b>	<b>1,132,163</b>	<b>203,937</b>	<b>14,540,132</b>
<b>Distribution of net earnings:</b>											
Dividends paid	-	31,100	284,566	404,838	234,660	253,711	270,253	283,166	296,810	304,976	2,364,080
Transferred to surplus account	-	-	-	1,603,310	2,120,494	4,621,855	1,042,564	276,450	407,070	-	10,071,743
Franchise tax paid U.S. Gov't.	-	-	-	-	-	-	1,639,109	87,956	478,283	-	2,205,348
Deficit in earnings after payment of dividends, charged to surplus account	-	-	-	-	-	-	-	-	-	101,039	101,039
Balance to Profit and loss	-97,169	109,917	217,590	-230,338	-	-	-	-	-	-	-

\*Excess of current expenses.

\*\*Debit.

## EARNINGS AND PROFIT AND LOSS ACCOUNT OF THE FEDERAL RESERVE BANK OF MINNEAPOLIS

St. 4501.

	1914-15	1916	1917	1918	1919	1920	1921	1922	1923	1924	Total
<b>Earnings:</b>											
Discounted bills	\$51,811	\$60,938	\$311,376	\$1,547,842	\$1,829,461	\$4,734,259	\$4,649,554	\$1,451,659	\$1,088,899	\$578,447	\$16,304,246
Purchased bills	5,248	50,099	148,531	211,602	882,564	191,862	13	-	31,414	84,269	1,605,602
United States securities	18,793	69,266	97,936	116,370	213,501	181,990	142,001	383,531	520,724	848,070	2,592,182
Municipal warrants	20,931	34,267	4,479	6	-	-	415	625	66	31	60,820
Deficient reserve penalties	-	-	4,468	29,101	26,382	92,744	157,158	128,087	91,943	40,175	570,058
Net service charges received	-	17,068	50,590	27,719	-	-	-	-	-	-	95,377
Miscellaneous	3,329	23,539	55,419	117,314	55,133	106,526	17,170	5,346	16,207	58,078	458,061
<b>TOTAL EARNINGS</b>	<b>100,112</b>	<b>255,177</b>	<b>672,799</b>	<b>2,049,954</b>	<b>3,007,041</b>	<b>5,307,381</b>	<b>4,966,311</b>	<b>1,969,248</b>	<b>1,749,253</b>	<b>1,609,070</b>	<b>21,686,346</b>
<b>CURRENT EXPENSES</b>	<b>132,453</b>	<b>115,221</b>	<b>210,183</b>	<b>433,931</b>	<b>532,565</b>	<b>914,381</b>	<b>1,272,499</b>	<b>1,084,942</b>	<b>1,082,137</b>	<b>1,065,167</b>	<b>6,843,479</b>
<b>CURRENT NET EARNINGS</b>	<b>*32,341</b>	<b>139,956</b>	<b>462,616</b>	<b>1,616,023</b>	<b>2,474,476</b>	<b>4,393,000</b>	<b>3,693,812</b>	<b>884,306</b>	<b>667,116</b>	<b>543,903</b>	<b>14,842,867</b>
<b>Additions to current net earnings:</b>											
Withdrawn from reserve for --											
Federal Reserve Board expenses	-	-	-	-	-	16,607	-	-	-	-	16,607
Depreciation on U. S. bonds	-	-	-	-	-	-	-	-	-	143,469	143,469
All other	-	-	-	-	-	-	17,264	41,231	8,327	27,101	93,923
<b>Total additions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,607</b>	<b>17,264</b>	<b>41,231</b>	<b>8,327</b>	<b>170,570</b>	<b>253,999</b>
<b>Deductions from current net earnings:</b>											
Bank premises - depreciation	-	-	-	-	100,000	177,737	5,275	14,913	40,405	310,862	**649,192
Furniture and equipment	-	5,353	44,464	59,977	23,926	100,817	53,368	24,640	23,328	48,938	384,811
Reserve for probable losses	-	-	-	-	-	-	500,000	-	200,000	-	700,000
Reserve for F.R. Board expenses	-	-	-	-	16,607	-	-	-	-	-	16,607
Reserve for depreciation -											
U. S. bonds	-	-	15,000	-	-	-	-	78,058	53,856	-	146,914
All other	-	-	8,799	10,199	-	-	1,279	25,231	32,399	25,571	103,478
<b>Total deductions</b>	<b>-</b>	<b>5,353</b>	<b>68,263</b>	<b>70,176</b>	<b>140,533</b>	<b>278,554</b>	<b>559,922</b>	<b>142,842</b>	<b>349,988</b>	<b>385,371</b>	<b>2,001,002</b>
<b>NET DEDUCTIONS</b>	<b>-</b>	<b>5,353</b>	<b>68,263</b>	<b>70,176</b>	<b>140,533</b>	<b>261,947</b>	<b>542,658</b>	<b>101,611</b>	<b>341,661</b>	<b>214,801</b>	<b>1,747,003</b>
<b>NET EARNINGS</b>	<b>*32,341</b>	<b>134,603</b>	<b>394,353</b>	<b>1,545,847</b>	<b>2,333,943</b>	<b>4,131,053</b>	<b>3,151,154</b>	<b>782,695</b>	<b>325,455</b>	<b>329,102</b>	<b>13,095,864</b>
<b>Distribution of net earnings:</b>											
Dividends paid	-	57,720	363,895	168,103	180,186	195,871	211,657	213,774	212,733	202,828	1,806,767
Transferred to surplus account	-	-	37,500	1,377,744	2,153,757	3,410,948	488,530	#4,469	11,272	12,628	7,496,348
Franchise tax paid U.S. Gov't.	-	-	37,500	-	-	524,234	2,450,967	#564,452	101,450	113,646	3,792,249
Balance to Profit and Loss	-32,341	76,883	-44,542	-	-	-	-	-	-	-	-

\*Excess of current expenses.

\*\*Net charge-off after deducting \$69 credited to reserve for depreciation on fixed machinery and equipment in 1923 was \$649,123.

#After charging surplus and crediting franchise tax with \$52,423 paid as an additional franchise tax for 1921. Amounts transferred to surplus and paid as a franchise tax out of earnings for 1922 were \$56,892 and \$512,029, respectively.

## EARNINGS AND PROFIT AND LOSS ACCOUNT OF THE FEDERAL RESERVE BANK OF KANSAS CITY

St. 4501

	1914-15	1916	1917	1918	1919	1920	1921	1922	1923	1924	Total
<b>Earnings:</b>											
Discounted bills	\$64,649	\$84,572	\$438,831	\$2,643,113	\$3,888,839	\$6,441,476	\$5,134,004	\$1,492,657	\$1,793,861	\$859,534	\$22,841,536
Purchased bills	7,832	29,601	171,112	157,983	340,875	211,975	49,148	8,828	29,361	158,580	1,165,295
United States securities	20,631	186,411	256,792	312,443	405,400	505,539	382,855	1,408,738	971,271	947,929	5,398,009
Municipal warrants	9,575	14,366	5,137	-	-	-	1,476	329	2,066	-	32,949
Deficient reserve penalties	-	-	37,396	99,929	106,705	238,425	126,434	47,215	37,374	36,380	729,858
Net service charges received	-	15,241	46,710	23,493	-	-	-	-	-	-	85,444
Miscellaneous	**213	50,017	46,682	214,975	219,663	12,572	18,941	136,893	159,986	260,487	1,120,003
<b>TOTAL EARNINGS</b>	<b>102,474</b>	<b>380,208</b>	<b>1,002,660</b>	<b>3,451,936</b>	<b>4,961,482</b>	<b>7,409,987</b>	<b>5,712,858</b>	<b>3,094,660</b>	<b>2,993,919</b>	<b>2,262,910</b>	<b>31,373,094</b>
<b>CURRENT EXPENSES</b>	<b>164,250</b>	<b>150,869</b>	<b>319,875</b>	<b>642,518</b>	<b>1,131,779</b>	<b>1,729,872</b>	<b>2,227,856</b>	<b>2,010,820</b>	<b>1,928,119</b>	<b>1,866,087</b>	<b>12,172,045</b>
<b>CURRENT NET EARNINGS</b>	<b>*61,776</b>	<b>229,339</b>	<b>682,785</b>	<b>2,809,418</b>	<b>3,829,703</b>	<b>5,680,115</b>	<b>3,485,002</b>	<b>1,083,840</b>	<b>1,065,800</b>	<b>396,823</b>	<b>19,201,049</b>
<b>Additions to current net earnings:</b>											
Withdrawn from reserve for depreciation											
on U. S. bonds	-	-	-	-	147,846	-	38,605	38,499	-	168	225,118
All other	-	-	-	-	103	1,040	3,826	63,460	4,547	18,019	90,995
Total additions	-	-	-	-	147,949	1,040	42,431	101,959	4,547	18,187	316,113
<b>Deductions from current net earnings:</b>											
Bank premises - depreciation	-	-	-	100,000	-	-	87,576	337,810	393,983	628,468	1,547,837
Furniture and equipment	5,000	4,350	40,794	46,710	54,290	128,088	183,761	60,128	60,379	36,408	619,908
Reserve for probable losses	-	-	-	-	-	-	200,000	-	128,086	-	328,086
Reserve for depreciation -											
U. S. bonds	-	-	-	220,734	-	11,579	-	-	12,178	-	244,491
All other	-	-	75,587	4,226	-	807	-	4,825	128,010	3,316	216,771
Total deductions	5,000	4,350	116,381	371,670	54,290	140,474	471,337	402,763	722,636	668,192	2,957,093
<b>NET DEDUCTIONS</b>	<b>5,000</b>	<b>4,350</b>	<b>116,381</b>	<b>371,670</b>	<b>#93,659</b>	<b>139,434</b>	<b>428,906</b>	<b>300,804</b>	<b>718,089</b>	<b>650,005</b>	<b>2,640,980</b>
<b>NET EARNINGS</b>	<b>*66,776</b>	<b>224,989</b>	<b>566,404</b>	<b>2,437,748</b>	<b>3,923,362</b>	<b>5,540,681</b>	<b>3,056,096</b>	<b>783,036</b>	<b>347,711</b>	<b>(a) 253,182</b>	<b>16,560,069</b>
<b>Distribution of net earnings:</b>											
Dividends paid	-	66,707	364,503	309,729	228,755	257,672	268,620	275,655	275,313	265,697	2,312,651
Transferred to surplus account	-	-	-	2,421,426	3,694,607	3,042,781	486,918	#- 157,432	7,240	-	9,495,540
Franchise tax paid U. S. Gov't.	-	-	-	-	-	2,240,228	2,300,558	#664,813	65,158	-	5,270,757
Deficit in earnings after payment of dividends, charged to surplus account	-	-	-	-	-	-	-	-	-	518,879	518,879
Balance to Profit and Loss	-66,776	158,282	201,901	-293,407	-	-	-	-	-	-	-

\*Excess of expenses.

\*\*Debit.

#After charging surplus and crediting franchise tax with \$208,170 paid as an additional franchise tax for 1921. Amounts transferred to surplus and paid as a franchise tax out of earnings for 1922 were \$50,738 and \$456,643, respectively.

##Net additions.

(a) Deficit in earnings before payment of dividends.

## EARNINGS AND PROFIT AND LOSS ACCOUNT OF THE FEDERAL RESERVE BANK OF DALLAS

St. 4501

	1914-15	1916	1917	1918	1919	1920	1921	1922	1923	1924	Total
<b>Earnings:</b>											
Discounted bills	\$242,237	\$205,232	\$209,065	\$1,497,379	\$2,443,806	\$4,044,612	\$3,829,840	\$1,609,383	\$1,170,022	\$531,356	\$15,782,932
Purchased bills	-	10,880	138,512	175,885	113,397	73,212	7,980	197,994	826,172	630,682	2,174,714
United States securities	635	64,576	159,432	152,159	229,080	270,874	171,151	195,049	268,659	781,838	2,293,453
Municipal warrants	289	737	6,833	7,995	-	-	-	-	-	-	15,854
Deficient reserve penalties	-	-	12,968	56,305	81,984	158,569	124,163	50,432	62,361	52,548	599,330
Net service charges received	-	19,497	52,923	28,323	-	-	-	-	-	-	100,743
Miscellaneous	1,505	25,450	42,237	171,480	193,984	357,255	106,440	32,917	29,222	161,540	1,122,030
<b>TOTAL EARNINGS</b>	<b>244,666</b>	<b>326,372</b>	<b>621,970</b>	<b>2,089,526</b>	<b>3,062,251</b>	<b>4,904,522</b>	<b>4,239,574</b>	<b>2,085,775</b>	<b>2,336,436</b>	<b>2,157,964</b>	<b>22,089,056</b>
<b>CURRENT EXPENSES</b>	<b>169,278</b>	<b>143,298</b>	<b>225,825</b>	<b>493,666</b>	<b>911,648</b>	<b>1,466,964</b>	<b>1,700,939</b>	<b>1,515,391</b>	<b>1,391,228</b>	<b>1,331,662</b>	<b>9,349,899</b>
<b>CURRENT NET EARNINGS</b>	<b>75,388</b>	<b>183,074</b>	<b>396,145</b>	<b>1,595,860</b>	<b>2,150,603</b>	<b>3,437,558</b>	<b>2,538,635</b>	<b>570,384</b>	<b>965,208</b>	<b>826,302</b>	<b>12,739,157</b>
<b>Additions to current net earnings:</b>											
Withdrawn from reserve for --											
Federal Reserve Board expenses	-	-	-	-	-	16,167	-	-	-	-	16,167
Probable losses	-	-	-	-	-	-	-	80,984	-	-	80,984
Depreciation on U. S. bonds	-	-	-	-	-	-	-	231,523	795	21,176	253,494
All other	-	-	-	-	-	43	884	*107,113	21,659	26,063	155,762
<b>Total additions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,210</b>	<b>884</b>	<b>419,620</b>	<b>22,454</b>	<b>47,239</b>	<b>506,407</b>
<b>Deductions from current net earnings:</b>											
Bank premises - depreciation	-	7,500	7,500	61,736	-	-	131,240	161,018	42,242	79,119	490,355
Furniture and equipment	-	9,528	35,171	52,758	70,718	82,883	163,833	32,710	12,062	9,385	469,048
Reserve for probable losses	-	-	-	-	-	130,963	561,500	439,000	590,000	500,000	2,221,463
Reserve for F.R. Board expenses	-	-	-	-	16,167	-	-	-	-	-	16,167
Reserve for depreciation -											
U. S. bonds	-	-	-	240,663	-	-	49,295	-	-	-	289,958
All other	-	-	1,407	528	21,854	11,691	20,087	3,151	11,076	20,013	89,807
<b>Total deductions</b>	<b>-</b>	<b>17,028</b>	<b>44,078</b>	<b>355,685</b>	<b>108,739</b>	<b>225,537</b>	<b>925,955</b>	<b>635,879</b>	<b>655,380</b>	<b>608,517</b>	<b>3,576,798</b>
<b>NET DEDUCTIONS</b>	<b>-</b>	<b>17,028</b>	<b>44,078</b>	<b>355,685</b>	<b>108,739</b>	<b>209,327</b>	<b>925,071</b>	<b>216,259</b>	<b>632,926</b>	<b>561,278</b>	<b>3,070,391</b>
<b>NET EARNINGS</b>	<b>*75,388</b>	<b>166,046</b>	<b>352,067</b>	<b>1,240,175</b>	<b>2,041,864</b>	<b>3,228,231</b>	<b>1,613,564</b>	<b>354,125</b>	<b>332,282</b>	<b>265,024</b>	<b>9,668,766</b>
<b>Distribution of net earnings:</b>											
Dividends paid	65,523	134,008	188,234	261,503	196,335	225,424	252,211	251,915	251,429	249,789	2,076,371
Transferred to surplus account	-	-	-	1,184,408	1,845,529	3,002,807	1,361,353	102,210	80,853	15,235	7,592,395
Franchise tax paid U.S. Gov't.	-	-	-	-	-	-	-	-	-	-	-
Balance to Profit and Loss	9,865	32,038	163,833	-205,736	-	-	-	-	-	-	-

\*Includes \$55,000, representing excess of sale price over net book value of old bank building sold during the year.