

SIXTH ANNUAL REPORT
of the
Federal Reserve Bank
of Dallas



For the Year Ended
December 31
1920

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DIRECTORS AND OFFICERS OF THE FEDERAL RESERVE BANK OF DALLAS

1921

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OPERATION
OF THE
FEDERAL RESERVE BANK
OF DALLAS
IN 1920

In attempting to briefly review the activities of the Federal Reserve Bank of Dallas for 1920, it is appropriate to refer to some of the conditions prevailing throughout the year. Among the important problems which have confronted the management of the bank in its operations of 1920 were those of orderly readjustment, and the necessity of limiting the expansion of credit without unduly interfering with the processes of production and distribution.

Many of the economic evils of the twelve months immediately preceding this year were inherited with the turn of 1920, and some substantial readjustments in the whole credit and financial structure were inevitable.

Early in the year the Federal Reserve Bank undertook an educational campaign among member banks with a view of encouraging liquidation and of effecting a reduction in the volume of loans for investment or capital purposes in order that the agricultural and industrial interests of the district might be assured the support during the busy season which their importance justified.

The closing months of 1919 witnessed an era of reckless extravagance and indulgence in luxuries at a pace heretofore unequalled. After this period of "fictitious prosperity," as the result of abnormal profits, high wages, and high prices of commodities, attempts to restore financial operations to anything like a normal, or pre-war, basis were slow of accomplishment. In some Federal Reserve districts discount rates were greatly increased in an effort to check speculation. In this district, however, it was not deemed expedient to unduly tax the agricultural and livestock interests, from which the greatest credit demands were had, and while rates were somewhat increased, the advance was not as great as in some other sections. It is still believed that this procedure was one of wisdom.

From the position of strong reserves, which the bank enjoyed early in the year, the demand for credit greatly increased as the spring months advanced, and in April rediscounting with other banks became necessary. This condition has obtained continuously since that time. On account of the heavy decline in the price of cotton, and other products of the farm and ranch, banks in agricultural sections, especially, have received insufficient liquidation. As the result many of them are in a greatly extended condition, and the year closes with some uncertainty as to the future. It will continue to be the policy of the bank to extend the absolutely necessary assistance to its member banks which have been the heaviest sufferers in this regard, and in every legitimate way encourage agricultural and livestock production.

FINANCIAL RESULTS OF OPERATION

Financially the results of the bank's operations in 1920 have surpassed the record of 1919 and of previous years when the financing of war time needs resulted in abnormally high profits.

The increase in productive assets of the bank is reflected in gross earnings, which in 1920 amounted to \$4,904,521.93, an increase of 60.1 per cent. over 1919, when earnings were \$3,062,250.84. Net earnings were \$3,354,675.07, as compared with \$2,079,415.01 in 1919, an increase of \$1,275,260.06, or 61.3 per cent.

The ratio of net earnings to paid in capital in 1920 averaged 89.2 per cent., as compared with 60.7 per cent. in 1919.

Depreciation of various assets to an amount considered conservative has been made in the same manner, and upon the same basis prescribed by the Federal Reserve Board. Reserves for possible losses have also been set up.

The increased volume of business handled by the Bank in 1920, as will be shown by the comparative statistical exhibits which follow, has greatly increased the operating cost. No small part of the increased expenses is due to the free services performed for member banks, such as transportation on in and out bound currency shipments, telegraphic charges on transfers, etc. The advance in replacement cost of equipment and stationery, the increased wage scale, and necessity for additional clerical force, are other factors contributing to the heavy cost

of operating the bank in the year. Expenses for 1920 were \$1,549,846.86, an increase of \$567,011.03, or 57.6 per cent. over 1919.

After making appropriate adjustments in the profit and loss account, following the dividend payment of December 31, 1919, the Bank's capital was \$3,420,700, and surplus, \$3,029,937.

On June 30th a dividend at the rate of 6 per cent. per annum, covering the operating period, January 1st to June 30th, amounting to \$106,284.71 was paid. At the same time there was carried to surplus \$1,122,333.60. On December, 21st, 1920, another dividend at the rate of 6 per cent. per annum, covering the operating period, July 1st to December 31st, amounting to \$119,139.18 was paid. The balance in Profit and Loss Account of \$1,880,473.47 was added to surplus, making a surplus on December 31, 1920, of \$6,032,744, or 73.5 per cent. of the Bank's subscribed capital.

Schedule 1 shows comparative balance sheet as of December 31, 1917 to 1920. The growth in the banking business of the district is reflected in the increase of the principal asset and liability items, such as productive assets, gold reserves, capital, surplus, reserve deposits of member banks, and total resources. Total earning assets on December 31, 1920, were \$83,222,544.51 as compared with \$77,767,567.87 on December 31, 1919, \$56,363,336.64 on December 31, 1918 and \$29,639,163.47 on December 31, 1917.

The capital of the bank on December 31, 1920, was \$4,098,550, as compared with \$3,420,700 on December 31, 1919, \$3,154,300 on December 31, 1918, and \$2,794,900 on December 31, 1917.

Total resources on December 31, 1920, were \$173,998,000.00, as compared with \$199,821,000 on December 31, 1919; \$119,830,000 on December 31, 1918; and \$110,153,000 on December 31, 1917.

Schedule 2 shows comparative statement of earnings and expenses for the years 1917, 1918, 1919, 1920, and since organization. Schedule 3 shows the disposition of income for 1920.

DISCOUNT OPERATIONS

In preceding annual reports the increase in discount operations has been worthy of special notice. This year is no excep-

tion, and the volume of paper handled, and number of banks accommodated, have reached new totals.

From a total of 210 banks served in January, the number increased each month, some 600 being accommodated in December. The increase in total bills discounted and bought was \$51,162,912, or 4.1 per cent. over 1919. As compared with 1918 the increase was 110.3 per cent.

Of the total paper handled, 69.7 per cent. consisted of notes of member banks secured by government obligations. Throughout the year the amount of notes discounted, secured by Government obligations, has constituted a large percentage of the total advances, indicating that the banks are still carrying government securities in large amounts.

A total of 702 banks were accommodated in 1920, as compared with 607 in 1919, and 548 in 1918. Of the number served 94 were new banks not previously using our rediscount facilities.

HOLDINGS OF DISCOUNTED AND PURCHASED PAPER

Beginning in January an increase of \$19,204,000 was shown in total loans to members. Of total loans outstanding on January 31st of \$62,525,000, \$14,950,000 consisted of rediscounts for other Federal Reserve banks. Of the total loans to members 56 per cent was government secured paper.

February showed a net increase in total loans of \$9,979,000, and increase in rediscounts for other Federal Reserve banks of \$8,550,000.

There was no material change in the percentage of paper secured by government obligations, the total on February 28th being \$35,857,000.

In March an increase of \$8,783,000 in bills discounted for members was shown. On March 31st rediscounts for other Federal Reserve banks totaled \$10,000,000.

April showed an increase in bills discounted for members of \$18,765,000.

The establishing of progressive rates, effective May 21st, and fixing the basic line of credit for member banks made the demand very heavy, and a good many banks immediately took advantage of their "basic line," with the result that total loans in May increased \$10,688,000. Rediscounts with other Federal Reserve banks on May 31st amounted to \$13,000,000.

In June the rediscounts for member banks decreased \$5,066,000; total loans outstanding on June 30th amounted to \$82,174,000, which included rediscounts with other Federal Reserve banks on June 30th of \$4,476,000.

July showed an increase of \$18,091,000 in rediscounts for members. Rediscounts with other Federal Reserve banks on July 31st aggregated \$26,616,000.

Member Bank rediscounts increased \$7,454,000 in August. Rediscounts with other Federal Reserve banks on August 31st aggregated \$32,487,000, and total loans held by the bank on that date were \$75,232,000.

September showed an increase of \$9,148,000 in rediscounts for members, and increase of \$5,549,000 in rediscounts with other Federal Reserve banks.

October showed a decrease of \$5,221,000 in member banks' rediscounts, and \$5,208,000 in rediscounts with other Federal Reserve banks; the latter, on October 30th, amounting to \$32,828,000.

November showed a net decrease in total loans of \$7,038,000, and decrease of \$4,073,000 in rediscounts with other Federal Reserve banks, the latter on November 30th, aggregating \$28,755,000.

December showed a decrease in total loans of \$7,117,000, and reduction of \$2,060,000 in rediscounts with other Federal Reserve banks, the latter, December 31st, aggregating \$26,695,000.

TRADE ACCEPTANCES

While some progress has been made during the year in the use of trade acceptances among wholesale and retail trades, the progress in their use has been slow. The bank has responded to many inquiries for forms, and undertaken, as opportunity presented, to encourage the practice of taking trade acceptances in settlement of sales. It is believed some headway is being made, as the advantage of the trade acceptance over the old method of carrying open accounts, is obvious. The various associations of credit men throughout the district, and other organizations of business men have, by a campaign of education among business houses, done much towards popularizing this paper. Schedule 10 shows the volume of this paper handled in 1920, classified by maturities.

BANKERS' ACCEPTANCES

Purchases of bankers' acceptances during the year aggregated \$8,348,277, as compared with \$12,415,232 in 1919, a decrease of \$3,931,955. Of the total \$7,726,192 were purchased from banks in the Eleventh District, and \$622,085 through other Federal Reserve banks. The number of banks handling acceptance credits, or those which accept, has increased in the year, and the volume of acceptances created has been larger than previously. The acceptances of many of the larger banks in the district have been sold in the North and East, and such bills subsequently purchased by this Bank. The use of acceptances, and their purchase by the investing public have been encouraged, and it is believed investors are alive to the attractiveness of such paper. It is, however, practically a new form of financing in this district, and the field is still undeveloped. The Bank has recently given notice of the discontinuance of the policy of purchasing unendorsed bills of any one drawer exceeding 10 per cent. of the capital and surplus of the accepting bank. This will doubtless limit the purchases, but should have the effect of distributing the bills in other districts, which is most desirable. Schedule 12 shows the volume of bankers' acceptances bought, rates at which purchased, and maturities.

RESERVE POSITION

The bank entered the year with a strong reserve position and for some time its reserve percentage, ranging between 50 and 70, was among the highest in the system. This position was maintained until April. While it continued rediscounts were taken from other Federal Reserve banks, the maximum of \$23,500,000 being reached on February 28th. As the spring months advanced, however, the demands from member banks steadily increased and reserves declined accordingly. In April rediscounting with other Federal Reserve banks became necessary, and has been essential since that time, in order to maintain legal requirements. In the past the Bank has been enabled to retire its paper with other Federal Reserve banks as cotton moved, and the fall liquidating season passed. This has not been possible in 1920, and on December 31st the Bank had \$26,694,000 rediscounted with other Federal Reserve banks.

CLEARING OPERATIONS

The District Clearing House plan touched upon in the annual report for the year ending December 31, 1919, was discontinued on March 1st, 1920, and the name of the District Clearing House was changed to the Transit Department and its operations conducted in accordance with the method outlined in Circular No. 3, 1920. Instead of making an arbitrary charge to the reserve accounts of our member banks covering any debit balances that they would receive under the District Clearing House plan from a pre-determined mail schedule, the total amount of our daily sendings to each bank is handled as a separate transaction and is charged to their reserve account after receipt of the cash letter has been acknowledged. This plan obviously gives the member bank sufficient time to prepare its reserve account to meet the charge and there is no occasion for adjustments due to irregularities in the mails, over which the Federal Reserve Bank or the member bank has no control.

The Reserve City Clearing House has continued to prove very satisfactory to its members and advantageous to the country banks in making quick settlement of our sending to them. The banks as a whole are realizing more and more the necessity of paying their checks presented to them through the mails in the quickest time possible and are taking advantage of the facilities for this extended through the Reserve City Clearing House. This applies to non-member institutions as well as to member banks.

Direct Routing

Although the statistics exhibited on other pages in this report show conclusively the increasing number of checks handled during the year 1920 over previous years, a still greater increase would have been shown if it were not for the direct sending privilege accorded member banks. Arrangements may be made, when it is desirable, in order to save time, by member banks, for direct routing of their items to the head office or branch in the Eleventh Federal Reserve District outside of their territory, or to other Federal Reserve Banks or branches for credit at the head office or branch to which they are attached. Practically 65 per cent. of our member banks using our transit facilities have taken advantage of the direct routing privilege, resulting in their not only obtaining quicker credit for their

checks, but also a saving in time and expense in the presentation of the checks and avoids unnecessary handling and delays in this bank and its branches.

"Station K"

A branch of the Dallas Post Office, officially designated by the Post Office Department as "Station K," was established in the Federal Reserve Bank at Dallas on February 20, 1920, and began operations on that date. Realizing the congestion of mail facilities generally, and in particular in the Dallas Post Office, due to the fact that the volume of business handled there has outgrown the present building, and in order to save a delay of 1½ to 2 hours each day which has occurred at a time of the day when the delay frequently means a whole day, application was made to the First Assistant Postmaster General through the Postmaster in Dallas for the creation of a lettered station of the Dallas Post Office to serve the Federal Reserve Bank and business houses located in its vicinity. This application was granted without delay and has proven, beyond a doubt, of decided benefit to all concerned. "Station K" is located in our own building and all mail is pouched and dispatched from this office direct to mail trains, thereby avoiding delay in passing through the general Post Office or the Jackson Street Terminal. All mail bearing the address "Station K" is delivered from trains immediately upon arrival direct to "Station K" in pouches so labeled, similar to delivery made to any other Post Office. Within a very short time "Station K" will be located in our new building on the same floor with the Transit and Mailing Departments and the quickest possible attention can be given to both incoming and outgoing mail. By reason of this facility we have been enabled to reduce the time schedule applying to a great number of banks in this district and we have been enabled to add 85 or 90 additional points to our two and three day collection schedule. This feature is one of the most important things that we have accomplished for the advantage of our member banks.

Intra and Inter District Time Schedules

Constant attention has been given to the time collection schedule applying between the Federal Reserve Banks, their Branches, and member banks, with the view of insuring collection of checks according to actual transit time. From time to

time circulars have been issued giving the availability dates of the collection of checks drawn on the various towns in this district, as well as those drawn on various cities and states of other districts. These schedules are constantly being revised as conditions warrant and will be still further revised until they reflect the actual time in which collection is made.

That this is proving satisfactory to our member banks is shown by the increasing number of checks handled each month. During the month of January, 1920, the average number of checks handled in the Transit Department daily was 68,000, as compared with 82,000 handled in November of the same year, or an increase of approximately 21 per cent. The fact that all banks in the Eleventh Federal Reserve District continue to appear on the par list is also a contributing factor to the increasing number of items handled. This not only simplifies the matter of routing checks to us for collection, but also affords a much quicker and more satisfactory means for collection.

A conference is to be held by representatives of all the Federal Reserve Banks during the early part of the coming year, at which time an official inter-district schedule will be decided upon and adopted. The schedule as now in effect is published in the Federal Reserve Board's Bulletin of September, 1920. However, investigation has developed several inconsistencies in this schedule which will be corrected and a new schedule issued shortly after this conference. It will probably be obligatory for all Federal Reserve Banks to incorporate the inter-district schedule in their own schedule, thereby according the quickest possible collection on checks passing through Federal Reserve Banks.

Collections

Since the establishment of our Collection Department on January 1, 1918, our facilities for the handling of all forms of collection items for our member banks and other Federal Reserve Banks, their branches, and other banks, have been used to a great advantage. This is clearly shown by the increase in the number of items handled during January and December, 1920. In January we handled 700 items for collection, totaling \$1,757,000 against 2172 items, totaling \$5,452,100 during December, indicating an increase of 200 per cent., both in amount and number of items.

General

On September 1st, 1920, Mr. R. B. Coleman, Assistant Cashier, formerly in charge of the Cash and Trust Department activities, was made supervising officer in charge of the Transit Department, about the same time Mr. J. L. Hermann, formerly manager of various other departments of the bank, assumed the duties of the manager of the Transit Department.

Considering the difficulties under which the Transit Department was functioning due to being spread out on several floors of our old building and important divisions being actually located a block away, work on our new building was hastened so that on December 12th the entire Transit Department was moved into its new quarters and all of its divisions are now on the same floor for the first time since the early part of 1918. Specially designed equipment is being prepared and installed to facilitate still further the work of the Transit Department.

Schedule 16 shows number and amount of items handled by months during 1920, with totals for the preceding two years.

MOVEMENT OF MEMBERSHIP

On January 1, 1920, the total number of national banks in this district was 643; with combined capital and surplus of \$106,458,000. During the year 31 national banks were granted charters, as shown by schedule 19.

Through liquidation, merger, and other causes, as indicated by schedule 20, 11 were dropped from membership, making a net increase of 20, or total on December 31, 1920, of 663.

On January 1, 1920, our total state bank membership was 115, with combined capital and surplus of \$10,211,000. During the year 74 state banks were admitted, two consolidated with other institutions, making a net increase during the year of 72, or a total on December 31, 1920, of 187. Schedule 21 shows, by states, the number of state bank members on December 31, 1920, together with capital, surplus and total resources, as compiled from the latest figures available.

Schedule 22 shows total membership National and State, by states, on December 31, 1920.

CHANGES IN BANK'S CAPITAL DURING 1920.

Schedule 23 is a recapitulation of the Bank's capital stock account in 1920.

FEDERAL RESERVE NOTES

The seasonal fluctuations in Federal Reserve notes are indicated in the chart shown on page 44. In contrast to previous years, notes in large amounts were issued well into the Spring and Summer months, indicating the heavy volume of business which has continued in 1920. In past years the peak in note issues was reached in the fall, when the movement of cotton began. The movement of notes has reflected the necessity for increased circulation, as the result of high prices. Starting in January a reduction in notes outstanding of some \$3,000,000 occurred. February showed an increase from \$75,534,320 to \$80,280,050; in March an increase of \$1,500,000 was shown; April showed an increase of \$1,750,000; May an increase of \$1,200,000; June showed an increase of less than \$100,000; July showed a reduction of \$3,000,000; August showed an increase of \$600,000. In September the seasonal demand began, and an increase of \$9,000,000 was shown. October showed an increase of \$3,000,000; November showed a decrease of \$7,000,000; December a decrease of \$3,000,000.

Schedule 24 shows the number of notes, by denominations, received, issued, and returned to the Comptroller for redemption during 1920. Schedule 25 is a consolidated statement of notes received, issued to and received from the Bank, and returned to the Comptroller since organization, and on hand December 31, 1920.

Schedule 26 shows the interdistrict movement of notes during 1920.

FEDERAL RESERVE BANK NOTES

There has been no change in the amount of the Bank's circulation of Federal Reserve bank notes in 1920, the total being \$11,032,400—of this amount \$7,101,000 was in actual circulation on December 31, 1920. \$1,643,800 held by the Bank and branches, and \$2,283,600 forwarded to the Comptroller and in process of redemption. The increasing demands for currency of small denominations are very largely met by Federal Reserve bank notes.

RELATIONS WITH MEMBER BANKS, NATIONAL
AND STATE

It is believed that the same friendly relations which have characterized past transactions with member banks continued

in 1920. For the especial purpose of educating member banks in the use of the Bank's facilities, and promoting a closer relationship, the Member Bank Relations Department was organized early in the year. Another section of this report covers the work of the new department.

In its relations with 849 banks it is very natural that deficiencies in service would arise, and misunderstandings occur. Where these instances were brought to the attention of the officials, a special effort has been made to adjust them, and if any monetary loss was involved by reason of mishandling on our part, refunds were promptly made. The growth in discount operations testifies to the use of that service by member banks. Special facilities, such as telegraphic transfers, currency and coin shipments without cost, trust custodies, etc., have been freely used by member banks. The bank believes that its members are entitled to the best possible service and has sought every opportunity to extend its facilities. Following this policy it began, in November, to absorb the transportation on in and out bound shipments of subsidiary coin, notwithstanding most unfavorable working conditions and crowded quarters in the Cash Department. This new facility has proven very popular.

With a total state bank membership constituting 23 per cent. of all member banks, the state banks have shared proportionately in the service rendered.

The successful result of the campaign for state bank members to which reference is made in another section of this report, shows that the facilities of this bank appeal to the state banks, and the most important function, that of rediscounting, has been very freely used by state bank members, as the appended exhibits show.

FIDUCIARY POWERS TO NATIONAL BANKS

Schedule 29 shows the banks which have been granted fiduciary powers. Ten banks were approved for the exercise of such facilities in 1920. Many of the larger city banks are making a special feature of trustee functions and have obtained a nice line of business as the result. Others have merely received the authority and are not, as we understand, taking advantage of the same.

BANKS AUTHORIZED TO ACCEPT UP TO 100 PER CENT.

Four banks were authorized to accept drafts and bills of

exchange up to 100 per cent. of their capital and surplus in 1920, making a total of 24 which now have this authority, as per schedule 30.

MEMBER BANK RELATIONS DEPARTMENT

The Board of Directors of this bank at its regular meeting in April, authorized the organization of a Member Bank Relations Department.

Mr. R. R. Gilbert, Manager of our El Paso Branch, was elected senior Assistant Cashier of this bank, in charge of member bank relations, and returned to Dallas the latter part of May to organize the department and supervise its work. Mr. C. H. Wells, on account of his broad experience in various departments of the bank, and also in field work, was appointed Manager of the department, and three field representatives holding advanced positions in our organization, and well qualified to represent this bank in a creditable manner, were selected.

While there was a general understanding of the services performed by the Federal Reserve Bank in extending credit, collecting checks, supplying and receiving currency, many bankers were not familiar with the other operations and services of the bank, and while circulars issued from time to time, clearly explained the facilities of this bank, it was found that many bankers were not reading and digesting them, with the result that very frequently information of value to them was overlooked. It was decided to have field representatives visit all member banks in this district to discuss with their officers current banking problems, fully explain the services offered, suggest, if possible, how the bank visited could best make full and proper use of the facilities of this bank, to its advantage, and explain the requirements in connection therewith, so each one would thoroughly understand the benefits to which they were entitled, and would be in a position to avail themselves, if they so desired, of services which this bank stands ready to perform for members.

It was also decided that field representatives should visit eligible non-member banks and trust companies in the district, and explain the advantages of membership in the Federal Reserve System, soliciting applications, when that course appeared advisable. Work of a special nature, which required a trip by a representative of this bank, has been from time to time, assigned to the Member Bank Relations Department for attention.

In August the legislature of the State of Louisiana passed a law purporting to give member and non-member banks in Louisiana the right to charge exchange on all checks received for collection from outside sources, including Federal Reserve banks. Immediately thereafter approximately fifty non-member banks, which were remitting at par for items received from the Federal Reserve Bank of Dallas, advised of their intention to cancel their par agreement, and to charge exchange on all items received for collection. Two field representatives of this bank were immediately sent to Louisiana to call upon banks which cancelled their agreements, and succeeded in getting most of such banks to again remit at par for items sent them by this bank.

Between July 1st, when field work was commenced, and December 31, 1920, three hundred twenty-one members and two hundred twenty-four non-members, or a total of five hundred forty-five banks in this district were visited by field representatives. A better understanding of our functions, policies and services has resulted from these personal visits, and a great many more banks are availing themselves of all, or part of the services offered to members than was the case at the time the Member Bank Relations Department was established.

STATE BANK MEMBERSHIPS

Beginning in January an active campaign for state bank members was inaugurated. The eligible banks in the territory of the Houston Branch were first solicited and many applications were received. Twenty-two banks in that section alone were added as the direct result of the campaign. The condition of some of the banks would not permit favorable action by our Executive Committee. In such instances the attention of the banks was called to the deficiencies, and after correcting the matters the applications were re-considered. Later the eligible banks in the immediate Dallas district were approached, with fair results. An active interest in membership has been shown by the state banks, and there is undoubtedly a better understanding of what the connection insures. This is evidenced by the number of state banks which joined in 1920, many of the largest institutions becoming members. Toward the end of the year, as the financial situation became strained, and demands for credit heavier, many state banks made applications, and

inquiries as to membership were especially heavy. Unfortunately many have waited too long, and on account of their extended condition could not be admitted. The Bank has continued to receive the hearty co-operation of the Banking Commissioners of the states of the district, and the successful results of the campaign are in a large measure due to this support. Seventy-two state bank members were added in 1920. Action on twenty applications was deferred account criticisms by examiners, and the applications of four banks were approved, but they failed to qualify for various reasons.

BANK EXAMINATIONS

The Department of Examination made the following examinations in 1920:

State Bank applicants.....	82
Joint, with State Bank Examiners.....	58
Special, or independent.....	10
	<hr/>
Total	150

In a few instances the examination of state bank applicants was made by representatives of the bank other than the regular examining force. On account of the examiners being occupied with special examinations and credit investigations of member banks, a number of joint examinations were missed. We frequently failed to receive from State bank examiners prompt advice of examination of state bank members, and the first notice of the examination was receipt from the Banking Department of copies of reports.

Additional examiners will be added to the Department of Examination early in the new year, and it is planned to make an independent or joint examination of every state bank member in 1921. It will also be our purpose to conduct these examinations in a manner calculated to be helpful to the member, and by constructive suggestions promote a better understanding of the operations of this Bank.

BANKING QUARTERS

In addition to the bank building on Commerce Street, operations in five other locations were continued in 1920, the same as during the year previous. Although very satisfactory progress on

the Bank's new building was made in 1920, it was not possible to get relief, by removal to it, until December, when the Bookkeeping, Mailing, and Transit Departments were transferred to the new location. This partially relieved the very congested condition in the bank building proper. While all of the departments have worked under the greatest handicaps, through lack of space, conditions in the Cash, Trust, and Loan and Discount Departments were the most unsatisfactory. It is hoped that all departments can move to the new building by February 15, 1921, and the problem of "housing" will be permanently settled.

The new building is very imposing, and meets every requirement of modern banking. Upon recommendation of the Board of Directors, the Federal Reserve Board, in the early fall, approved the purchase of a lot on Wood Street adjoining the Bank's new building. The size of the lot is 45 by 100 feet, and will permit the bank to make a substantial addition to the present building if future needs make necessary.

INTERNAL ORGANIZATION AND PERSONNEL.

On January 1, 1920, the personnel of the Board of Directors was J. T. Scott, E. K. Smith, B. A. McKinney, Class A; Marion Sansom, Frank Kell, J. J. Culbertson, Class B; W. F. Ramsey, W. B. Newsome, H. O. Wooten, Class C. No change in the directorate occurred in the year.

The Board of Directors has held eleven meetings in 1920, regular sessions being held each month except in August, when many of the Directors were out of the State on vacation. The tense credit situation throughout the year, and the affairs and problems of the bank, have received the Board's close consideration.

The terms of Messrs. Smith, Class A Director, and Culbertson, Class B Director, expired on December 31, 1920. These gentlemen represented banks in groups 2 and 3, respectively. In November an election was conducted to choose their successors. Mr. Smith was not eligible for re-election on account of his official connection with a bank in group 1, while he represented banks in group 2. The polls opened November 16th, and closed November 30th, resulting in the election of Ed Hall, President of the First State Bank and Trust Company of Bryan, Texas, as Class A. Director, and re-election of Mr. Culbertson as Class B Director. Of 315 banks in group 2,

only 75 forwarded ballots which could be counted. Of 460 banks in group 3, only 70 votes, or 15 per cent. were cast. It is regretted that so little interest is manifested in these elections by member banks.

At its first meeting in January the Board elected the following officers to serve in 1920:

R. L. Van Zandt, Governor.

Lynn P. Talley, Deputy Governor-Cashier.

Paul G. Taylor, Assistant Cashier.

R. B. Coleman, Assistant Cashier.

Fred Harris, Assistant Cashier.

D. P. Reordan, Assistant Cashier.

W. C. Weiss, General Auditor.

Carl B. Teagarden, Assistant General Auditor.

Charles C. Huff, Counsel.

At the same meeting R. L. Ball, Chairman of the Board of the National Bank of Commerce, San Antonio, Texas, was elected a member of the Federal Advisory Council, representing the Eleventh District, succeeding Dr. E. P. Wilmot, of Austin. Mr. Ball attended the Board meeting in June, and made a very interesting report of the proceedings of the Advisory Council.

On January 16th and 17th a meeting of officials of the Head Office and Branches, in the way of a "Staff Conference," was held at Dallas for the purpose of discussing operating matters, and organization problems. Many excellent recommendations were made to the Executive Committee, resulting in improved service and increased operating efficiency.

At its meeting in January the Board formally adopted the amendment to the by-laws increasing the Executive Committee from three to five, and fixing the second and fourth Thursdays as regular meeting dates. Pressure of important matters has not permitted regular meetings of the Committee, at all times, but informal sessions have been held on call of the Governor, as special or emergency matters necessitated.

At the Board meeting in February the dual position of Deputy Governor and Cashier was divided, and two separate offices created. Mr. Talley continued as Deputy Governor, and Sam R. Lawder, heretofore Manager of the Houston Branch, was elected Cashier.

In February Paul G. Taylor resigned as Assistant Cashier to accept an official position in a commercial bank in Dallas.

In March, Floyd Ikard, Manager of the Fiscal Agent's

Department, was elected Assistant Cashier, in charge of Fiscal Agency matters.

At the April meeting of the Board R. R. Gilbert was elected Senior Assistant Cashier, in charge of Member Bank Relations, and W. C. Weiss, General Auditor, elected Manager of the El Paso Branch, to succeed Mr. Gilbert.

In May the Board elected Carl B. Teagarden, formerly Assistant General Auditor, as General Auditor, to succeed Mr. Weiss.

In September W. O. Ford was elected Assistant Cashier, in charge of the Cash and Trust Departments.

James L. Lumpkin, Manager of the Credit Department, was, in November, elected Assistant Cashier, in charge of the Credit Department.

Following revised organization lines, the Member Bank Relations Department was placed under the direct supervision of the Federal Reserve Agent in November, and R. R. Gilbert resigned as Assistant Cashier and was appointed and qualified as Assistant Federal Reserve Agent.

In December the resignation of Paul S. Miller, Cashier of the Houston Branch, was accepted, effective January 1, 1921, and Floyd Ikard, Assistant Cashier, Head Office, was elected to that position.

The latter part of December the Federal Reserve Board announced the re-election of W. F. Ramsey as Class C Director, for 3 years beginning January 1, 1921, and his re-designation as Chairman of the Board, and Federal Reserve Agent for one year. The Board also announced that W. B. Newsome, Class C Director, had been re-designated Deputy Chairman of the Board in 1921.

Daily meetings of the senior and junior officials were held up to the early fall months, when they were temporarily discontinued account of the increased work of the officers.

Additional employes have been necessary in practically every department to handle the increased business. The largest additions were in the Credit, Loan and Discount, and Transit Departments, in which divisions the work was heaviest.

The Board of Directors, in December, appointed a "committee on System," consisting of the Cashier, Assistant Cashier Coleman, and the General Auditor. The duties of the Committee include a study of the present systems, and recommendations for changes, etc.

A bonus of 20 per cent. on salaries up to \$1,500.00; 15 per cent. above \$1,500.00, to \$3,000.00; and 10 per cent. from \$3,000.00, not exceeding \$5,000.00, was paid in 1920. The total distributed was \$56,105.00.

Schedule 31 shows, by departments, the number of employes at the Head Office and Branches on December 31, 1920.

FISCAL AGENCY DEPARTMENT

The operations in this Department during the year 1920 were somewhat different than heretofore, due chiefly to the elimination of a bond issue and the addition of the temporary-permanent coupon bond exchanges. Plans for the latter were completed well in advance and this work has been carried on with dispatch. A separate division was created at first for handling these transactions, but after the peak load was over it was, for economy's sake, merged with the Conversion Division. For a like reason the Depository Division was merged with the Certificates of Indebtedness Division; the work in the Depository Division having been reduced considerably on account of cessation of bond payments and increased little, incident to the consignment feature of the temporary-permanent exchanges of bonds.

During the year special attention was given to the records of the Department and distribution of work, with a view of condensation to absorb any possible slack in the clerical force, the results being satisfactory, to the extent that the Bond Exchange Division, created for handling temporary permanent bond transactions, was made up largely of employes released from other Divisions of the Department, also that the Department as a whole had a force of seventy-six employes at the end of the year 1920, which includes sixteen employes of the War Savings Division, which became a part of the Department during the year, against eighty employes at the close of the year 1919, a decrease of twenty employes, or twenty-five percent in the Operating Divisions.

There were nine experienced employes, as well as two Executives, released from the Fiscal Agency Department and transferred to other Departments of the bank during the year.

The rise and fall in volume of work in this Department rarely affects all of the Divisions simultaneously, consequently the transferring of employes from one Division to another is effected very advantageously. It is believed that such transfers

are conducive to keeping employes more interested in their duties and is, no doubt, responsible to a great extent for the low labor turnover record the Department enjoys.

The War Savings Publicity Bureau, operated under the supervision of Mr. Dinsmore W. Hume, Federal District Director, was on July 1, 1920, merged with the Fiscal Agency Department and since that date known as the War Savings Division of the Fiscal Agency Department.

The purpose of the War Savings Division is to educate the people of the Eleventh District along lines of thrift and saving. The method used consists principally of preparation and distribution of circulars and pamphlets promiscuously throughout this District and securing publicity through the press. Also several traveling representatives are engaged in organizing Thrift and Savings Clubs or Societies, special attention being given to assisting in the organization of Thrift banks in schools, which effort is apparently meeting with success.

U. S. Treasury Certificates of Indebtedness.

Sales of Certificates of Indebtedness during 1920 amounted to \$67,000,000 as compared with \$262,000,000 in 1919, a decrease of 74 per cent. The number of subscriptions in 1920 was 4,100 as compared with 6,100 in 1919, a decrease of approximately 35 per cent.

Considerable activity was experienced throughout the year in connection with purchases and re-sales of certificates for banks and investors through banking institutions; in fact, it has become a common practice with some of the large member banks to subscribe for a greater amount of certificates than for their own investment, with a view of re-selling, thus assisting in supplying the unsatisfied demand usually following the closing of subscription books of certificates. This practice is profitable to the banks making heavy purchases, because such subscriptions are generally paid for by credit through the medium of the War Loan Deposit Accounts, thereby increasing their deposits, as well as earning interest on the certificates.

Sales and Purchases of Liberty Bonds and Victory Notes

Advantage is being taken of our facilities offered to member banks in the sale and purchase of Liberty Bonds and Victory Notes. The total amount of such transactions as shown by

accompanying schedule, appears small, but these sales and purchases are usually for small amounts and include practically all issues. There being no well established market in this District, such deals are consummated in the Eastern market, we acting merely as forwarding agents.

Temporary-Permanent Coupon Bond Exchanges

These transactions cover the delivery of permanent bonds in lieu of temporary bonds surrendered, of the same issue and bearing same rate of interest. The total amount of such permanent bonds delivered during the year 1920 was \$63,500,000, the largest proportion of which was of the Third Loan, \$42,350,000 Third's being delivered, which amount is 40 per cent. of the \$104,900,000 temporary coupon bonds delivered in this District on original subscriptions allotted; however, it is not believed that a great many more temporary Third's will be presented to us for exchange, on account of the general exodus from the District of these bonds.

Full preparation has been made for handling the temporary exchanges of the Fourth Loan; \$133,000,000 coupon bonds having been delivered on allotment in the Eleventh District.

Conversion Transactions

Conversion transactions increased 100 per cent. over the year 1919. This increase was occasioned mostly by the presentation of temporary 4 per cent. bonds of the first and second loans for permanent $4\frac{1}{4}$ per cent. bonds.

The units handled under this head are more cumbersome and tedious, because of the special interest coupons.

Miscellaneous Exchanges, Transfers and Interchanges

Under this head come exchanges for registered bonds, registered for coupon, changes in ownership of registered bonds and denominational interchange of coupon bonds. These transactions have increased 50 per cent. over the previous year, with the exception of denominational interchanges, which decreased; however, interchanges are very simple and consume little time.

Sale of War Savings Securities

Sales of this class of securities fell off considerably. Banks generally have become prejudiced against handling War Sav-

ings Securities on account of the intricate accounting necessary and it is difficult to overcome this prejudice. Redemption of War Savings Certificates exceeded by far the Sales. Treasury Savings Certificates are redeemed only at the Treasury Department and we are not furnished with figures on such.

Interest Coupons and Government Warrants Paid

The amount of interest coupons paid during the year was \$8,136,465.43, there being 1,935,212 pieces, compared with \$6,798,056.63 and 2,035,577 for the year 1919.

The fact that there was about \$1,300,000 increase in amount paid and decrease of 100,000 in number of coupons is explained by the fact that U. S. Treasury Certificates of Indebtedness Coupons, as to pieces, are for relatively much larger amounts than Bond Coupons, a large amount of the former being included in 1920 payments.

Government Warrants paid in 1920 amounted to \$52,537,635.05 against \$117,102,800.82 for year 1919, a decrease of 55 per cent; the number of pieces handled decreased 60 per cent.

Shipment of Securities

33,782 separate shipments of securities, the par value of which amounted to \$370,000,000 in round figures, were made during the year 1920. In 1919 there were 30,153 shipments, amounting to \$447,500,000.

Securities on Hand

At close of business December 31, 1920, there remained in custody of the Fiscal Agency Custodian of Securities and on hand with Tellers, securities amounting to \$101,167,303.27, composed of 53 different varieties or classifications.

This total does not include collateral pledged to secure War Loan Deposits with designated depositaries, War Savings Securities and permanent coupon bonds outstanding with Consignment Agents. Such collateral is held by our Trust Department; Trust receipts covering same being issued to and held by the Fiscal Agency Department.

OPERATIONS OF THE EL PASO BRANCH FOR 1920

At the close of 1920 there were fifty-nine National and thirteen State banks attached to the Branch, with capital and surplus of \$8,404,000 for National banks, and \$1,545,700 for State banks. During the year there were added three National bank

and three State bank members. All El Paso banks are now members, the Security Bank & Trust Company having completed its membership in December. During the year one member bank suspended operations, being a State bank situated in New Mexico.

The depressed conditions existant in this section have tended to convince non-member banks of the wisdom of membership in the Federal Reserve System, and a large number of membership applications are expected with the restoration of normal conditions. Several banks in the Branch's territory have been granted fiduciary powers, with one or two applications now pending. Several others have made inquiry in this respect and additional applications are expected.

GENERAL CONDITIONS

Livestock

Drouth conditions prevailing in this territory for three years, coupled with demoralized market conditions for the past year, has made the path of the stockmen extremely rocky. The past year was considered favorable to the livestock industry in so far as the growing of stock is concerned. During the major portion of the year grass was good, cattle are in good condition, and are expected to winter well. When financial conditions in Europe have been so adjusted as to open her markets to receive our cattle, the depression in this line should be largely overcome. The wide variance between prices paid the cattle raiser and those charged the consumer has weakened demand in this country. The lowering of retail prices is necessary before an equilibrium can be established, and when this has been accomplished the industry should be rapidly restored to pre-war conditions.

Sheep raisers have suffered equally with cattle raisers. Sheep and wool having dropped to an extremely low price level, almost entirely precluding sales in those lines.

Agricultural

Due to continuous favorable conditions, agriculturists, with the exception of cotton raisers, have been fairly prosperous. Agriculture is confined to the irrigated sections, and irrigable lands are being rapidly placed under cultivation. Truck and fruit are very successfully raised, the yield per acre being very

satisfactory and future developments along this line are expected to be on a rather extensive scale.

Mining

Copper mining is practically at a standstill, the output being only a small percentage of normal with prices extremely low, and mines, it is reported, being operated at a loss.

Non-Liquidity of Bank Loans

Banks generally are in a rather extended condition and the demoralized livestock market conditions have rendered their loans almost entirely non-liquid. Banks are pressing stock-raisers to liquidate as far as possible, however, enforcing the usual amount of seasonal liquidation would result, it is thought, in great sacrifice on the part of the stock-raisers.

Trade

Wholesale and retail trade activity has suffered a decline during the past few months as compared with corresponding months of previous years. Retail trade was stimulated during the holidays by heavy price recessions and intensive sales campaigns. Stocks on hand to be carried into 1921 are reported as being large.

ORGANIZATION

In May, 1920, W. C. Weiss was elected a Director and designated as Manager of the Branch, succeeding R. R. Gilbert, transferred to the Head Office as Senior Assistant Cashier. No other changes have occurred in the Board of Directors, the gentlemen originally appointed by the Federal Reserve Board, and elected by the Board of the Head Office serving throughout the year. The Executive Committee meets daily to pass upon rediscount offerings and discuss the important matters of operation.

In March the office of Assistant Cashier was created and Allen Sayles elected to the position.

The Board of the Head Office re-elected M. Crump as Cashier.

In February J. H. Niendorff, Assistant Federal Reserve Agent and Auditor was transferred to the Houston Branch, being succeeded by R. L. King, Auditor, Fiscal Agency Department of the Head Office.

In November Mr. King was transferred to the Houston

Branch, being succeeded by W. P. Clarke, formerly Assistant Auditor of the Branch.

At the beginning of the year the force consisted of forty-one, while on December 31st it numbered sixty-one, including officers. Further increases are anticipated as a result of the expanding Loan and Discount, Credit and Cash activities.

QUARTERS

The first two years of operation the Branch occupied space in the First National Bank Building; however, rapidly expanding operations rendered these quarters entirely inadequate. During 1919 the Federal Reserve Board authorized the construction of a building. A site, 52x120 feet, was secured at No. 351 Myrtle Avenue, and construction begun November, 1919. The building was completed and occupied August 15th, 1920. The new quarters provide ample space for present needs with provision for the future in that four additional stories may be added. The building is 40x100 feet, constructed of reinforced concrete, faced with brick, and includes two floors, mezzanine and full basement.

Cash Department Operations

The facilities of the Branch in this connection have been freely utilized during the year 1920. Cash receipts aggregated \$41,673,456.89 and shipments aggregated \$38,175,114.51 as compared with receipts during 1919 of \$13,990,014.01 and shipments of \$12,977,397.47.

Discount Operations

On December 31, 1919, total discounts and rediscounts held by the Branch aggregated \$3,194,356.32 and on December 31, 1920, an aggregate of \$11,677,974.03 was held, divided as follows:

Rediscounts	\$9,614,618.57
M. B. Collateral notes.....	2,025,450.00
B/L drafts	37,905.46

During the year paper discounted and rediscounted, amounted to \$72,965,052 divided by months as follows:

January	\$4,068,444
February	3,263,882
March	5,511,969

April	4,839,174.00
May	5,867,918.10
June	5,799,422.44
July	6,984,346.00
August	4,742,672.39
September	6,631,097.49
October	7,724,723.76
November	8,517,687.88
December	9,013,723.35

Bill of Lading drafts discounted during 1920 aggregated \$1,147,283.98 as compared with \$1,014,329.02 in 1919. The commodities and amounts covered by bill of lading drafts discounted were,

Alfalfa hay	\$ 517,455.64
Alfalfa meal	340,123.67
Dried beans	289,794.67

Sixty-five of the seventy-two member banks discounted or rediscounted paper during the past year.

Clearing Operations

During the past year 2,636,925 items aggregating \$526,490,-147.04 were handled, an increase over 1919 of 452,081 items amounting to \$70,518,751.76 representing an increase of 20.7 per cent. in number handled. The expected seasonal increase in the number of checks handled did not materialize during the fall of 1920, attributable it is believed to the curtailment of non-essential credit, and the demoralized cattle and wool markets. During the first six months of 1920, the Branch handled an average of 60,000 items per month more than during the corresponding months of 1919. The number handled during the last six months of 1920 was somewhat less than the number handled during the first six months of 1920, whereas, during the last six months of 1919 the number handled was considerably in excess of the number handled during the first six months of 1919. Mail transfers amounting to \$46,053,604.54 were purchased from member banks during 1920 as compared with \$9,514,666.01 during 1919.

Trust Department Operations

During 1920 securities aggregating \$6,376,809.16 were deposited and \$5,538,804.82 were withdrawn, as compared to

deposits of \$8,046,589.67 and withdrawals of \$7,314,660.24 during 1919. This decrease is attributable to the retirement of Treasury Certificates, large amounts of which were deposited during 1919.

Earnings and Expenses

	1919		1920	
	Total	Monthly Average	Total	Monthly Average
Gross earnings	\$302,263.35	\$25,188.61	\$457,104.29	\$38,092.02
Expense	100,093.20	8,341.10	173,659.54	14,471.62
Net earnings	202,170.15	16,847.51	283,444.75	23,620.39

OPERATIONS OF THE HOUSTON BRANCH FOR 1920.

Membership

At the close of the year 1919 the Houston Branch had a membership of 101 banks. Many applications for membership were received during 1920 and twenty-seven state and three national banks were admitted. During this same period three national banks were consolidated, while one national and one state bank were transferred to this territory from the Dallas district, increasing the total membership of this territory to 130, being an increase of approximately twenty-nine per cent. for the year.

The fact that several applications are at this time under consideration and that the increase noted above was almost wholly occasioned by the admission of state banks may be considered as satisfactory evidence of the increasing appreciation of the facilities offered by the Federal Reserve System.

General Conditions

Liquidation of their indebtedness by member banks proceeded in a fairly satisfactory manner during the year 1919, and the year 1920 opened with member bank rediscounts of approximately \$3,000,000 and bills payable secured by government obligations of approximately \$5,000,000. With the beginning of the crop planting period of the early spring, advances to member banks increased steadily, and continued to do so throughout the summer months, reaching a maximum on September third on which date rediscounts of \$13,000,000 and bills payable of \$9,000,000 were outstanding, as compared to rediscounts of \$1,700,000 and bills payable of \$6,000,000 outstanding on the same date in 1919. While this comparison shows an increase of

\$14,300,000 in outstanding loans, reference to member bank reserves on the same dates discloses an increase of only \$1,720,000, balances of \$9,057,000 on September third, 1919, and \$10,778,000 on September third, 1920, being carried.

With reference to the production of crops it may be said that the yield of cotton, rice and truck was very gratifying, while due to the excellent condition of the ranges the cattle industry flourished. However, the rapid and general decrease in price of practically all commodities, which began with the harvesting season, has to a large extent offset these favorable conditions and liquidation of agricultural and livestock paper, which was experienced to some extent immediately preceding the slump in all markets has now practically ceased, and in fact a number of banks are at this time increasing their rediscount lines.

With demands for further accommodations being received from practically all sections of this territory, at a time which is normally the liquidating period, the management is urging upon member banks the vital necessity of effecting substantial reductions in their loans and discounts in order that they may be prepared to care for the indispensable needs of their communities during the coming year.

The situation at the close of the year 1920 is largely one in which the benefits of the year's labor remain in the hands of the producers who are reluctant to dispose of them at a price lower than the cost of production.

Organization

The officers of the Houston Branch on January 1, 1920, were as follows:

Sam R. Lawder, Manager.

E. F. Gossett, Cashier.

Paul S. Miller, Assistant Federal Reserve Agent, Auditor.

Early in the spring Mr. Lawder was elected Cashier of the Head Office, Mr. Gossett and Mr. Miller, Manager and Cashier respectively of the Branch, J. H. Niendorff, then Assistant Federal Reserve Agent and Auditor of the El Paso Branch, being transferred to a similar position with the Houston Branch, and Laurence E. Dignan was elected Assistant Cashier. Mr. Niendorff resigned in October and R. L. King of the El Paso Branch succeeded him. In November Floyd Ikard, Assistant Cashier at the Head Office, was elected to succeed Mr. Miller, resigned.

The Directorate has with two exceptions remained intact during the year. When elected Manager, Mr. Gossett automatically succeeded Mr. Lawder. Early in the year R. M. Farrar was appointed to succeed J. C. Chidsey, resigned. The Board of Directors is now as follows:

Guy M. Bryan	Frank Andrews
J. J. Davis	R. M. Farrar
E. F. Gossett	

With the addition of new member banks and the institution of the service of collecting all checks at par there has been a steady increase in the personnel. At the beginning of 1920, sixty-two persons were employed as compared to eighty-one on November thirtieth. The Branch opened on August fourth, 1919, with forty-five employees. There follows a table reflecting the average number of employees in each department for the year:

Transit	25
Cash	11
Auditing	5
Bookkeeping	4
Mailing	5
Loan and Discount	3
Credit	1
Utility and various	17

Quarters

The rapid growth of the Branch has exceeded all expectations. The quarters occupied since its opening are totally inadequate, while the building is not fire-proof and vault facilities are not sufficient. Moreover, ventilation, lighting and general working conditions are not desirable. In November authority was given to purchase the lot measuring one hundred feet square at the corner of Texas Avenue and Caroline Street. This site was secured for a consideration of \$65,000. Plans for a three-story building are now being drawn and it is hoped that the new structure will be ready for occupancy by September, 1921.

Cash Department Operations

The Cash Department, during the first eleven months of 1920, received 3,476 shipments of currency, gold and silver, totalling \$29,277,535. This represents a monthly average of 316 shipments aggregating \$2,661,594, as compared to a similar average in 1919 of 109 shipments amounting to \$1,640,866.

Outgoing shipments during the same period numbered 3,240 and totalled \$31,280,356, or a monthly average of 294 shipments and a monthly average amount of \$2,843,669. During the period of operation in 1919 the monthly average of outgoing shipments was 317, while the average amount shipped monthly was \$2,823,946.

Transfers bought and sold during this period aggregated \$273,333,621.38, discount collected on these transactions amounting to \$142,794.52.

All interest coupons from U. S. Government bonds, which are presented to the Branch for redemption, are handled in this department as are all Treasury warrants which are accepted for immediate credit.

Credit Department Operations

During the first eleven months of 1920, this department received and examined 963 rediscount offerings, consisting of 12,521 notes, aggregating \$54,102,211.03. Of these 11,485 notes, totalling \$48,614,119.13 were accepted.

The largest number of notes handled in a single day was on March fifth on which day 226 notes were acted upon.

The Federal Reserve Examiner's report dated October 2, 1920, at which time approximately 3,500 rediscounted notes were examined, reflects fourteen exceptions, divided as follows:

Minor technicalities	6
Credit risk	8

While at the opening of the year no additional collateral was required of any member bank to support its rediscount line, such collateral was secured from twenty-one banks during the year and was held to better secure the indebtedness of fourteen banks at the close of the year. Directors' guaranties were required of three banks.

Discount Operations

Ninety-six banks availed themselves of the discount facilities of the Houston Branch during the first eleven months of 1920. Accommodations granted these banks may be divided as follows:

	No. Offerings	No. Notes	Amount
Rediscount	958	11,485	\$ 48,614,119.13
Member Bank Coll. Notes (U. S. Secured)	-----	1,653	192,702,742.13
Member Bank Coll. Notes (Otherwise Secured)	-----	10	421,111.15
	<u>958</u>	<u>13,148</u>	<u>\$241,737,972.41</u>

Earnings on bills discounted may be classified as to amount earned under normal rates and that earned under progressive rates, as shown:

Earned under normal discount rates.....	\$774,368.77
Earned under progressive rates.....	8,208.54
	\$782,577.31

The earnings shown above as collected under the progressive rates were calculated on borrowings in excess of the basic line, from the application of the progressive rate schedule on May 21st, 1920, until November 30th, 1920. Twenty-nine banks were charged during this period under this schedule.

Paper, consisting chiefly of member bank collateral notes secured by war obligations in the aggregate amount of \$37,524,761.32, has been furnished the head office for rediscount with other Federal Reserve banks during the first eleven months of the year. Interest charged by the discounting banks for the accommodations granted amounted to \$85,536.88.

The average number of notes handled monthly by the Loan and Discount Department was 1,195, the average amount being \$21,976,179.31. During the period of operation in 1919 the number of notes averaged 271 and the amount \$19,120,556.33, or an increase of approximately 440 per cent. in the number of notes handled.

Clearing Operations

Clearing operations for the year 1920 have registered a healthy increase over those of the preceding year, despite the fact that livestock and crops have not moved as they normally do.

During the latter part of 1919 it became apparent that additional space would be required for the transit department, and in April it was allotted a portion of the second floor of the Hermann Building, the floor space being almost as large as that occupied by the remaining departments.

During the first eleven months of 1920 this department handled 4,678,779 clearing items, aggregating \$1,382,258,000, or a daily average of 17,333 items as compared to a similar average of 12,643 for the period of operation in 1919. The largest number of items handled in any single day was 30,125 in October.

The following comparative figures serve to indicate the

downward trend of prices in general: 348,504 items totalling \$218,286,407 were handled during November, 1919, while for the same period of 1920, 460,633 checks and drafts aggregating \$145,069,285 were cleared.

Trust Department Operations

The trust department continues to show a gradual increase in activity. On August 15th, 1919, eleven days after the opening of the Branch, trust custodies held amounted to only \$26,500, while the peak was reached in October of this year, being \$9,222,900. The average amount of securities held for safekeeping and as collateral for 1920 was \$6,713,209.

Earnings

From the standpoint of revenue the operation of the Houston Branch during 1920 has been quite satisfactory, gross earnings for the first eleven months of \$939,410.28 being realized, while expenses of \$203,029.85, exclusive of purchase of a building site at \$65,000, reduce this figure to a net amount of \$736,380.43. This represents a monthly average earning of \$66,943.67 as compared to a similar average of \$24,730.78 for the months during 1919 in which the Houston Branch was in operation.

REVIEW OF GENERAL BUSINESS CONDITIONS IN 1920

The extraordinary changes in business conditions witnessed in this district, as elsewhere, during the year 1920, presents, in review, a record of memorable developments in all lines of industry, trade and finance.

The year 1919 had been a prosperous one for all classes. Wages and the prices of farm products had risen to record levels, and the district entered the New Year with a large balance of trade in its favor, as reflected by the fact that the Federal Reserve Bank of Dallas was loaning freely to other districts. The demand for farm products and manufactured goods had so far outstripped the supply that every resource of energy and capital was invoked in behalf of increased production.

As one of the results of this situation there was a heavy increase in this district's cotton acreage. Anticipating the financial strain of moving a large cotton crop, as well as foreseeing the inevitable reaction in the price situation, the Federal

Reserve Bank of Dallas early in the year began making preparations to meet the approaching crisis by gradually increasing its discount rates and warning the public that a stricter policy of credit conservation was imperatively necessary. Its position received the prompt co-operation and support of the commercial banks, and the month of February witnessed a general increase in interest rates throughout the district.

Despite these measures, however, bank loans continued to show a steady increase, until it became necessary for the Federal Reserve Bank to establish a scale of progressive discount rates to be applied to all banks borrowing in excess of their basic line.

Toward the end of the summer it became apparent that the production of cotton had materially exceeded the current demand, and the resultant decline in the price of this staple, combined with a similar depression in the livestock market, as well as practically all other products of the District, accentuated the slowing-up that had already manifested itself in the business situation generally as the result of increasing price-resistance on the part of retailers and consumers.

The drastic decline in merchandise prices which had begun in other sections of the country earlier in the year did not reach the Eleventh District in force until the month of August, although in the case of farm products there had been a steady depreciation for some time prior to that month. Throughout the remainder of the year the downward sweep of prices continued. Coming as it did at the crop-moving season, when the credit strain was at its normal peak, only the effective functioning of the district's financial institutions, aided by the re-discount facilities of Federal Reserve Banks in other districts, made it possible to meet credit requirements and thereby avoid disaster to the business community.

The end of the year found the district completing the harvesting of a 4,500,000-bale cotton crop, with approximately 2,000,000 bales still in the hands of producers; discount rates slightly lower and credit conditions somewhat improved as a result of partial liquidation; wholesale trade and building enterprises inactive; commercial failures and unemployment increasing; retail trade activity fairly steady; and banks generally exerting pressure to secure further liquidation with the view of building up reserves to meet the decline in deposits, as well as to provide for credit demands of 1921. Business and

industry still labored under the handicaps of a nation-wide depression, but there were unmistakable evidences of a gradual improvement in general conditions. Enforced lessons of economy and thrift, as well as strong influences directed toward the adoption of a rational program of production for the year 1921, gave promise of an early adjustment of the various interests of the district to the new basis of economic conditions.

With a large store of wealth in the form of unsold farm and mineral products on hand, the district awaits with confidence the working out of the law of supply and demand.

The comparative statistics tabulated below furnish a summary of the principal indices of business and industrial conditions in the district during the year 1920.

TEXAS CROP PRODUCTION

	1919	1920	Increase or Decrease Per Cent.
Bales of Cotton.....	3,098,967	4,200,000	+35.5
Bushels of Wheat.....	33,742,000	15,925,000	-52.8
Bushels of Oats.....	94,500,000	44,100,000	-53.3
Bushels of Corn.....	195,000,000	174,200,000	-10.6
Bushels of Grain Sorghums..	59,344,000	61,000,000	+2.8
Barrels of Petroleum.....	96,622,606	103,460,160	+7.0

FORT WORTH LIVESTOCK RECEIPTS

	1919	1920	Increase or Decrease Per Cent.
Cattle and Calves.....	1,266,635	1,134,073	-10
Hogs	588,004	410,396	-30
Sheep	453,292	393,740	-13

BUSINESS FAILURES

	1919		1920	
	No.	Liabilities	No.	Liabilities
January	48	\$ 695,082	33	\$ 284,096
February	41	930,894	31	1,830,522
March	17	252,971	19	203,445
April	24	226,206	16	100,582
May	35	304,739	15	168,165
June	31	210,444	35	278,668
July	23	261,727	41	1,148,614
August	30	249,603	33	411,027
September	7	48,883	36	864,924
October	22	263,516	42	2,947,957
November	28	253,516	50	839,548
December	16	186,817	124	2,141,462
Total	322	\$3,884,398	475	\$11,219,010

POSTAL RECEIPTS

	Twelve Months		Increase Decrease Per Cent.
	1919	1920	
Austin	\$ 250,749	\$ 253,841	+1.2
Beaumont	174,988	180,235	+3.0
Dallas	2,206,458	2,365,913	+2.7
El Paso	434,132	457,223	+5.3
Ft. Worth	947,542	981,527	+3.6
Galveston	209,186	215,869	+3.2
Houston	1,167,825	1,328,196	+18.7
San Antonio	926,130	862,359	-6.9
Shreveport	319,006	373,099	+16.9
Waco	252,439	252,782	+ .1
Wichita Falls	211,828	244,497	+15.4
Total	\$7,100,283	\$7,515,541	+5.8

BUILDING PERMITS

	No.	1919		No.	1920	Increase or Decrease Per Cent.
Austin	145	\$ 250,317	188	\$ 753,341	+200.0	
Beaumont	968	1,057,074	2347	1,621,629	+53.4	
Dallas	1599	13,921,565	2647	13,755,219	-1.2	
El Paso	1242	2,245,587	1473	3,302,338	+47.0	
Fort Worth	2000	19,053,157	2234	10,373,229	-45.5	
Galveston	5720	666,272	3793	672,116	+ .9	
Houston	4066	6,874,380	3878	8,561,468	+24.5	
San Antonio	2710	3,973,330	2594	4,813,544	+21.1	
Shreveport	1637	3,538,386	2286	5,737,720	+62.1	
Total	20087	\$51,580,068	21440	\$49,590,604	-3.8	

BANK CLEARINGS

	1919		1920		Increase or Decrease Per Cent.
Austin	\$ 213,728,049		\$ 84,349,049		-60.5
Beaumont	70,361,813		75,779,546		+7.7
Dallas	1,631,376,165		1,868,685,312		+14.5
El Paso	308,861,839		346,074,091		+12.0
Fort Worth	900,098,820		992,888,032		+10.3
Galveston	397,359,563		409,843,066		+3.1
Houston	1,117,571,425		1,504,251,520		+34.6
San Antonio	376,516,801		425,016,741		+12.8
Shreveport	175,859,143		251,133,509		+42.8
Waco	148,213,082		164,917,421		+11.3
Wichita Falls	211,316,745		228,476,113		+8.1
Total	\$5,551,263,445		\$6,351,414,400		+14.4

EXHIBIT A.
MOVEMENT OF PRINCIPAL ASSET AND LIABILITY ITEMS DURING THE CALENDAR YEAR 1920
 (Amounts in Thousands of Dollars)

Date	DISCOUNTED BILLS						PURCHASED BILLS						Reserve Percentages		
	1 Total Earning Assets	2 Total Held	3 Rediscounted with other F. R. Banks (1)	Discounted for Member Banks in this District			7 Purchased in Open Market	8 Purchased from other F. R. Banks	9 Total Held	10 U. S. Securities	11 Total Cash Reserves	12 Net Deposits	13 F. R. Notes in Circulation	14 Actual	15 Adjusted (2)
				4 Total	5 Secured by Government War Obligations	6 Per cent. (B ÷ A)									
				A	B	C									
Jan. 2	\$76,787	\$57,135	\$-28,903	\$28,232	\$17,360	61.5	\$ 1,456	\$ 5,165	\$ 6,621	\$13,031	\$57,700	\$43,980	\$74,814	48.6	77.3
Jan. 9	76,659	57,342	-24,350	32,992	22,259	67.5	1,221	5,065	6,286	13,031	59,208	45,749	74,256	49.3	73.8
Jan. 16	81,160	62,638	-17,814	44,824	34,207	76.3	1,191	5,065	6,256	12,266	58,795	50,573	73,648	47.3	65.7
Jan. 23	77,919	59,562	-12,000	47,562	35,354	74.3	1,026	5,065	6,091	12,266	56,528	46,122	72,591	47.6	62.0
Jan. 30	75,814	62,511	-14,950	47,561	35,526	74.7	1,037	-----	1,037	12,266	60,710	49,207	71,677	50.2	62.6
Feb. 6	77,538	64,200	-19,341	44,859	33,584	74.9	1,072	-----	1,072	12,266	59,904	47,978	73,868	49.2	65.0
Feb. 13	80,080	64,996	-21,935	43,061	32,311	76.0	1,818	-----	1,818	13,266	61,035	51,190	74,499	48.6	66.0
Feb. 20	81,861	67,827	-22,390	45,437	33,133	72.9	1,768	-----	1,768	12,266	61,821	51,070	76,782	48.4	65.9
Feb. 27	85,864	71,848	-23,500	48,348	35,404	73.2	1,750	-----	1,750	12,266	59,453	52,428	77,089	45.9	64.0
Mar. 5	82,459	68,403	-15,665	52,738	35,931	68.1	1,790	-----	1,790	12,266	63,448	52,176	78,298	48.6	60.6
Mar. 12	78,407	64,791	-14,000	50,791	34,607	68.1	1,350	-----	1,350	12,266	60,987	45,189	79,126	49.1	60.3
Mar. 19	80,328	53,977	-10,300	43,677	27,544	63.1	1,085	-----	1,085	25,266	53,275	40,499	78,641	44.7	53.4
Mar. 26	69,400	56,014	-7,825	48,189	31,121	64.6	1,120	-----	1,120	12,266	61,669	39,405	77,367	52.8	59.5
Apr. 2	82,923	69,471	-10,000	59,471	36,971	62.2	1,186	-----	1,186	12,266	57,819	47,160	79,396	45.7	53.6
Apr. 9	80,170	66,066	-10,000	56,066	32,407	57.8	838	-----	838	13,266	54,508	41,525	79,987	44.9	53.1
Apr. 16	82,664	69,116	-5,000	64,116	37,978	59.2	1,282	-----	1,282	12,266	53,810	42,505	79,839	44.0	48.0
Apr. 23	89,143	75,537	-5,000	70,537	42,023	59.6	1,340	-----	1,340	12,266	47,601	43,007	79,584	38.8	42.9
Apr. 30	87,786	73,552	3,000	76,552	44,684	58.4	1,968	-----	1,968	12,266	50,237	44,026	79,906	40.5	38.1
May 7	90,157	75,983	3,000	78,983	44,512	56.4	1,908	-----	1,908	12,266	53,722	47,853	81,725	41.5	39.1
May 14	87,808	74,023	5,000	79,023	45,447	57.5	1,519	-----	1,519	12,266	51,218	44,238	80,461	41.1	37.1
May 21	87,914	74,214	10,000	84,214	48,831	58.0	1,434	-----	1,434	12,266	49,283	42,701	80,174	40.1	32.0
May 28	87,312	73,652	13,000	86,652	49,715	57.4	1,394	-----	1,394	12,266	50,204	41,181	82,008	40.8	30.2

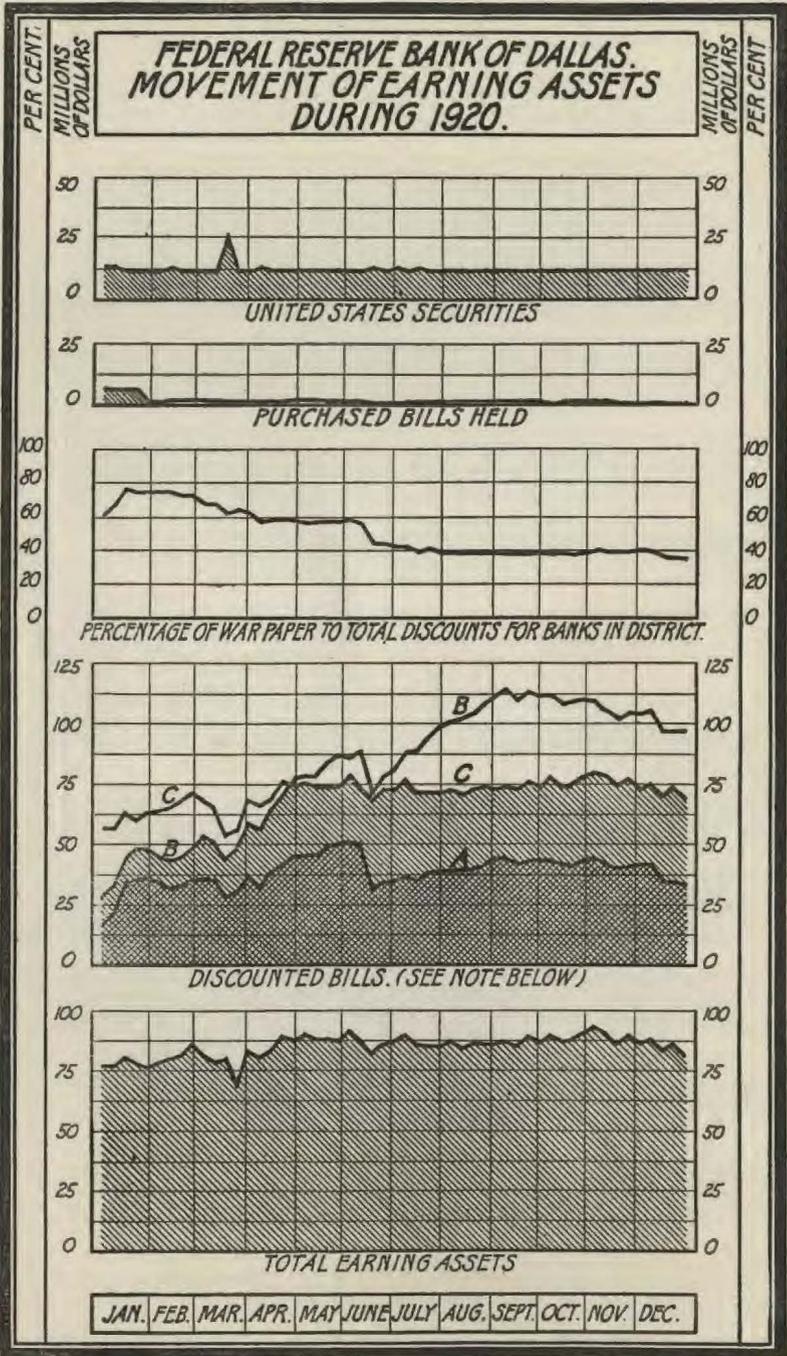
EXHIBIT A—Continued.

Date	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
June 4	91,501	78,210	8,000	86,210	50,801	58.9	1,025	-----	1,025	12,266	50,379	43,882	83,677	39.5	33.2
June 11	86,594	73,338	15,225	88,563	49,766	56.2	990	-----	990	12,266	51,727	41,448	82,584	41.7	29.4
June 18	81,633	67,904	4,000	71,904	31,655	44.0	463	-----	463	13,266	49,884	34,848	82,454	42.5	39.1
June 25	86,341	73,475	5,000	78,475	34,228	43.6	405	-----	405	12,461	50,912	40,492	82,351	41.4	37.4
July 2	86,752	73,039	9,451	82,490	34,775	42.2	405	-----	405	13,308	52,862	42,581	82,782	42.2	34.6
July 9	89,859	76,873	11,000	87,873	37,110	42.2	655	-----	655	12,331	49,668	42,871	82,074	39.8	30.9
July 16	86,338	72,384	16,590	88,974	35,419	39.8	680	-----	680	13,274	49,553	39,951	81,175	40.9	27.2
July 23	84,906	72,017	22,250	94,267	38,155	40.5	620	-----	620	12,269	49,173	39,514	79,864	41.2	22.5
July 30	84,999	72,075	26,716	98,791	38,888	39.4	658	-----	658	12,266	47,889	38,907	79,192	40.5	17.9
Aug. 6	86,617	73,228	27,889	101,117	39,488	39.1	1,123	-----	1,123	12,266	46,718	38,736	79,509	39.5	15.9
Aug. 13	84,197	71,243	30,374	101,618	39,596	39.0	688	-----	688	12,266	48,127	38,055	79,202	41.0	17.0
Aug. 20	85,602	72,654	31,278	103,932	40,599	39.1	680	-----	680	12,266	47,086	38,183	79,494	40.0	14.2
Aug. 27	86,469	73,648	34,540	108,188	41,980	38.8	555	-----	555	12,266	47,366	39,441	79,415	39.9	10.8
Sept. 3	86,152	73,378	38,902	112,280	43,684	38.9	508	-----	508	12,266	48,932	38,379	81,527	40.8	8.4
Sept. 10	87,389	74,425	39,097	113,522	43,913	38.7	698	-----	698	12,266	50,040	37,588	84,567	41.0	9.0
Sept. 17	85,387	72,606	37,185	109,791	42,298	38.5	515	-----	515	12,265	48,500	30,427	87,950	41.0	9.6
Sept. 24	89,427	76,398	37,419	113,817	42,909	37.7	753	-----	763	12,266	48,786	33,714	88,782	39.8	10.0
Oct. 1	87,154	74,303	37,961	112,264	43,095	38.4	585	-----	585	12,266	49,278	31,522	89,940	40.6	9.6
Oct. 8	90,093	77,717	34,688	112,405	42,992	38.2	310	-----	310	12,266	54,532	38,454	90,947	42.1	15.9
Oct. 15	87,273	73,742	34,285	108,027	42,340	39.2	1,265	-----	1,265	12,266	51,488	32,337	92,042	41.4	13.8
Oct. 22	88,386	74,750	33,944	108,694	40,858	37.6	1,370	-----	1,370	12,266	50,210	31,019	91,974	40.9	13.2
Oct. 29	90,987	77,638	32,828	110,466	42,883	38.8	1,070	-----	1,070	12,279	49,734	34,441	91,071	39.6	13.5
Nov. 5	93,336	80,242	28,629	108,871	43,989	40.4	815	-----	815	12,279	51,702	39,675	90,265	39.8	17.8
Nov. 12	90,747	77,858	27,089	104,947	41,549	39.6	610	-----	610	12,279	54,071	41,717	87,797	41.7	20.8
Nov. 19	86,310	73,716	27,807	101,523	40,311	39.7	315	-----	315	12,279	49,953	34,293	86,584	41.3	18.3
Nov. 26	89,634	77,140	26,600	103,740	41,236	39.7	215	-----	215	12,279	50,181	40,118	84,464	40.3	18.9
Dec. 3	85,591	73,097	30,563	103,660	41,618	40.1	215	-----	215	12,279	48,891	36,016	83,780	40.8	15.3
Dec. 10	87,943	75,449	29,808	105,257	41,868	39.8	215	-----	215	12,279	48,781	40,327	81,181	40.1	15.6
Dec. 17	82,735	70,241	26,615	96,856	35,018	36.2	215	-----	215	12,279	48,401	35,067	81,296	41.6	18.7
Dec. 23	86,737	74,263	23,138	97,401	34,556	35.6	195	-----	195	12,279	48,715	38,498	81,993	40.4	21.2
Dec. 30	81,411	68,885	27,711	96,596	34,028	35.2	247	-----	247	12,279	47,632	34,612	79,474	41.8	17.5

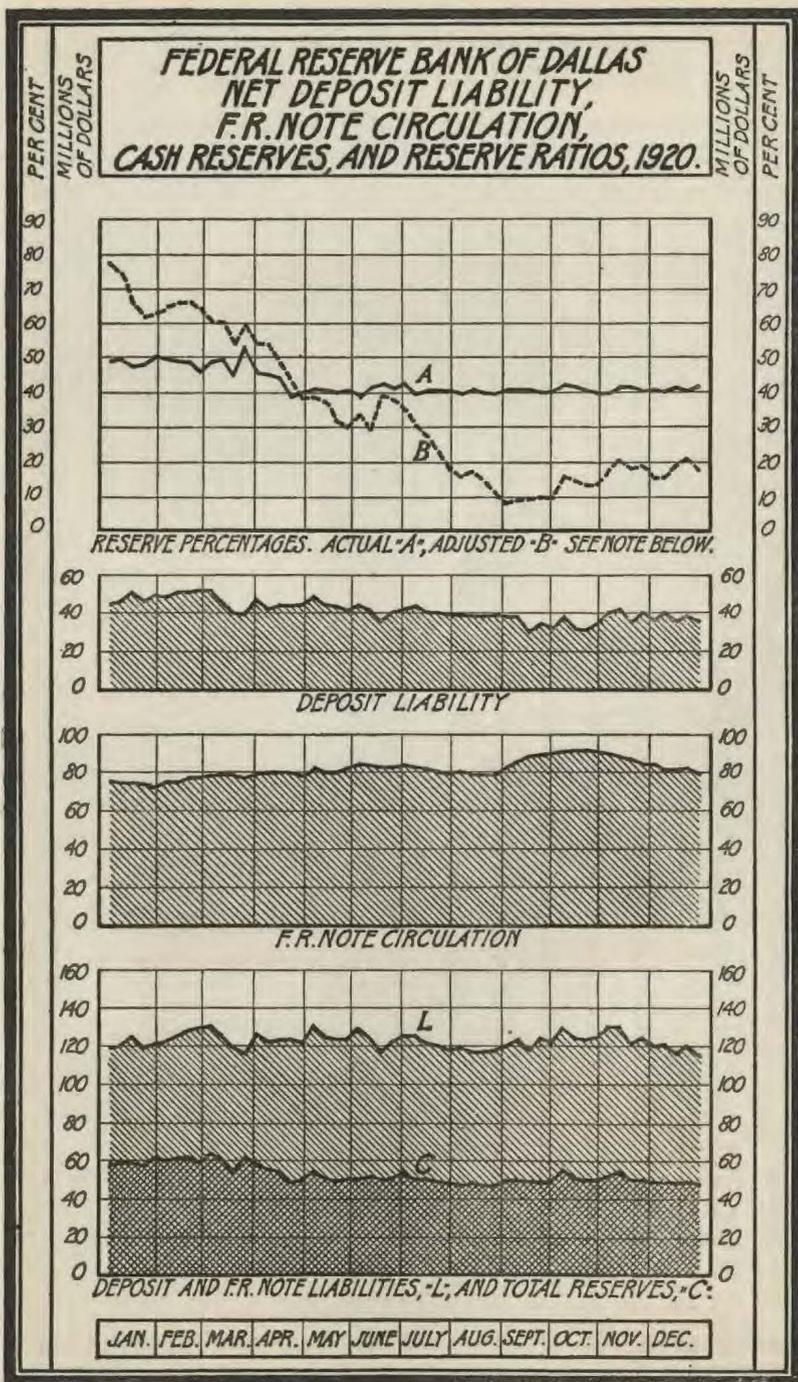
Federal Reserve Bank of Dallas

(1) Minus sign indicates paper discounted for other Federal Reserve Banks.

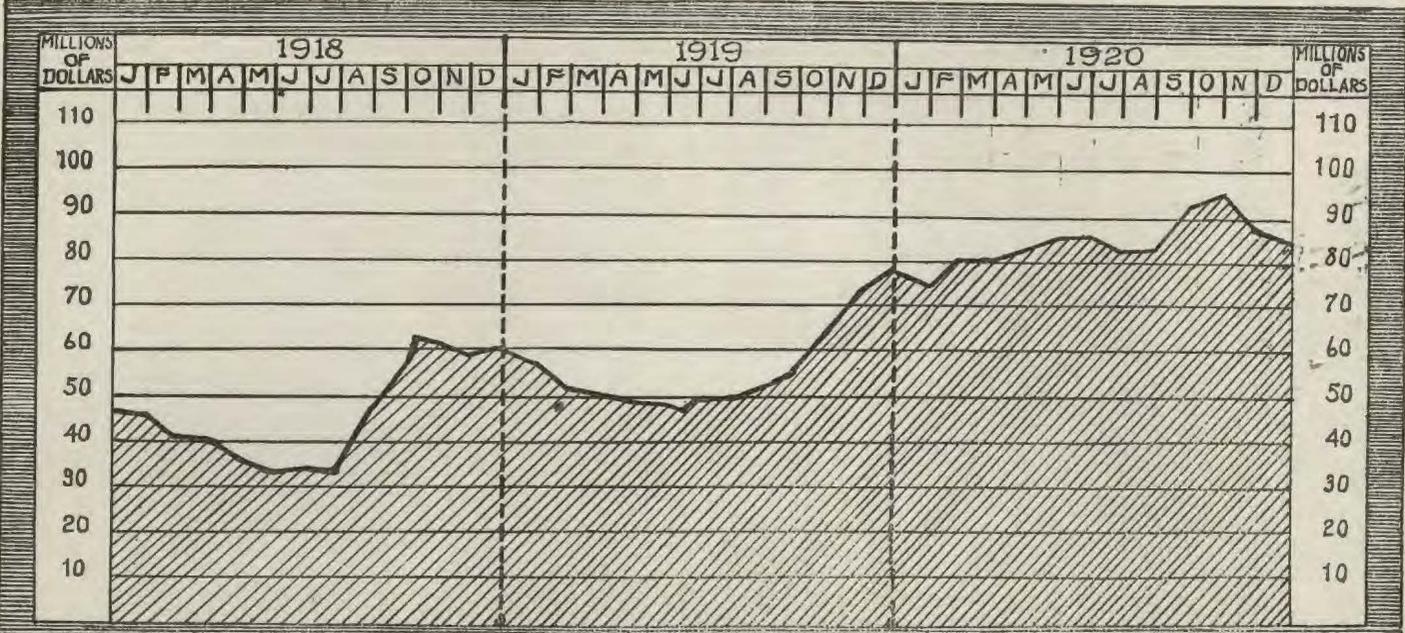
(2) Adjusted percentages are calculated after increasing or reducing reserves held by the amount of accommodation extended to or received from other Federal Reserve Banks.



*A. Paper secured by Government War Obligations discounted for Banks in District.
B. Total Paper discounted for Banks in District. C. Total Discounted Paper held.
Space between lines B and C represents - where above line B - Paper discounted for,
and - where below line B - Paper rediscounted with, other Federal Reserve Banks.*



Adjusted percentages are calculated after increasing or reducing reserves held - by the amount of accommodation extended to or received from other Federal Reserve Banks.



FEDERAL RESERVE NOTES OUTSTANDING
 FEDERAL RESERVE BANK OF DALLAS

SCHEDULE 1
COMPARATIVE STATEMENT OF FEDERAL RESERVE BANK
OF DALLAS, INCLUDING ITS BRANCHES

Resources:	1920	1919	1918	1917
Gold and Gold Certificates.....	\$10,008,000	\$ 6,469,000	\$ 5,722,000	\$11,900,000
Gold settlement fund.....	2,074,000	17,073,000	6,923,000	24,520,000
Gold with foreign agencies.....	86,000	3,415,000	204,000	1,838,000
Total gold held by banks.....	12,168,000	26,957,000	12,849,000	38,258,000
Gold with F. R. Agent.....	24,484,000	27,545,000	22,352,000	25,037,000
Gold redemption fund.....	4,431,000	3,712,000	2,193,000	1,218,000
Total gold reserves.....	41,083,000	58,214,000	37,394,000	64,513,000
Legal tender notes, silver, etc.....	4,455,000	1,197,000	1,374,000	779,000
Total reserves.....	45,538,000	59,411,000	38,768,000	65,292,000
Bills discounted (Secured by Gov'm't War obligations) ..	15,903,000	39,376,000	14,395,000	.....
All other.....	54,793,000	18,940,000	31,130,000	8,740,000
Bills bought in open market and acceptances acquired from other F. R. Banks.....	247,000	6,421,000	2,448,000	14,140,000
Total bills on hand.....	70,943,000	64,737,000	47,973,000	22,880,000
U. S. Government bonds.....	3,979,000	3,966,000	3,990,000	4,496,000
U. S. Victory notes.....	.....	.....	.....	.....
U. S. Cert. of Indebtedness.....	8,300,000	9,065,000	4,400,000	1,430,000
All other earnings assets.....	.....	.....	.....	832,000
Total earning assets.....	83,222,000	77,768,000	56,363,000	29,638,000
Bank premises.....	1,639,000	399,000	.....	.....
Uncollected items and other deductions from gross de- posits.....	42,287,000	61,325,000	23,252,000	15,086,000
5 per cent. Redemption fund against F. R. Bank notes.....	586,000	558,000	312,000	137,000
All other resources.....	726,000	360,000	1,135,000	.....
TOTAL RESOURCES	173,998,000	199,821,000	119,830,000	110,153,000
Liabilities:				
Capital paid in.....	4,099,000	3,421,000	3,154,000	2,795,000
Surplus.....	4,152,000	2,029,000	.....	.....
Government deposits.....	1,660,000	2,900,000	2,493,000	6,609,000
Due to members—Reserve Account.....	46,995,000	63,372,000	32,453,000	44,155,000
Deferred availability items.....	27,560,000	39,347,000	15,250,000	9,766,000
Other deposits, including foreign government credits.....	245,000	2,043,000	8,000	.....
Total gross deposits.....	76,460,000	107,662,000	50,204,000	60,530,000
F. R. notes in actual circula- tion.....	79,453,000	74,930,000	59,239,000	46,788,000
F. R. bank notes in circula- tion—net liability.....	7,101,000	10,461,000	5,540,000	.....
All other liabilities.....	2,733,000	1,318,000	1,693,000	40,000
TOTAL LIABILITIES	173,998,000	199,821,000	119,830,000	110,153,000

SCHEDULE 2

COMPARATIVE STATEMENT OF EARNINGS AND EXPENSES
OF BANK (INCLUDING BRANCHES) FOR YEARS
1917, 1918, 1919 AND 1920, AND SINCE
ORGANIZATION.

Earnings:	1917	1918	1919	1920	Since Organization
Bills discounted Mem- bers including those acquired from other F. R. Banks.....	\$209,064.66	\$1,497,378.83	\$2,443,805.63	\$4,044,612.34	\$ 8,194,861.46
Bills bought in open market, including those acquired from other F. R. Banks....	138,512.74	175,884.70	113,396.94	73,211.72	501,006.10
U. S. Securities.....	163,439.28	152,159.48	229,080.04	270,874.35	815,553.15
Municipal Warrants.....	6,832.79	7,995.08			14,827.87
Trans.—Net earnings..	34,027.34	149,732.95	193,661.44	350,968.48	728,390.21
Deficient Res. pen.....	12,968.16	56,304.89	81,984.32	158,569.01	309,826.38
Sundry Profits.....	4,202.20	8,106.16	322.47	6,296.03	18,916.86
Bill of Lading Drafts..		13,641.29			13,641.29
Service Charges—Net..	383.00	28,322.70			28,705.70
Total	569,430.17	2,089,526.08	3,062,250.84	4,904,521.93	10,625,729.02
Expenses:					
Assessment Acct. Ex. F. R. Board.....	11,438.78	15,222.96	20,362.04	21,694.53	68,718.31
Fed. Advisory Council	150.00	1,894.06	991.64	399.62	3,435.32
Governor's Conferences	398.42	232.20	788.52	651.23	2,070.37
Fed. Res. Agents Con- ferences.....	207.64	421.66	109.44	64.08	802.82
Salaries:					
Bank Officers.....	41,050.54	68,544.44	87,212.00	117,768.48	314,575.46
Clerical Staff.....	39,940.27	170,134.31	390,992.87	649,100.42	1,250,167.87
Special Officers and Watchmen.....	2,761.68	4,313.68	6,362.58	20,177.14	33,615.08
All others.....	2,980.78	5,463.64	11,883.44	39,455.89	59,783.75
Life Ins. Prems.....				6,395.36	6,395.36
Directors remunerative Expense.....	3,521.89	4,442.05	4,446.72	6,529.58	18,940.24
Officers and Clerks Traveling Expenses..	1,138.77	7,756.95	14,577.96	30,850.70	54,324.38
Legal Fees.....	2,400.00	2,215.00	2,400.00	2,621.70	9,636.70
Rent.....		658.50	5,525.65	14,904.33	21,088.48
Taxes and Fire Insur.	1,184.00	1,211.12	1,745.73	3,476.08	7,616.93
Telephone.....	869.47	1,882.50	3,188.78	3,937.92	9,878.67
Telegraph.....	584.46	9,667.78	21,772.00	56,900.49	88,924.73
Postage.....	3,166.32	24,688.43	39,882.62	65,506.99	133,244.36
Expressage.....	8,424.31	28,842.84	25,556.30	48,487.96	111,311.41
Ins. and Premium on Fidelity Bonds.....	3,851.00	10,774.23	13,308.24	24,671.51	52,604.98
Light, Heat & Power..	1,468.24	2,413.82	3,365.04	6,895.92	14,143.02
Printing & Stationery..	12,180.00	25,072.20	41,008.79	67,998.00	146,258.99
Repairs and Alterations	2,472.86	4,805.62	13,193.79	13,797.21	34,269.48
All other not specified	5,029.00	20,278.20	41,348.56	78,080.07	144,735.83
Cost of F. R. Cur. issued.....	30,910.82	82,729.93	136,375.81	155,735.64	405,952.20
Equipment.....	32,325.00	41,758.32	70,717.85	82,882.95	227,684.12
Cost of Currency Ship- ments to and from Members and Non- Members.....			25,519.46	30,863.06	56,382.52
Depreciation, Bank Premises.....	7,500.00				7,500.00
Total	215,954.25	535,424.44	982,835.83	1,549,846.86	3,284,061.38

SCHEDULE 3
Statement of Disposition of Income
Calendar Year 1920

Income:

Discount on bills discounted.....	\$4,044,612.34	
Discount on bills purchased.....	73,211.72	
Transfers bought and sold—net charges.....	350,968.48	
Penalties on deficient reserves.....	158,569.01	
Interest earned on U. S. Securities.....	270,874.35	
Miscellaneous profits.....	6,286.03	
Total income		\$4,904,527.93

Less:

Expense current	\$1,549,846.86	
Dividends paid June 30th.....	105,980.14	
Dividends paid December 31st.....	119,107.91	
Interest paid on surrendered stock.....	335.84	
Reserved for possible loss account Bank of Ranger	130,962.71	
Other miscellaneous losses	11,648.41	1,917,881.87
Net profits—calendar year 1920		\$2,986,640.06

Plus:

Reserve set aside in December, 1919, for expense F. R. Board first half 1920, returned to Profit and Loss account in 1920.....		16,167.01
		\$3,002,807.07

Disposition of accumulated Net Profits:

Transferred to Surplus June 30th.....	\$1,122,333.60	
Transferred to Surplus December 31st.....	1,880,473.47	
	\$3,002,807.07	\$3,002,807.07

SCHEDULE 4

VOLUME OF PAPER DISCOUNTED AND BOUGHT, BY MONTHS, DURING 1920, CLASSIFIED ACCORDING TO CHARACTER OF PAPER, WITH TOTALS FOR THREE PRECEDING YEARS

Month	DISCOUNTED PAPER					PAPER PURCHASED	TOTAL PAPER DISCOUNTED AND PURCHASED		
	Total	Secured by Govt. War Obligations	Bankers Acceptances	Trade Acceptances	All Other	Bankers Acceptances	1920	1919	1918
January.....	\$ 83,529,010	\$76,922,369	None	\$ 157,242	\$ 6,449,399	\$ 417,085	\$83,946,095	\$ 92,139,895	\$ 10,708,111
February.....	74,720,062	69,092,532	None	7,430	5,620,100	1,630,000	76,350,062	93,354,695	12,317,136
March.....	93,491,943	80,004,498	\$ 134,426	148,952	13,204,067	436,210	93,928,153	104,925,502	23,986,654
April.....	107,195,326	88,583,792	100,000	572,837	17,938,697	1,756,675	108,952,001	117,860,855	39,650,522
May.....	111,179,549	91,475,623	135,000	139,525	19,429,401	266,635	111,446,184	130,702,524	39,333,585
June.....	117,290,253	91,503,554	153,074	729,460	24,904,165	60,000	117,350,233	113,247,122	45,453,965
July.....	109,534,072	75,913,070	None	346,694	33,274,308	682,500	110,216,572	100,213,598	52,244,194
August.....	110,782,861	82,733,488	None	435,972	27,613,401	805,000	111,587,861	95,139,511	68,294,345
September.....	124,040,779	90,242,115	181,222	690,888	32,926,554	532,500	124,573,279	118,337,284	76,261,394
October.....	113,553,296	83,891,128	None	1,110,659	28,551,509	1,395,000	114,948,296	138,314,107	87,663,080
November.....	124,051,664	92,211,106	None	778,335	31,062,223	295,000	124,346,664	72,583,833	77,499,588
December.....	110,809,696	77,369,650	None	552,529	32,887,517	71,672	110,881,368	60,542,451	79,089,314
Total 1920....	1,280,178,511	999,942,925	703,722	5,670,523	273,861,341	8,348,277	1,288,526,788		
Total 1919....	1,124,946,145	1,105,059,651	None	1,887,002	117,999,492	12,415,232		1,237,361,377	
Total 1918....	587,677,766	447,833,088	None	2,056,758	137,787,920	25,024,122			612,701,888
Total 1917....	52,052,600	11,272,269	None	177,953	35,602,378	9,743,505			

SCHEDULE 5
REDISCOUNTS

Volume of rediscounts for 1920:

Rediscounts for Member Banks.....	\$1,280,178,511.55
Acceptances purchased	7,726,192.55
Acceptances rediscounted for or acquired from other Federal Reserve Banks	622,085.00
Other paper rediscounted for other Federal Reserve Banks	143,000,000.00
Total	\$1,431,526,790.10

Volume of rediscounts for 1919:

Rediscounts for Member Banks.....	\$1,224,946,144.78
Acceptances purchased	12,415,232.70
Acceptances rediscounted for or acquired from other Federal Reserve Banks	10,077,783.41
Other paper rediscounted for other Federal Reserve Banks	57,500,000.00
Total	\$1,304,939,160.89
Total number of banks served in 1920.....	702
Total number of new banks served in 1920.....	94
Largest note rediscounted.....	\$ 6,134,000.00
Smallest note rediscounted.....	10.50

SCHEDULE 6

MEMBER BANKS OFFERINGS HANDLED BY CREDIT
DEPARTMENT, DURING THE ENTIRE YEAR, 1920

National Banks, 7298 offerings, submitting 85, 316 items, aggregating	\$301,555,471.10
State Banks, 1725 offerings, submitting 25,817 items, aggregating	\$ 36,068,893.72

SCHEDULE 7

REDISCOUNTS FOR 1920 BY MONTHS AND DISTRIBUTION
BY STATES

Month	Texas	Louisiana	Oklahoma	New Mexico	Arizona	Total
January.....	\$81,850,875	\$ 55,903	\$ 535,735	\$ 996,497	\$ 90,000	\$ 83,529,010
February.....	73,323,695	77,356	665,831	558,180	95,000	74,720,062
March.....	89,669,557	1,071,727	1,348,867	1,073,224	328,568	93,491,943
April.....	102,638,448	1,872,513	1,157,310	1,339,820	187,235	107,195,326
May.....	107,156,312	831,542	1,739,209	1,353,188	99,299	111,179,550
June.....	110,686,523	1,479,475	2,396,897	2,214,593	512,765	117,290,253
July.....	101,241,070	2,775,223	2,890,266	2,165,025	462,488	109,534,072
August.....	104,090,139	1,917,688	2,850,821	1,541,604	382,609	110,782,861
September.....	114,146,482	4,255,052	3,218,563	1,939,473	481,209	124,040,779
October.....	104,000,316	3,512,192	3,294,014	2,120,400	626,374	113,553,296
November.....	113,316,224	4,003,846	3,899,515	2,332,021	500,058	124,051,664
December.....	98,892,311	4,380,036	3,759,563	2,926,157	851,629	110,809,696
Total.....	1,201,011,952	26,232,553	27,756,591	20,560,182	4,617,234	1,280,178,512

Total paper rediscounted as shown above.....\$1,280,178,511.55

SCHEDULE 8
DISCOUNT RATES FOR 1920 AND DATES ON WHICH
EFFECTIVE

Class of paper	Time	Jan. 1st	Feb. 2nd	Feb. 26th	June 10th
Industrial and Commercial.....	Up to 90 days	5	6	6	6
Agricultural and Live Stock.....	Up to 90 days	5	6	6	6
Agricultural and Live Stock.....	After 90 days	5¼	6	6	6
Trade Acceptances.....	Up to 90 days	5	6	6	6
Rediscounts secured by L. L. Bonds and Victory Notes.....	Up to 90 days	5	5½	5½	5½
Rediscounts secured by Certificates of Indebtedness.....	Up to 90 days	4½	4¾	5	5 *
M. B. C. Notes secured by L. L. Bonds and Victory Notes.....	Up to 15 days	5	5½	5½	5½
M. B. C. Notes secured by Certi- ficates of Indebtedness.....	Up to 15 days	4½	4¾	5	5 *
M. B. C. Notes secured by Eligi- ble Paper.....	Up to 15 days	5	6	6	6
M. B. C. Notes secured by War Finance Corporation Bonds.....	Up to 15 days	6	7	7	
Rediscounts secured by War Finance Corporation Bonds.....	Up to 90 days	6	7	7	

* Notes secured by Treasury Certificates of Indebtedness discounted at the rate borne by the Certificates attached with a minimum rate of 5 per cent.

SCHEDULE 9
CLASSIFICATION BY MATURITIES OF BILLS
DISCOUNTED AND BOUGHT, 1920

Due within 15 days.....	\$1,004,590,508.00
Due within 30 days.....	171,176,339.00
Due within 60 days.....	90,480,804.00
Due within 90 days.....	120,049,162.00
Due after 90 days.....	45,229,977.00
Total	\$1,431,526,790.00

SCHEDULE 10
CLASSIFICATION OF TRADE-ACCEPTANCES BY
MATURITIES

Due within 15 days.....	\$ 737,962.00
Due within 30 days.....	909,007.00
Due within 60 days.....	2,590,079.00
Due within 90 days.....	1,433,475.00
Total	\$ 5,670,523.00

SCHEDULE 11

BILL OF LADING DRAFTS

Based on grain and grain products.....	\$11,280,491.00
Based on hay	437,670.00
Based on cotton and cotton products.....	396,624.00
Based on miscellaneous	499,044.00
Based on beans	277,477.00
Total	\$12,891,306.00

SCHEDULE 12

STATEMENT OF BANKERS' ACCEPTANCES—RATES
AND TIME

Purchased at 5%	\$ 355,000.00
Purchased at 5¼%	62,085.00
Purchased at 5½%	1,435,000.00
Purchased at 5¾%	110,000.00
Purchased at 6%	5,706,192.00
Purchased at 6¼%	680,000.00
Total	\$ 8,348,277.00

TIME CLASSIFICATION

Due within 15 days.....	\$ 269,000.00
Due within 30 days.....	1,682,668.00
Due within 60 days.....	4,401,621.00
Due within 90 days.....	1,964,988.00
Total	\$ 8,348,277.00

SCHEDULE 13

OPERATIONS IN UNITED STATES BONDS AND SECURITIES
FOR THE YEAR 1920

BONDS AND TREASURY NOTES HELD ON DEC. 31, 1919

Registered 2% consols of 1930.....	\$ 2,450,900.00
Registered 2% Panama Series 1938	155,000.00
Registered 2% Panama Series 1936	126,500.00
Registered 2% Conversion Bond series 1946.....	507,400.00
Registered 3% Conversion Bond Series 1947.....	726,200.00
Registered 2% U. S. Special Certificates of Indebtedness....	8,300,000.00
U. S. 4½% Bearer Certificates of Indebtedness.....	765,000.00
1st Series 3½% L. L. Bonds.....	600.00
2nd Series 4% L. L. Bonds.....	1,100.00
3rd Series 4¼% L. L. Bonds.....	2,700.00
4th Series 4¼% L. L. Bonds.....	4,250.00
Victory 4¾% Notes	10,650.00
Total	\$13,050,300.00

BONDS AND TREASURY NOTES—PURCHASES, SALES AND CONVERSIONS.

U. S. 4½% Certificates of Indebtedness:	
Sold at par.....	\$ 765,000.00
U. S. 4¾% Certificates of Indebtedness:	
Purchased from member banks.....	1,000.00
Sold at par.....	1,000.00
U. S. 5¾% Certificates of Indebtedness:	
Purchased from member banks.....	418,000.00
Sold at par.....	418,000.00
U. S. 6% Certificates of Indebtedness:	
Purchased from member banks.....	272,500.00
Sold at par.....	272,500.00
Fourth Series 4¼% L. L. Bonds:	
Bought (Fifths exchanged for Fourths).....	500.00
Sold at par.....	50.00
Victory L. L. Notes:	
Sold at par (Exchanged for Fourths).....	6,000.00
Sold at par.....	500.00

BONDS AND TREASURY NOTES HELD ON DEC. 31, 1920.

Registered 2% Consols of 1930.....	\$ 2,450,900.00
Registered 2% Panamas series of 1938.....	155,000.00
Registered 2% Panamas series of 1936.....	126,500.00
Registered 3% Conversion Bonds series of 1946.....	507,400.00
Registered 3% Conversion Bonds series of 1947.....	726,200.00
Registered 2% U. S. Special Certificates of Indebtedness.....	8,300,000.00
1st Series 3½% L. L. Bonds.....	600.00
2nd Series 4% L. L. Bonds.....	1,100.00
3rd Series 4¼% L. L. Bonds.....	2,700.00
4th Series 4¾% L. L. Bonds.....	4,700.00
Victory 4¾% L. L. Notes.....	4,150.00
	<hr/>
	\$12,279,250.00

SCHEDULE 14

MEMBER BANK COLLATERAL NOTES.

Total number Member Banks' collateral notes.....	\$996,993,341.00
Number of banks accommodated in this manner.....	401
PAPER SECURED BY U. S. BONDS AND CERTIFICATES OF INDEBTEDNESS:	
Member bank collateral notes.....	\$984,579,555.00
Member bank rediscounts.....	15,363,370
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Total	\$999,942,925

SCHEDULE 15

DAILY AVERAGE EARNING ASSETS, EARNINGS THEREON AND AVERAGE RATE PER ANNUM,
YEAR 1920, AS COMPARED WITH YEAR 1919.

	Earning Assets		Earnings		Average Rate	
	1920	1919	1920	1919	1920	1919
Bills discounted members and other F. R. Banks.....	\$71,272,502.30	\$52,648,648.18	\$ 4,044,612.34	\$ 2,443,805.63	5.65	4.64
Bills bought in open market and from other F. R. Banks.....	1,329,121.85	2,364,798.74	73,211.72	113,396.94	5.39	4.64
United States Securities.....	12,834,309.39	10,122,422.74	270,874.35	229,080.04	2.10	2.20
Total	\$85,435,933.54	\$65,135,869.66	\$ 4,388,698.41	\$ 2,786,282.61	5.12	4.26

SCHEDULE 16

OPERATIONS OF CHECK CLEARING AND COLLECTION DEPARTMENT
DETAILED CLASSIFICATION OF NUMBER AND AMOUNT OF ITEMS HANDLED, BY MONTHS, DURING 1920,
WITH TOTALS for 1920, 1919 and 1918. (AMOUNTS IN THOUSANDS OF DOLLARS)

MONTH	Located in F. R. Bank and Branch Cities		Located outside F. R. Bank and Branch Cities		Items drawn on Treasurer of United States		Items forwarded to other F. R. Banks and their Branches		TOTALS (a)					
	Number	Amount	Number	Amount	Number	Am't.	Number	Am't.	1920		1919		1918	
									Number	Amount	Number	Amount	Number	Amount
Jan. 1 to Jan. 15.....	99,174	\$ 96,544	785,770	\$196,662	56,837	\$ 3,395	107,023	\$33,082	1,048,804	\$ 329,683	366,810	\$148,465	210,342	\$ 112,730
Jan. 16 to Feb. 15...	177,789	189,691	1,789,227	436,681	89,137	5,684	217,097	64,482	2,273,250	696,538	842,998	297,204	391,070	205,660
Feb. 16 to Mar. 15.	225,515	225,779	1,787,509	454,994	69,280	10,518	223,271	46,993	2,305,575	738,284	837,782	261,966	374,456	187,823
Mar. 16 to Apr. 15.	229,776	169,602	1,767,432	375,618	117,536	15,862	198,127	70,061	2,312,871	631,143	968,607	308,133	465,352	207,395
Apr. 16 to May 15.	192,077	145,378	1,750,257	320,074	151,122	9,592	156,822	74,922	2,250,278	549,966	891,286	327,488	395,777	181,960
May 16 to June 15.	181,396	129,252	1,923,663	325,020	84,951	7,343	131,413	72,379	2,321,423	533,994	837,246	342,675	422,527	191,250
June 16 to July 15.	168,699	133,249	1,920,934	302,504	51,634	7,058	120,362	51,340	2,261,629	494,151	839,621	320,624	558,084	192,370
July 16 to Aug. 15..	165,378	121,531	1,891,450	297,972	75,424	9,452	125,065	61,176	2,257,317	490,131	944,143	338,427	583,340	203,172
Aug. 16 to Sept. 15	175,439	132,059	1,927,792	323,859	49,547	9,721	116,839	49,176	2,269,617	514,815	929,578	369,124	608,916	227,721
Sept. 16 to Oct 15..	176,808	167,313	2,110,731	402,285	80,469	8,918	113,841	85,904	2,481,849	664,420	1,195,676	376,001	707,227	288,898
Oct. 16 to Nov. 15.	188,273	158,923	2,138,781	382,872	137,907	7,706	125,536	82,839	2,590,497	632,340	1,737,492	652,375	768,070	316,114
Nov. 16 to Dec. 15.	191,987	136,905	2,113,139	330,718	101,633	7,555	127,261	62,623	2,534,020	537,801	1,917,493	602,815	755,916	286,355
Dec. 16 to Dec. 31.	121,956	65,285	1,114,201	153,773	79,480	4,858	67,765	32,204	1,383,402	256,120	1,103,789	340,671	409,325	155,181
Totals: 1920.....	2,294,267	1,871,511	23,020,886	4,303,032	1,144,957	107,662	1,830,422	787,181	28,290,532	7,069,386				
1919.....	1,150,939	1,144,256	9,591,545	2,697,699	1,264,544	157,169	1,405,493	686,844			13,412,521	4,685,968		
1918.....	375,056	553,618	5,207,636	1,703,135	602,605	108,879	465,105	390,997					6,650,402	2,756,629

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

SCHEDULE 17

NUMBER AND AMOUNT OF TRANSFERS BOUGHT BY WIRE
AND MAIL, BY MONTHS FOR THE YEAR 1920

	By Wire		By Mail	
	Number	Amount	Number	Amount
January	651	\$36,527,290.62	463	\$33,124,612.86
February	1044	32,045,254.32	381	21,015,785.98
March	603	42,711,053.54	441	23,239,444.31
April	818	38,444,383.09	561	30,107,864.73
May	624	36,680,096.44	684	34,640,085.38
June	616	34,014,900.88	640	35,634,672.15
July	768	29,972,500.79	511	27,521,301.23
August	1402	37,334,087.49	662	35,665,274.92
September	628	37,877,649.50	820	43,295,391.46
October	816	48,133,101.36	917	55,085,886.35
November	858	47,212,150.70	889	42,570,009.94
December	1313	49,620,180.69	900	34,367,919.08
Total	10,141	\$470,572,649.42	7,869	\$416,268,248.39

SCHEDULE 18

NUMBER AND AMOUNTS OF WIRE TRANSFERS SOLD BY
MONTHS FOR THE YEAR 1920

	Number	Amount
January	869	\$69,357,948.71
February	679	40,757,450.48
March	902	55,474,143.00
April	831	42,373,322.14
May	862	42,052,164.60
June	878	49,114,707.51
July	957	49,528,206.00
August	1001	44,284,647.55
September	1258	46,590,323.78
October	1293	48,507,106.20
November	1151	41,766,264.61
December	1179	40,967,297.44
Total	11,860	\$570,773,582.02

SCHEDULE 19

NEW NATIONAL BANKS, 1920

Homer, Louisiana	American National Bank
Homer, Louisiana	Commercial National Bank
Mansfield, Louisiana	American National Bank
Oak Grove, Louisiana	First National Bank
Ruston, Louisiana	First National Bank
Grady, New Mexico	First National Bank
Loving, New Mexico	First National Bank
Caney, Oklahoma	First National Bank
Coalgate, Oklahoma	City National Bank
Durant, Oklahoma	Commercial National Bank
Amarillo, Texas	City National Bank
Bangs, Texas	First National Bank
Bandera, Texas	First National Bank
Bertram, Texas	First National Bank
Caddo, Texas	First National Bank
Dallas, Texas	Dallas National Bank
Fabens, Texas	First National Bank
Falfurrias, Texas	First National Bank
Granger, Texas	Granger National Bank
Hamilton, Texas	Perry National Bank
Mathis, Texas	First National Bank
Necessity, Texas	First National Bank
Perryton, Texas	Perryton National Bank
Port Neches, Texas	First National Bank
Quitaque, Texas	First National Bank
Rice, Texas	First National Bank
Rio Grande, Texas	First National Bank
Rocksprings, Texas	First National Bank
Sipe Springs, Texas	First National Bank
White Deer, Texas	First National Bank
Wichita Falls, Texas	Security National Bank

SCHEDULE 20

NATIONAL BANKS LIQUIDATED DURING 1920

Boswell, Oklahoma	F. & M. National Bank	Succeeded by State Exchange Bank
Lehigh, Oklahoma	Merchants National Bank	Taken over by First State Bank, Lehigh
Bowie, Texas	National Bank of Bowie	Succeeded by Security State Bank
Campbell, Texas	Campbell Natl. Exch. Bank	Succeeded by Citizen's State Bank, Greenville
Dallas, Texas	Tenison National Bank	Consolidated with City National Bank, Dallas
Lubbock, Texas	Farmers National Bank	Consolidated with Sec. State Bk. & Tr. Co., Lubbock
Plainview, Texas	Citizens National Bank	Consolidated with First Nat. Bank, Plainview
Robert Lee, Texas	First National Bank	Succeeded by a state bank
Rusk, Texas	First National Bank	Succeeded by F. & M. State Bank & Trust Co., Rusk
San Juan, Texas	First National Bank	Merged with San Juan State Bank
Stamford, Texas	Citizens National Bank	Succeeded by Guaranty State Bank, Stamford

SCHEDULE 21

TOTAL STATE BANK MEMBERSHIP, ELEVENTH FEDERAL RESERVE
DISTRICT, DECEMBER 31, 1920

(Figures shown compiled from latest statements available.)

		Capital	Surplus	Total Resources
ARIZONA				
Safford.....	Bank of Safford.....	\$ 33,000	\$ 42,000	\$ 656,000
Tombstone.....	Cochise County State Bank.....	30,000	10,000	155,000
LOUISIANA				
Monroe.....	Central Savings Bk. & Tr. Co.....	375,000	125,000	2,195,000
Shreveport.....	Continental Bank & Trust Co.....	300,000	100,000	4,715,000
NEW MEXICO				
Albuquerque.....	State Trust & Savings Bank.....	100,000	65,000	1,053,000
Cloudcroft.....	First State Bank.....	25,000	3,000	138,000
Corona.....	Stockmens State Bank.....	30,000	6,000	161,000
Lovington.....	First Territorial Bank.....	60,000	25,000	219,000
Mountainair.....	Mountainair State Bank.....	25,000	10,000	325,000
Portales.....	Security State Bank.....	25,000	5,000	348,000
OKLAHOMA				
Broken Bow.....	McCurtain County Bank.....	40,000	10,000	249,000
Coleman.....	Coleman State Bank.....	25,000	1,000	160,000
Fort Towson.....	First State Bank.....	50,000	20,000	345,000
Valliant.....	Farmers State Guaranty Bank.....	50,000	23,000	483,000
TEXAS				
Alice.....	Citizens State Bank.....	60,000	20,000	572,000
Alpine.....	Alpine State Bank.....	30,000	35,000	381,000
Alto.....	Alto State Bank.....	25,000	12,000	236,000
Anson.....	Anson State Bank.....	50,000	55,000	636,000
Avery.....	Avery State Bank.....	25,000	10,000	131,000
Ballinger.....	Ballinger State Bank & Tr. Co.....	60,000	12,000	414,000
Bay City.....	Bay City Bank & Trust Co.....	65,000	20,000	679,000
Bay City.....	First State Bank.....	100,000	10,000	461,000
Beaumont.....	Guaranty Bank & Trust Co.....	100,000	20,000	2,177,000
Beaumont.....	Texas Bank & Trust Co.....	250,000	130,000	3,117,000
Beeville.....	Beeville Bank & Trust Co.....	50,000	30,000	543,000
Bishop.....	First State Bank.....	25,000	10,000	392,000
Bomarton.....	First State Bank.....	25,000	4,000	338,000
Bonham.....	Fannin County Bank.....	100,000	50,000	1,409,000
Bonham.....	First State Bank.....	200,000	100,000	1,746,000
Bremond.....	First State Bank.....	50,000	12,000	498,000
Bridgeport.....	Bridgeport State Bank.....	25,000	2,000	140,000
Brownfield.....	Brownfield State Bank.....	25,000	25,000	393,000
Bryan.....	First State Bank & Trust Co.....	100,000	50,000	831,000
Canton.....	Texas State Bank.....	50,000	25,000	264,000
Canyon.....	First State Bank.....	40,000	2,000	326,000
Celina.....	Celina State Bank.....	35,000	8,000	269,000
Celina.....	First State Bank.....	50,000	40,000	473,000
Childress.....	Farmers & Mechanics State Bk.....	50,000	50,000	911,000
Clarendon.....	Farmers State Bank.....	50,000	3,000	349,000
Clifton.....	Farmers Guaranty State Bank.....	30,000	20,000	394,000
Clifton.....	First Guaranty State Bank.....	40,000	20,000	323,000
Collinsville.....	First Guaranty State Bank.....	25,000	8,000	270,000
Colorado.....	First State Bank.....	30,000	3,000	316,000
Commerce.....	Citizens State Bank.....	25,000	8,000	210,000
Copperas Cove.....	First State Bank.....	25,000	13,000	340,000
Corsicana.....	First State Bank.....	200,000	40,000	1,318,000
Cross Plains.....	First Guaranty State Bank.....	30,000	5,000	259,000

TOTAL STATE BANK MEMBERSHIP, ELEVENTH FEDERAL RESERVE DISTRICT, DECEMBER 31, 1920—Continued

TEXAS—Continued		Capital	Surplus	Total Resources
Crowell	First State Bank	\$ 30,000	\$ 27,000	\$ 440,000
Cuero	First State Bank & Trust Co.	100,000	46,000	748,000
Dallas	Central State Bank	1,000,000	500,000	7,844,000
Dallas	Dallas County State Bank	250,000	110,000	1,970,000
Dallas	Guaranty Bank & Trust Co.	1,000,000	100,000	5,864,000
DeKalb	First State Bank	50,000	50,000	400,000
Del Rio	Del Rio Bank & Trust Co.	75,000	60,000	699,000
Denison	Denison Bank & Trust Co.	160,000	58,000	3,358,000
Denton	First Guaranty State Bank	50,000	6,000	460,000
East Bernard	Union State Bank	50,000	10,000	268,000
Edgewood	Farmers & Merchants State Bk.	35,000	10,000	212,000
El Paso	American Trust & Savings Bk.	350,000	50,000	2,329,000
El Paso	El Paso Bank & Trust Co.	200,000	20,000	2,545,000
El Paso	Security State Bank & Tr. Co.	200,000	15,000	2,363,000
Falfurrias	Falfurrias State Bank	75,000	None	414,000
Ferris	Farmers & Merchants State Bk.	50,000	13,000	268,000
Flatonina	Flatonina State Bank	50,000	3,000	639,000
Floydada	First State Bank	50,000	5,000	779,000
Forney	Forney State Bank	25,000	15,000	245,000
Franklin	First State Bank	30,000	15,000	371,000
Frost	Citizens State Bank	25,000	50,000	331,000
Galveston	South Texas State Bank	200,000	100,000	4,145,000
Galveston	Texas Bank & Trust Co.	400,000	600,000	7,813,000
Ganado	Farmers State Bank	35,000	5,000	125,000
Gatesville	Guaranty State Bank & Tr. Co.	50,000	10,000	543,000
Georgetown	Farmers State Bank	50,000	50,000	859,000
George West	First State Bank	50,000	17,000	345,000
Gilmer	Gilmer State Bank	50,000	15,000	240,000
Goldthwaite	Trent State Bank	50,000	25,000	854,000
Gonzales	Gonzales State Bank & Tr. Co.	75,000	25,000	639,000
Graford	First State Bank	50,000	20,000	267,000
Grand Prairie	First State Bank	40,000	20,000	318,000
Grand Prairie	Guaranty State Bank	25,000	None	127,000
Hallsville	Farmers State Bank	25,000	None	130,000
Hamlin	First State Bank	40,000	20,000	429,000
Hedley	Guaranty State Bank	25,000	13,000	137,000
Henderson	First State Bank	25,000	25,000	146,000
Hereford	First State Bank & Trust Co.	50,000	50,000	676,000
Hillsboro	First State Bank	150,000	15,000	992,000
Houston	State Bank & Trust Co.	200,000	10,000	2,906,000
Italy	Farmers State Bank	50,000	20,000	399,000
Jacksonville	Farmers Guaranty State Bank	50,000	14,000	333,000
Jacksonville	First Guaranty State Bank	63,000	23,000	586,000
Junction	Junction State Bank	100,000	110,000	688,000
Kaufman	First State Bank	100,000	80,000	668,000
Kenedy	Farmers & Merchants State Bk.	50,000	60,000	492,000
Kenedy	First State Bank & Trust Co.	60,000	80,000	753,000
Kerens	First State Bank	50,000	40,000	353,000
Kilgore	Kilgore State Bank	25,000	13,000	192,000
Killeen	First State Bank	25,000	13,000	589,000
Kirkland	First State Bank	50,000	None	321,000
Ladonia	First State Bank	35,000	15,000	580,000
La Feria	Cameron County Bank	25,000	3,000	162,000
Lamesa	First State Bank	30,000	40,000	561,000
Leakey	First State Bank	25,000	500	63,000
Leonard	First State Bank	50,000	10,000	398,000
Liberty	Liberty State Bank	35,000	4,000	373,000
Lockney	Lockney State Bank	50,000	3,000	402,000
Longview	Commercial Guaranty State Bk.	50,000	None	270,000

**TOTAL STATE BANK MEMBERSHIP, ELEVENTH FEDERAL RESERVE
DISTRICT, DECEMBER 31, 1920—Continued**

TEXAS—Continued		Capital	Surplus	Total Resources
Loraine	First State Bank	\$ 30,000	\$ 30,000	\$ 443,000
Lorenzo	First State Bank	25,000	25,000	314,000
Lubbock	Lubbock State Bank	100,000	50,000	1,076,000
Lubbock	Security State Bank & Tr. Co.	100,000	6,000	654,000
Lufkin	Citizens Guaranty State Bank	75,000	5,000	509,000
Luling	Citizens State Bank	25,000	6,000	235,000
Luling	Lipscomb Bank & Trust Co.	75,000	55,000	414,000
Madisonville	Farmers State Bank	25,000	25,000	430,000
Malone	First State Bank	25,000	8,000	166,000
Matador	First State Bank	25,000	13,000	393,000
Mathis	First State Bank	30,000	16,000	200,000
Maypearl	Citizens State Bank	25,000	25,000	232,000
Maypearl	Farmers & Merchants St. Bank	25,000	25,000	248,000
McAllen	First State Bank & Trust Co.	100,000	15,000	951,000
McGregor	First State Bank	50,000	5,000	429,000
McKinney	Central State Bank	75,000	7,000	842,000
Memphis	Citizens State Bank	75,000	50,000	637,000
Mercedes	Bank of Commerce & Trust Co.	50,000	5,000	230,000
Mertens	First Guaranty State Bank	25,000	5,000	145,000
Moran	Moran State Bank	30,000	6,000	306,000
Mt. Calm	First State Bank	40,000	8,000	211,000
Mt. Pleasant	Guaranty State Bank	60,000	30,000	696,000
Munday	First State Bank	35,000	5,000	331,000
Nacogdoches	Commercial Guaranty State Bk.	100,000	50,000	1,998,000
Normangee	First State Bank	25,000	25,000	241,000
North Zulch	Farmers Guaranty State Bank	25,000	None	188,000
Orange	Guaranty Bank & Trust Co.	100,000	10,000	368,000
Paducah	First State Bank	50,000	50,000	463,000
Palmer	First Guaranty State Bank	25,000	18,000	211,000
Pampa	Gray County State Bank	25,000	10,000	253,000
Paris	First State Bank	150,000	100,000	1,969,000
Paris	Lamar State Bank & Trust Co.	150,000	50,000	1,938,000
Pecos	Pecos Valley State Bank	110,000	37,000	939,000
Port Arthur	Merchants State Bank	100,000	42,000	1,855,000
Post	First State Bank	25,000	2,000	157,000
Quanah	First Guaranty State Bank	100,000	50,000	1,180,000
Ralls	First State Bank	25,000	15,000	243,000
Ralls	Guaranty State Bank & Tr. Co.	60,000	4,000	441,000
Reagan	First State Bank	25,000	15,000	185,000
Rice	First State Bank	50,000	10,000	271,000
Richardson	Citizens State Bank	35,000	4,000	206,000
Roaring Springs	First State Bank	25,000	15,000	193,000
Robstown	First State Bank	25,000	8,000	278,000
Rockwall	Guaranty State Bank	45,000	8,000	739,000
Royse	First State Bank	50,000	25,000	316,000
Rusk	Farm. & Mer. St. Bk. & Tr. Co.	100,000	1,000	578,000
Sabinal	First State Bank	80,000	None	455,000
San Antonio	Central Trust Co.	1,000,000	160,000	9,231,000
San Augustine	Commercial Guaranty State Bk.	50,000	6,000	590,000
Santa Anna	First State Bank	35,000	16,000	549,000
Savoy	First State Bank	25,000	8,000	208,000
Seminole	First State Bank	40,000	30,000	203,000
Seymour	First Guaranty State Bank	35,000	4,000	167,000
Shamrock	Farmers & Merchants State Bk.	50,000	50,000	503,000
Shiro	Farmers State Bank	25,000	20,000	157,000
Silverton	Briscoe County State Bank	25,000	None	87,000
Sinton	Bank of Commerce	25,000	25,000	466,000
Slaton	First State Bank	40,000	2,000	323,000

TOTAL STATE BANK MEMBERSHIP, ELEVENTH FEDERAL RESERVE DISTRICT, DECEMBER 31, 1920—Continued

TEXAS—Continued

		Capital	Surplus	Total Resources
Snyder.....	First State Bank & Trust Co..\$	50,000	\$ 25,000	\$ 339,000
Spearman.....	Guaranty State Bank.....	25,000	3,000	97,000
Stamford.....	First State Bank.....	55,000	19,000	871,000
Sweetwater.....	Texas Bank & Trust Co.....	100,000	85,000	776,000
Terrell.....	First State Bank.....	200,000	165,000	1,646,000
Tioga.....	First Guaranty State Bank.....	30,000	15,000	279,000
Trenton.....	Guaranty State Bank.....	25,000	8,000	147,000
Troup.....	Guaranty State Bank.....	25,000	20,000	300,000
Tyler.....	Peoples Guaranty State Bank.....	100,000	32,000	1,348,000
Valley Mills.....	Citizens State Bank.....	30,000	3,000	159,000
Valley View.....	First Guaranty State Bank.....	25,000	10,000	141,000
Waco.....	First State Bank & Trust Co.....	200,000	30,000	2,117,000
Waxahachie.....	Guaranty State Bank & Tr. Co.....	200,000	20,000	1,333,000
Weatherford.....	First State Bank.....	125,000	20,000	1,078,000
Wellington.....	Wellington State Bank.....	50,000	75,000	623,000
Wharton.....	Security Bank & Trust Co.....	50,000	15,000	386,000
White Deer.....	First State Bank.....	25,000	8,000	291,000
Wills Point.....	First State Bank.....	100,000	35,000	594,000
Winnsboro.....	Merchants & Planters State Bk.....	30,000	30,000	521,000
Wolfe City.....	First State Bank.....	50,000	25,000	436,000
Woodville.....	Woodville State Bank.....	30,000	None	129,000
Wortham.....	First State Bank.....	50,000	3,000	284,000
Wylie.....	First State Bank.....	50,000	40,000	346,000
		15,186,000	5,989,500	147,221,000
Capital.....				15,186,000
Surplus.....				5,989,500
Total Capital and Surplus.....				21,175,500

SCHEDULE 22

MEMBER BANKS BY STATES

December 31, 1920

Arizona.....	National	8	State	2	Total	10
Louisiana.....	National	18	State	2	Total	20
New Mexico.....	National	37	State	6	Total	43
Oklahoma.....	National	36	State	4	Total	40
Texas.....	National	564	State	173	Total	737
Totals.....		663		187		850

SCHEDULE 23

RECAPITULATION OF CAPITAL STOCK ACCOUNT, 1920

Number of member banks December 31, 1919 (national).....	643	
Number of member banks December 31, 1919 (state).....	115	
New national banks organized during 1920.....	31	
State banks and trust companies admitted during 1920.....	74	863
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National banks liquidating during 1920	11	
State banks and trust companies liquidating during 1920.....	2	13
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Total member banks December 31, 1920.....		850
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Total capital stock December 31, 1919.....	\$6,841,400	
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Stock allotted member banks for quarter ending:		
March 31, 1920.....	\$162,200	
June 30, 1920.....	549,600	
September 30, 1920.....	489,500	
December 31, 1920.....	265,900	1,467,200
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Total		\$8,308,600
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Stock surrendered for quarter ending:		
March 31, 1920.....	\$ 31,900	
June 30, 1920.....	32,900	
September 30, 1920.....	41,200	
December 31, 1920.....	5,500	111,500
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Total stock December 31, 1920.....		\$8,197,100
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Total paid-up capital stock December 31, 1919.....	\$3,420,700	
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Subscriptions paid in quarter ending:		
March 31, 1920.....	\$ 81,100	
June 30, 1920.....	274,800	
September 30, 1920.....	244,750	
December 31, 1920.....	132,950	733,600
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Total		\$4,154,300
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Cash subscriptions refunded for surrender of stock quarter ending:		
March 31, 1920.....	\$ 15,950	
June 30, 1920.....	16,450	
September 30, 1920.....	20,600	
December 31, 1920.....	2,750	55,750
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Total paid-up capital December 31, 1920.....		\$4,098,550

**NUMBER OF FEDERAL RESERVE NOTES BY DENOMINATIONS AND AGGREGATE AMOUNTS
RECEIVED, ISSUED TO BANK AND RETURNED TO THE COMPTROLLER
DURING 1920**

	NUMBER OF NOTES									Aggregate Amount Dollars
	\$5	\$10	\$20	\$50	\$100	\$500	\$1,000	\$5,000	\$10,000	
1. Received from Comptroller	2,100,000	2,196,000	800,000	24,000	20,000	800	1,200			53,260,000.00
2. Received from F. R. Bank	157,000	761,000	209,500	4,400	3,550	40	645			13,825,000.00
3. Received from Treasurer of U. S. (Fit notes)										
4. Received by Comptroller from Treasurer of U. S. for destruction and credit of F. R. Agent's account (unfit notes):										
(a) From other F. R. Banks	1,041,302½	733,566	427,860	16,449	5,167	20	7			22,455,522.50
(b) Direct from reporting F. R. banks, and from other sources	1,360,229½	1,095,085	399,790	11,006	3,662	20	178			26,852,297.50
5. Total	4,658,532	4,785,651	1,837,150	55,855	32,379	880	2,030			116,392,820.00
6. Issued to F. R. Bank.....	2,825,000	2,821,000	1,058,500	31,300	25,350	430	1,425			69,245,000.00
7. Returned to Comptroller of Currency for destruction, including notes returned by U. S. Treasury for credit of F. R. Agent's account....	2,401,732	1,828,851	827,650	27,455	8,826	40	185			49,310,520.00
8. Notes on hand at end of month										
9. Total	5,226,732	4,649,851	1,886,150	58,755	34,176	470	1,610			118,555,520.00

SCHEDULE 24

Federal Reserve Bank of Dallas

**NUMBER OF FEDERAL RESERVE NOTES BY DENOMINATIONS AND AGGREGATE AMOUNTS
RECEIVED, ISSUED TO BANK, AND RETURNED TO THE COMPTROLLER SINCE
ORGANIZATION, AND ON HAND AT CLOSE OF BUSINESS, DECEMBER 31, 1920.**

	NUMBER OF NOTES									Aggregate Amount Dollars
	\$5	\$10	\$20	\$50	\$100	\$500	\$1,000	\$5,000	\$10,000	
1. Received from Comptroller	8,928,000	6,896,000	3,328,000	144,000	68,000	1,600	2,000			196,960,000.00
2. Received from F. R. Bank	1,236,250	2,557,850	1,042,450	58,300	56,400	40	735			61,918,750.00
3. Received from Treasurer of U. S. (Fit notes).....	350	140	180	13						7,400.00
4. Received by Comptroller from Treasurer of U. S. for destruction and credit of F. R. Agent's account (unfit notes):										
(a) From other F. R. Banks	2,214,662½	1,616,804	850,660	23,514	6,693	21	7			46,117,052.50
(b) Direct from reporting F. R. banks, and from other sources	3,141,212½	2,046,571	678,049	17,757	5,093	21	178			51,318,402.50
5. Total	15,520,475	13,117,365	5,899,339	243,584	136,186	1,682	2,920			356,321,605.00
6. Issued to F. R. bank.....	9,741,000	8,820,090	4,196,430	188,913	115,900	860	1,815			244,115,150.00
7. Returned to Comptroller of Currency for destruction, including notes returned by U. S. Treasury for credit of F. R. Agent's account....	5,393,475	3,698,275	1,533,909	41,271	11,786	42	185			98,076,455.00
8. Notes on hand at end of month	386,000	599,000	169,000	13,400	8,500	780	920			14,130,000.00
9. Total	15,520,475	13,117,365	5,899,339	243,584	136,186	1,682	2,920			356,321,605.00

SCHEDULE 25

Federal Reserve Bank of Dallas

INTERDISTRICT MOVEMENT OF FEDERAL RESERVE NOTES DURING YEAR 1920

F. R. Bank of	5's		10's		20's		50's		100's	
	Rec'd from	Ret'd to	Rec'd from	Ret'd to	Rec'd from	Ret'd to	Rec'd from	Ret'd to	Rec'd from	Ret'd to
Boston.....	\$ 47,300	\$ 59,950	\$1,009,760	\$ 200,350	\$ 312,200	\$ 201,850	\$ 54,000	\$ 71,650	\$ 39,800	\$ 55,000
New York.....	495,000	667,300	3,436,500	1,362,600	2,097,950	1,309,700	550,400	403,950	540,800	504,000
Philadelphia.....	65,000	68,550	988,500	180,000	438,000	229,500	62,800	78,700	54,500	106,700
Cleveland.....	66,500	103,700	951,000	305,800	495,500	678,900	97,750	218,150	77,500	75,800
Richmond.....	67,750	114,350	1,951,250	180,450	922,500	313,300	49,150	97,550	39,850	61,000
Atlanta.....	1,358,000	1,135,650	1,677,750	1,615,050	1,831,100	1,630,100	239,350	103,500	137,050	162,200
Chicago.....	529,000	467,000	1,233,000	1,250,000	1,596,000	2,177,700	280,000	289,250	195,000	171,300
St. Louis.....	1,834,992	942,200	2,351,800	1,498,000	3,188,380	1,791,800	478,550	119,950	359,600	160,700
Minneapolis.....	35,000	101,950	107,000	193,500	184,500	249,000	39,500	15,250	35,000	24,700
Kansas City.....	1,360,250	1,186,500	1,979,500	1,939,350	2,850,350	2,514,500	402,550	161,650	347,700	176,700
San Francisco.....	639,715	618,500	883,360	970,250	1,976,580	2,433,150	394,350	229,950	342,700	290,000
Total.....	6,498,507	5,465,650	16,569,420	9,695,450	15,893,060	13,599,500	2,648,400	1,789,550	2,170,500	1,788,100
	500's		1000's		5000's		1920 Total Amounts		1919 Total Amounts	
F. R. Bank of	Rec'd from	Ret'd to	Rec'd from	Ret'd to	Rec'd from	Ret'd to	Rec'd from	Ret'd to	Rec'd from	Ret'd to
Boston.....	\$ 500	\$ 500	\$ 3,000				\$1,466,560	\$ 589,300	\$ 494,200	\$ 356,800
New York.....	28,000	50,000	118,000	\$126,000			7,266,650	4,423,550	3,581,350	3,092,900
Philadelphia.....	3,000	1,500	15,000	4,000			1,626,800	738,950	548,000	509,000
Cleveland.....	3,500	2,500	4,000	8,000			1,695,750	1,392,950	606,700	811,300
Richmond.....	2,500	2,000	28,000				3,061,000	768,650	734,750	595,700
Atlanta.....	19,000	4,000	28,000	20,000			5,290,250	4,670,500	3,857,150	2,824,450
Chicago.....	8,000	22,500	5,000	44,000		\$10,000	3,847,000	4,431,750	3,229,500	2,112,950
St. Louis.....	21,500	5,000	38,000	36,000		5,000	8,272,822	4,558,650	5,458,235	2,738,850
Minneapolis.....	1,500	500	2,000	6,000			404,500	590,900	339,900	415,350
Kansas City.....	18,000	16,500	16,000	12,000			6,974,350	6,007,200	3,945,150	2,973,800
San Francisco.....	12,500	19,500	50,000	44,000			4,299,205	4,610,350	1,971,060	1,742,500
Total.....	118,000	124,500	307,000	305,000	None	15,000	44,204,887	32,782,750	24,765,095	18,173,600

SCHEDULE 27

Federal Reserve Agent's statement of Federal Reserve notes on hand, outstanding, received from Comptroller of the Currency, canceled, and coverage of total issue, as of December 31, 1920.

Resources

Federal Reserve notes on hand.....	\$ 14,130,000.00
Federal Reserve notes outstanding.....	84,753,545.00
Federal Reserve notes sent to Comptroller of the Currency for destruction.....	98,076,455.00
Eligible paper held as security for outstanding Federal Reserve notes.....	70,943,294.51
Gold and gold certificates on hand.....	6,331,000.00
Credit balance in gold redemption fund.....	5,919,060.00
Credit balance with Federal Reserve Board.....	14,234,000.00
	\$294,387,354.51

Liabilities

Federal Reserve notes received from Comptroller of Currency—gross amount.....	\$196,960,000.00
Collateral pledged against outstanding Federal Reserve notes:	
Gold and gold certificates.....	26,484,060.00
Eligible paper.....	70,943,294.51
	\$294,387,354.51

SCHEDULE 28

COMBINED STATEMENT OF CONDITION OF NATIONAL BANKS ELEVENTH FEDERAL RESERVE DISTRICT

(In thousands of dollars)

	Number of banks 642 Feb. 28, 1920	Number of banks 648 May 4, 1920	Number of banks 651 June 30, 1920	Number of banks 658 Sept. 8, 1920	Number of banks 660 Nov. 15, 1920
Resources:					
Loans and Discounts.....	\$ 586,171	\$ 594,623	\$574,622	\$570,130	\$566,449
U. S. Government					
Securities.....	147,831	132,040	119,359	114,664	113,059
Other Bonds.....	20,526	20,239	15,369	17,176	19,055
All other resources.....	307,723	270,330	241,798	253,691	283,352
Total.....	\$1,062,251	\$1,017,232	\$951,148	\$955,661	\$956,915
Liabilities:					
Capital stock.....	\$ 67,641	\$ 69,090	\$ 70,653	\$ 71,631	\$ 71,991
Surplus.....	40,230	40,832	43,010	43,422	43,961
Undivided profits.....	17,250	20,628	18,158	20,057	22,190
Individual deposits.....	666,273	646,738	606,774	591,958	590,811
Due to banks.....	210,354	109,560	89,867	98,448	96,978
All other liabilities.....	60,503	130,384	122,686	130,145	130,984
Total.....	\$1,062,251	\$1,017,232	\$951,148	\$955,661	\$956,915

SCHEDULE 29

LIST OF BANKS IN ELEVENTH FEDERAL RESERVE DISTRICT
WHICH HAVE BEEN GRANTED PERMISSION TO ACT
IN FIDUCIARY CAPACITIES.

		Date Granted
Abilene, Texas	Citizens National Bank	July 13, 1915
Albuquerque, New Mex.	State National Bank	December 30, 1915
Amarillo, Texas	First National Bank	June 10, 1918
Austin, Texas	American National Bank	December 11, 1916
Beaumont, Texas	First National Bank	April 5, 1916
Bonham, Texas	First National Bank	May 4, 1915
Brownwood, Texas	Citizens National Bank	July 31, 1919
Carlsbad, New Mexico	First National Bank	October 6, 1917
Colorado, Texas	City National Bank	April 27, 1915
Corsicana, Texas	Corsicana National Bank	August 8, 1916
Dallas, Texas	American Exch. Natl. Bank	January 15, 1920
Dallas, Texas	City National Bank	March 22, 1919
Dallas, Texas	Dallas National Bank	October 6, 1920
Dallas, Texas	National Bank of Commerce	April 27, 1915
Denison, Texas	State National Bank	July 31, 1919
El Paso, Texas	City National Bank	October 9, 1919
El Paso, Texas	First National Bank	January 9, 1920
Fort Worth, Texas	Far. & Mer. Natl. Bank	January 27, 1920
Fort Worth, Texas	Fort Worth Natl. Bank	April 22, 1918
Fort Worth, Texas	First National Bank	August 24, 1915
Fort Worth, Texas	Stockyards National Bank	April 27, 1915
Galveston, Texas	First National Bank	November 29, 1915
Granger, Texas	First National Bank	May 8, 1915
Greenville, Texas	Greenville Natl. Exch. Bank	April 27, 1915
Houston, Texas	National Bank of Commerce	July 16, 1919
Marshall, Texas	First National Bank	September 10, 1915
Marshall, Texas	Marshall National Bank	October 19, 1915
McKinney, Texas	First National Bank	April 22, 1915
Nogales, Arizona	First National Bank	October 24, 1919
Orange, Texas	First National Bank	October 24, 1919
Palestine, Texas	Royall National Bank	December 26, 1917
Port Arthur, Texas	First National Bank	July 19, 1915
Roswell, New Mexico	Citizens National Bank	March 7, 1917
Roswell, New Mexico	First National Bank	April 1, 1918
San Angelo, Texas	San Angelo Natl. Bank	October 29, 1917
San Angelo, Texas	Central National Bank	July 20, 1916
San Angelo, Texas	First National Bank	March 25, 1919
San Antonio, Texas	Lockwood National Bank	December 3, 1919
San Antonio, Texas	National Bank of Commerce	March 30, 1920
Sealy, Texas	Sealy National Bank	July 19, 1915
Sherman, Texas	Commercial National Bank	December 4, 1918
Sherman, Texas	M. & P. National Bank	March 30, 1920
Shreveport, Louisiana	Commercial National Bank	June 15, 1917
Shreveport, Louisiana	First National Bank	February 21, 1916
Silver City, New Mexico	Silver City Natl. Bank	August 13, 1919
Stanton, Texas	First National Bank	April 27, 1915
Texarkana, Texas	Texarkana Natl. Bank	July 16, 1919
Troup, Texas	First National Bank	April 5, 1916
Tucson, Arizona	Consolidated National Bank	July 30, 1915
Tucson, Arizona	Arizona National Bank	June 11, 1919
Tyler, Texas	Citizens National Bank	August 21, 1916
Victoria, Texas	Victoria National Bank	October 20, 1916
Waco, Texas	First National Bank	July 16, 1919
Waxahachie, Texas	Citizens National Bank	October 6, 1920
Wichita Falls, Texas	City National Bank	March 22, 1919
Wichita Falls, Texas	First National Bank	May 14, 1919

SCHEDULE 30

BANKS AUTHORIZED TO ACCEPT UP TO 100 PER CENT OF
THEIR CAPITAL AND SURPLUS

Location	Name of Bank	Authority Granted
Austin, Texas.....	American National Bank.....	August 27, 1918
Brownwood, Texas.....	Brownwood National Bank.....	June 11, 1919
Dallas, Texas.....	American Exch. Natl. Bank.....	September 6, 1916
Dallas, Texas.....	City National Bank.....	September 25, 1917
Dallas, Texas.....	Dallas National Bank.....	August 26, 1920
El Paso, Texas.....	First National Bank.....	January 9, 1920
Fort Worth, Texas.....	Far. & Mec. Natl. Bank.....	June 22, 1920
Fort Worth, Texas.....	Fort Worth National Bank.....	July 30, 1918
Fort Worth, Texas.....	National Bank of Commerce.....	October 15, 1919
Fort Worth, Texas.....	Stockyards National Bank.....	October 7, 1919
Gainesville, Texas.....	First National Bank.....	October 29, 1919
Hillsboro, Texas.....	Citizens National Bank.....	May 13, 1919
Honey Grove, Texas.....	State National Bank.....	October 15, 1918
Houston, Texas.....	First National Bank.....	December 16, 1918
Houston, Texas.....	Houston Natl. Exch. Bank.....	August 20, 1918
Houston, Texas.....	Lumberman's National Bank.....	August 12, 1919
Houston, Texas.....	National Bank of Commerce.....	Aug 21, 1919
Houston, Texas.....	South Tex. Com. Natl. Bank.....	August 14, 1916
Houston, Texas.....	Union National Bank.....	April 12, 1918
Navasota, Texas.....	First National Bank.....	August 9, 1918
Nogales, Arizona.....	First National Bank.....	September 17, 1918
Paris, Texas.....	Lamar State Bank & Tr. Co.....	July 22, 1919
San Angelo, Texas.....	First National Bank.....	August 14, 1919
Sherman, Texas.....	Commercial National Bank.....	July 13, 1920
Terrell, Texas.....	American National Bank.....	June 5, 1918
Terrell, Texas.....	First National Bank.....	May 3, 1918
Waco, Texas.....	First National Bank.....	July 22, 1919
Waxahachie, Texas.....	Waxahachie Natl. Bank.....	October 16, 1910

SCHEDULE 31

NUMBER OF EMPLOYEES
(INCLUDING THE EL PASO AND HOUSTON BRANCHES)
DECEMBER 31, 1920

Department	Male	Female	Total
Auditing (Bank).....	15	3	18
Auditing (Fiscal Agency).....	5	2	7
Bookkeeping.....	18	4	22
Cash.....	9	15	24
Credit.....	12	2	14
Federal Reserve Agent's.....	6	4	10
Fiscal Agency.....	39	39	78
Loan and Discount.....	18	3	21
Mailing.....	15		15
Member Bank Relations.....	4	2	6
Office Service.....	63	18	81
Secretaries and Stenographers to Senior Officers.....	1	3	4
Transit.....	114	38	152
Trust.....	3	5	8
El Paso Branch Bank.....	29	23	52
Auditing.....	4	1	5
Houston Branch Bank.....	41	26	67
Auditing.....	4	2	6
Officers.....	23		23
Total	423	190	613

SCHEDULE 32

UNITED STATES TREASURY CERTIFICATES OF
INDEBTEDNESS

SUBSCRIPTIONS ALLOTTED

Date of Issue	Date of Maturity	Series	Rate	Allotment	No. of Subscribers
Jan. 2, 1920	Dec. 15, 1920	TD 1920	4¾%	\$ 8,506,500	378
Feb. 2, 1920	Mch. 15, 1920	TM4 1920	4½%	14,868,500	317
Mch. 15, 1920	Mch. 15, 1921	TM 1921	4¾%	4,719,500	390
Apr. 1, 1920	July 1, 1920	E 1920	4¾%	4,986,000	247
Apr. 15, 1920	July 15, 1920	F 1920	5 %	3,092,000	122
Apr. 15, 1920	Oct. 15, 1920	G 1920	5¼%	1,836,000	200
May 17, 1920	Nov. 15, 1920	H 1920	5½%	2,014,500	130
June 15, 1920	Jan. 3, 1921	A 1921	5¾%	2,567,000	151
June 15, 1920	June 15, 1921	TJ 1921	6 %	4,000,500	284
July 15, 1920	Jan. 15, 1921	B 1921	5¾%	1,192,500	145
July 15, 1920	Mch. 15, 1921	TM2 1921	5¾%	495,000	108
Aug. 16, 1920	Aug. 16, 1921	C 1921	6 %	2,544,000	262
Sept. 15, 1920	Sept. 15, 1921	TS 1921	6 %	2,692,500	236
Sept. 15, 1920	Mch. 15, 1921	TM3 1921	5¾%	1,945,000	102
Oct. 15, 1920	Mch. 15, 1921	TM4 1921	5¾%	3,008,500	252
Nov. 15, 1920	May 16, 1921	D 1921	5¾%	3,492,000	250
Dec. 15, 1920	June 16, 1921	TJ2 1921	5¾%	1,426,000	150
Dec. 15, 1920	Dec. 15, 1921	TD 1921	6 %	3,606,500	374
Total.....				\$66,992,500	4098

METHOD OF PAYMENT

Credit in War Loan Deposit Account.....	\$42,350,697.50
Cash.....	20,004,802.50
Other Issues of Certs. of Ind. Exchanged.....	4,634,000.00
War Finance Corporation Gold Bonds-Exchanged.....	3,000.00
Total	\$66,992,500.00

REDEMPTIONS

United States Treasury Certs. of Ind.....	\$133,619,500
Special One-day Certificates.....	176,000,000
War Finance Corporation Gold Bonds.....	830,000
Total	\$310,449,500

SCHEDULE 33

DEPOSITARY BANKS—DULY QUALIFIED AND DESIGNATED

Balance on deposit, January 1st, 1920.....\$37,330,139.94

Amount of Deposits made on Account of Payments of
Certificates of Indebtedness by Credit in War Loan

Deposit Account, Viz:

January	\$ 5,228,000.00
February	11,253,697.50
March	1,827,000.00
April	7,253,000.00
May	1,359,500.00
June	3,728,500.00
July	710,500.00
August	1,436,500.00
September	2,420,500.00
October	1,686,000.00
November	2,377,000.00
December	3,028,000.00

Total Deposits \$42,308,197.50 | \$42,308,197.50 |Grand Total | \$79,638,337.44 |

Amount Withdrawn from Depositaries for the Year:

January	\$38,735,860.09
February	12,360,989.95
March	3,844,362.40
April	4,716,375.00
May	3,023,083.60
June	1,942,516.40
July	3,492,455.00
August	524,381.08
September	1,719,416.42
October	2,378,997.50
November	3,204,400.00
December	1,742,458.00

Total Withdrawals \$77,685,295.44 | \$77,685,295.44 |

Balance on Deposit, December 31, 1920.....\$ 1,953,042.00

Total number of qualified depositaries at close of business, 1919..... 751

Number of banks qualifying, 1920 | 9 |Number of banks increasing designation | 9 |Number of banks cancelling designation | 20 |

Number of qualified depositaries at close of business, 1920..... 740

SCHEDULE 34

**COLLATERAL PLEDGED TO SECURE U. S. DEPOSITS WITH
DESIGNATED DEPOSITARIES IN WAR LOAN
DEPOSIT ACCOUNT**

Collateral held January 1, 1920.....		\$ 62,306,083.06
January	\$ 7,977,700.00	
February	8,913,175.00	
March	5,266,511.45	
April	5,912,900.00	
May	630,950.00	
June	4,571,350.00	
July	569,250.00	
August	1,843,800.00	
September	4,455,793.23	
October	5,519,011.80	
November	1,835,246.41	
December	3,631,981.38	
Total collateral pledged.....	\$ 51,127,669.27	\$ 51,127,669.27
Grand Total		\$113,433,752.33
Collateral Withdrawn:		
January	\$ 43,241,070.61	
February	11,079,952.54	
March	16,135,466.21	
April	6,219,830.15	
May	5,065,850.00	
June	6,071,300.00	
July	2,826,750.00	
August	2,485,950.00	
September	3,694,456.00	
October	4,021,344.73	
November	3,668,373.80	
December	4,366,041.41	
Total collateral withdrawn	\$108,876,385.45	\$108,876,385.45
Balance held December 31, 1920.....		\$ 4,557,366.88

SCHEDULE 35

**AMOUNT OF SECURITIES PLEDGED AGAINST WAR LOAN
DEPOSIT ACCOUNT AT THE END OF EACH MONTH**

January	\$27,042,712.45
February	24,875,934.91
March	14,006,980.15
April	13,700,050.00
May	9,265,150.00
June	7,765,200.00
July	5,507,700.00
August	4,867,550.00
September	5,628,887.23
October	7,124,554.30
November	5,291,426.91
December	4,557,366.88

SCHEDULE 36

CONVERSIONS, EXCHANGES, INTERCHANGES AND TRANSFERS OF LIBERTY BONDS AND VICTORY NOTES

Temporary-Permanent Coupon Bond Exchanges

Issue	Temporary Bonds Surrendered		Permanent Bonds Requested		Permanent Bonds Delivered	
	No. Pieces	Amount	No. Pieces	Amount	No. Pieces	Amount
First 4's	223	\$ 26,250	223	\$ 26,250	223	\$ 26,250
First 4 $\frac{1}{4}$'s	11338	2,419,100	9668	2,419,100	9642	2,400,900
First-2nd 4 $\frac{1}{4}$'s	7	2,350	7	2,350	7	2,350
Second 4's	1101	163,250	1023	163,250	1023	163,250
Second 4 $\frac{1}{4}$'s	60757	18,663,950	50376	18,663,950	50269	18,562,700
Third 4 $\frac{1}{4}$'s	272358	42,400,000	224524	42,400,000	224069	42,356,600
Fourth 4 $\frac{1}{4}$'s	8300	924,500	6981	924,500	None	-----
Total	354084	\$64,599,400	292802	\$64,599,400	285233	\$63,512,050

SCHEDULE 37

CONSIGNMENT TRANSACTIONS

	Returned			Outstanding Consignments
	Delivered	Temporary	Permanent	
First 4 $\frac{1}{4}$'s	\$ 130,300	\$ 86,600	\$ 12,350	\$ 31,350
Second 4 $\frac{1}{4}$'s	727,700	670,900	31,200	25,600
Third 4 $\frac{1}{4}$'s	2,891,400	2,717,300	123,900	50,200
Total Del's	\$3,749,400	\$3,474,800	\$167,450	
		167,450		
Returns	3,642,250	3,642,250		
Bal. Outstanding	\$ 107,150			\$107,150

SCHEDULE 38

CONVERSIONS

First 4's.....	\$ 2,028,950
Second 4's.....	11,198,050
Victory 3 $\frac{3}{4}$'s.....	22,050
Victory 4 $\frac{1}{4}$'s.....	10,050
Total	\$13,261,100

	Denominational Interchanges	Transfers
	Coupon for Coupon	Registered for Registered
First 3 $\frac{1}{2}$'s	\$ 142,200	\$ 38,000
First 4's	13,500	1,000
First 4 $\frac{1}{4}$'s	59,450	37,400
Second 4's	55,650	7,450
Second 4 $\frac{1}{4}$'s	1,525,650	182,700
Third 4 $\frac{1}{4}$'s	1,548,500	120,350
Fourth 4 $\frac{1}{4}$'s	2,043,200	243,850
Victory 3 $\frac{3}{4}$'s	184,500	10,000
Victory 4 $\frac{1}{4}$'s	1,723,850	87,900
Total	\$7,296,500	\$728,650

Federal Reserve Bank of Dallas

SCHEDULE 39

EXCHANGE TRANSACTIONS

	Registered for Coupons	Coupons for Registered
First 3½'s	\$ 681,800	\$219,350
First 4's	1,700	1,250
First 4¼'s	67,200	145,000
Second 4's	59,400	15,600
Second 4¼'s	424,250	1,013,900
Third 4¼'s	470,450	1,565,900
Fourth 4¼'s	748,400	1,589,050
Victory 3¾'s	51,700	10,100
Victory 4¾'s	287,650	774,750
Total	\$2,792,550	\$5,334,900

SCHEDULE 40

RECAPITULATION

Conversions		\$13,261,100
Denominational Coupon Interchanges		7,296,500
Transfers		728,650
Exchanges) Registered for Coupons	\$2,792,550	
) Coupons for Registered	5,334,900	
) Total	\$8,127,450	8,127,450
Grand Total		\$29,413,700

SCHEDULE 41

UNITED STATES SECURITIES PURCHASED AND RESOLD

Certificates of Indebtedness		\$7,821,000
Liberty Bonds and Victory Notes as follows:		
Issue	Sold	Purchased
First 3½'s	\$ 250	
Second 4's	1,100	
Second 4¼'s	12,900	\$ 3,000
Third 4¼'s	9,250	30,000
Fourth 4¼'s	9,950	1,400
Victory 3¾'s	50	
Victory 4¾'s	29,150	20,550
Total	\$62,650	\$54,950

SCHEDULE 42
SHIPMENT OF SECURITIES

Month	Number of Shipments	Amount
January	1226	\$18,764,037.59
February	911	11,999,591.03
March	1982	78,734,414.35
April	2381	42,474,816.10
May	5000	33,737,267.83
June	5511	69,569,786.60
July	3193	20,995,473.63
August	2885	16,877,789.89
September	2618	22,061,025.60
October	2981	14,471,511.71
November	2761	16,164,941.59
December	2333	24,362,575.89
Total	33782	\$370,213,231.81
Monthly Average.....	2815	\$ 30,851,102

SCHEDULE 43
MAIL HANDLED

Month	Incoming (No. of pieces)	Outgoing (No. of pieces)	
January	9,832	20,411	
February	8,747	15,266	
March	24,013	11,859	
April	11,922	16,346	
May	12,785	18,328	
June	15,277	38,741	
July	20,738	29,626	
August	15,412	20,127	
September	12,497	24,490	
October	10,992	21,853	
November	9,596	20,277	
December	10,882	28,684	
Total	139,657	255,893	
Total (Incoming and Outgoing			
Monthly Average....	11,638	21,324	32,962

SCHEDULE 44

INTEREST COUPONS AND GOVERNMENT WARRANTS PAID

Months	Interest Coupons		Government Warrants	
	No. of Pieces	Amount	No. of Pieces	Amount
January	155,014	\$ 540,843.28	22,248	\$ 4,298,487.44
February	85,872	228,247.75	21,691	4,446,383.27
March	229,200	1,113,852.45	25,415	10,072,170.67
April	224,086	778,161.64	23,755	4,963,646.35
May	155,705	553,689.48	23,178	2,822,899.22
June	227,750	1,348,744.70	24,012	3,404,976.82
July	92,863	294,968.12	22,269	4,514,064.97
August	65,710	167,207.73	24,833	4,038,284.91
September	113,131	629,738.33	24,303	3,630,871.78
October	191,049	736,898.19	26,507	2,994,001.28
November	144,108	549,690.59	28,216	3,662,126.92
December	250,724	1,239,423.17	28,338	3,689,739.42
Total	1,935,212	\$8,136,465.43	294,765	\$52,537,653.05
Average per month	161,268	\$ 678,038.79	24,564	\$ 4,378,137.75

SCHEDULE 45
WAR SAVINGS SECURITIES
Sales Redemptions

	Thrift Stamps		War Savings Stamps		Treasury Savings Certificates		War Savings Certificates Redeemed for Postmasters
	Sales	Redemptions	Sales	Redemptions	Sales	Redemptions	
January.....	\$1,083.75	\$6,937.50	\$46,980.36	\$118,376.71	\$93,524.00	\$185,987.20	\$38,492.32
February.....	219.75	725.75	6,748.42	5,620.83	36,013.60	190,324.00	45,082.14
March.....	194.75	25.50	8,859.60	1,608.10	38,584.80	41,389.80	71,635.15
April.....	214.00	975.75	2,925.75	1,912.92	22,493.00	3,611.00	175,148.41
May.....	33.00	56.50	3,140.80	3,354.69	22,713.60	None	184,366.26
June.....	28.50	144.25	1,146.75	17.60	11,759.40	21,748.00	149,327.72
July.....	15.75	None	852.72	17.64	5,768.40	None	160,979.50
August.....	14.00	187.50	1,571.25	None	8,799.00	1,676.00	131,455.09
September.....	38.25	1,852.00	756.00	1,517.52	15,624.00	2,933.00	155,460.35
October.....	236.75	56.75	2,260.77	248.71	6,146.60	2,522.00	166,057.60
November.....	7.50	1.00	839.78	870.70	13,335.20	None	204,439.79
December.....	None	31.25	909.45	1,070.19	25,887.60	846.00	289,604.73
Total.....	\$2,086.00	\$10,993.75	\$76,991.65	\$134,615.61	\$300,649.20	\$451,037.00	\$1,772,049.06

SCHEDULE 46

CURRENCY RECEIPTS FROM AND SHIPMENTS TO MEMBER AND NON-MEMBER BANKS, BY MONTHS, DURING 1920, COMPARED WITH 1919.

	Receipts		Shipments		Total Receipts		Total Shipments	
	From Member Banks	From Non-mbr. Banks	To Member Banks	To Non-mbr. Banks	1920	1919	1920	1919
January.....	\$ 9,735,084.00	\$1,470,896.45	\$6,595,675.00	\$413,275.00	\$11,205,980.45	\$11,650,883.00	\$ 7,008,950.00	2,197,268.00
February.....	5,832,196.00	923,356.75	8,540,781.00	342,605.00	6,755,552.75	6,876,183.00	8,883,386.00	3,556,432.00
March.....	10,218,643.50	715,465.75	9,996,379.00	62,600.00	10,934,109.25	5,343,083.00	10,058,979.00	4,712,700.00
April.....	11,221,713.00	632,802.05	9,101,977.00	270,350.00	11,854,515.05	5,482,689.00	9,372,327.00	4,343,472.00
May.....	11,730,284.73	395,242.18	8,420,620.00	197,250.00	12,125,526.91	4,975,116.00	8,617,870.00	4,581,155.00
June.....	10,667,807.50	245,804.58	9,671,068.89	139,650.00	10,913,612.08	3,578,568.00	9,810,718.89	7,182,435.00
July.....	12,595,578.00	226,022.19	9,082,986.00	507,930.00	12,821,600.19	5,952,929.00	9,590,916.00	6,505,384.00
August.....	12,140,011.78	254,616.59	11,763,510.00	803,600.00	12,394,628.37	4,775,854.00	12,567,110.00	7,147,391.00
September.....	11,460,618.50	263,322.89	16,520,921.00	979,355.00	11,723,941.39	4,933,440.00	17,500,276.00	14,096,340.00
October.....	15,563,807.65	595,048.30	13,019,977.00	796,040.00	16,158,855.95	6,327,253.00	13,816,017.00	14,804,005.00
November.....	21,229,742.96	391,538.99	7,623,817.00	669,730.00	21,621,281.95	5,116,973.00	8,293,547.00	13,470,784.00
December.....	20,301,219.00	570,695.56	10,613,106.00	608,044.00	20,871,914.56	10,715,869.00	11,221,150.00	12,214,053.00
Totals: 1920....	152,696,706.62	6,684,812.28	120,950,817.89	5,790,429.00	159,381,518.90		126,741,246.89	
1919....	72,517,591.00	3,211,249.00	90,265,516.00	4,545,903.00		75,728,840.00		94,811,419.00

INDEX

	Page
Financial results of operation	6
Earnings, expenses, dividends, etc	6-7
Comparative balance sheets	7
Comparative statement of earnings and expenses	7
Disposition of income	7
Discount operations	7-8
Rediscounts	8
Holdings of discounted and purchased paper	8
Trade acceptances	9
Bankers' acceptances	10
Reserve position	10
Clearing operations	11-14
Direct routing	11-12
Station "K"	12
Intra and inter-district time schedules	12-13
Collections	13
Movement of membership	14
National banks	14
State banks	14
Capital stock account	14
Note issues	15
Federal Reserve notes	15
Federal Reserve Bank notes	15
Relations with member banks—National and State	15-16
Fiduciary powers to national banks	16
Banks authorized to accept up to 100 per cent.	16-17
Member Bank Relations Department	17-18
State bank memberships	18-19
Bank examinations	19
Banking quarters	19-20
Internal organization and personnel	20-23
Fiscal Agency Department	23-24
U. S. Treasury Certificates of Indebtedness	24
Sales and purchases of Liberty bonds	24-25
Exchanges, conversions and transfers	25
Sale of War Savings Securities	25-26
Coupons and warrants paid	26
Shipments of securities	26
Securities on hand	26
Branches	26-36
Operations of El Paso Branch	26-31
Operations of Houston Branch	31-36
General business and banking conditions	36-39

EXHIBITS

A. Movement of principal asset and liability items during calendar year	40-41
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CHARTS

Movement of earning assets during 1920	42
Net deposit liability, F. R. note circulation, cash reserves, and reserve ratios 1920	43
Federal Reserve Notes outstanding in 1919 and 1920	44

SCHEDULES

1. Comparative statement of resources and liabilities	45
2. Comparative statement of earnings and expenses	46

INDEX—Continued

	Page
3. Disposition of income for calendar year.....	47
4. Volume of paper discounted and bought by months, during 1920, etc.	48
5. Volume of paper rediscounted and bought in 1920 and 1919.....	49
6. Number and amount of offerings handled by Credit Department	49
7. Rediscounts for 1920, by months, and distribution, by states.....	49
8. Discount rates for 1920.....	50
9. Classification, by maturities, of bills discounted and bought.....	50
10. Classification of trade acceptances.....	50
11. Classification of bill of lading drafts.....	51
12. Statement of bankers' acceptances—rates and time.....	51
13. Operations in United States bonds and securities.....	51
14. Member bank collateral notes.....	52
15. Earnings from loans and investments, 1920-1919.....	53
16. Number and amount of checks handled in Transit Department	54
17. Number and amount of transfers bought by wire and mail.....	55
18. Number and amount of wire transfers sold.....	55
19. New National banks 1920.....	56
20. National banks liquidated during 1920.....	56
21. Total State bank membership.....	57-60
22. Member banks by states.....	60
23. Recapitulation of capital stock account.....	61
24. Federal Reserve notes received, issued, and redeemed during 1920	62
25. Federal Reserve notes received, issued, and redeemed since organization.....	63
26. Interdistrict movement of Federal Reserve notes.....	64
27. Statement of Federal Reserve Agent's account, December 31, 1920.....	65
28. Combined statement of condition of national banks.....	65
29. List of banks granted fiduciary powers.....	66
30. Banks authorized to accept up to 100 per cent.....	67
31. Number of employes (including both branches) by departments	67
32. Treasury certificates of indebtedness subscriptions.....	68
33. Depository banks—duly qualified and designated.....	69
34. Collateral pledged to secure U. S. deposits.....	70
35. Amount of securities pledged against war loan deposits, end of each month.....	70
36. Conversions, exchanges, interchanges, etc.....	71
37. Consignment transactions.....	71
38. Conversions.....	71
39. Exchange transactions.....	72
40. Recapitulation.....	72
41. U. S. Securities purchased and resold.....	72
42. Shipment of securities.....	73
43. Mail handled, by months.....	73
44. Interest coupons and government warrants paid.....	74
45. Sales and redemptions of Thrift Stamps, War Savings Stamps, Treasury Savings Certificates, etc.....	75
46. Intra district movement of currency for years 1920 and 1919.....	76

