

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

R-126

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 6, 1937.



Dear Sir:

Replies from the Federal Reserve banks to the Board's letter of February 24, 1937 (B-1200) indicate that it will be impracticable to compile comparable figures of earnings and expenses of the Federal Reserve banks for the period 1914-1935 in the detail shown on Forms 95, 96 and 96a as revised for use during 1937. Accordingly, it is proposed at this time to prepare only condensed comparative reports of earnings and expenses for the years prior to 1936. While it may be necessary to request some additional information from your bank in order to prepare such statements, it is not contemplated that you will be asked to submit extensive data as to earnings and expenses of prior years.

In compiling comparative reports of profit and loss for prior years, we should like to have more complete information than is now available with respect to losses sustained by the Federal Reserve banks, and, accordingly, it is requested that you submit the data called for on the inclosed forms, which provide for a tabulation of losses by years during the period 1914-1936. The figures for 1929-1934 should be reconciled with those furnished the Board in reply to its telegram of August 2, 1935 (TRANS 2293) before they are forwarded to the Board.

Very truly yours,

A handwritten signature in cursive script that reads "Chester Morrill".

Chester Morrill,
Secretary.

Inclosures

ANALYSIS OF LOSSES AND RESERVES FOR LOSSES

F.R. Bank of _____

(Exclusive of reserves and charge-offs on bank premises, other real estate originally acquired for banking house purposes, and F.D.I.C. stock)

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|-----------|-----------------------------------|-------------------------------|---|---|---|-------------------------|--|--|--|
| | Reserves at end of preceding year | Additional reserves set aside | Recoveries of previous charge-offs credited to reserves | Losses charged off during year direct to reserves | Amounts withdrawn from reserves and credited to profit and loss | Reserves at end of year | Losses charged direct to profit and loss | Recoveries of previous charge-offs credited to profit and loss | Total net losses (4 + 7) - (3 + 8) |
| 1914-1915 | | | | | | | | | |
| 1916 | | | | | | | | | |
| 1917 | | | | | | | | | |
| 1918 | | | | | | | | | |
| 1919 | | | | | | | | | |
| 1920 | | | | | | | | | |
| 1921 | | | | | | | | | |
| 1922 | | | | | | | | | |
| 1923 | | | | | | | | | |
| 1924 | | | | | | | | | |
| 1925 | | | | | | | | | |
| 1926 | | | | | | | | | |
| 1927 | | | | | | | | | |
| 1928 | | | | | | | | | |
| 1929 | | | | | | | | | |
| 1930 | | | | | | | | | |
| 1931 | | | | | | | | | |
| 1932 | | | | | | | | | |
| 1933 | | | | | | | | | |
| 1934 | | | | | | | | | |
| 1935 | | | | | | | | | |
| 1936 | | | | | | | | | |

Digitized for FRASER Note: Losses, if any, charged to current expenses or deducted from gross earnings should not be included in this statement, but a separate statement should be submitted classifying by years available information with respect to such losses.

DISTRIBUTION OF NET LOSSES (Column 9 of R-126a)

| | On discounted paper | On bills bought | On sales of Government securities ^{1/} | On cash and non-cash items | On industrial advances | All other ^{2/} | Total |
|-----------|---------------------------|-----------------------|---|----------------------------------|------------------------------|----------------------------|-------|
| 1914-1915 | | | | | | | |
| 1916 | | | | | | | |
| 1917 | | | | | | | |
| 1918 | | | | | | | |
| 1919 | | | | | | | |
| 1920 | | | | | | | |
| 1921 | | | | | | | |
| 1922 | | | | | | | |
| 1923 | | | | | | | |
| 1924 | | | | | | | |
| 1925 | | | | | | | |
| 1926 | | | | | | | |
| 1927 | | | | | | | |
| 1928 | | | | | | | |
| 1929 | | | | | | | |
| 1930 | | | | | | | |
| 1931 | | | | | | | |
| 1932 | | | | | | | |
| 1933 | | | | | | | |
| 1934 | | | | | | | |
| 1935 | | | | | | | |
| 1936 | | | | | | | |

^{1/} Submit separate schedule of net profits on sales of U. S. securities by years.
^{2/} Explain amounts in excess of \$2,500.