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## Federal Farm Mortgage Corporation

15. Selected income and expense items and ratios years ended December 31, 1940, and June 30, 1944 and 1948 through 195330

Expense data for the fiscal year 1953 and comparisons with other years

Expenses of the Farm Credit Administration for the fiscal year 1953 represent expenses applicable to employees in Washington, to employees in the district offices of the registrars and resident examiners, to chief reviewing appraisers, and to field examiners. Other employees of the chief reviewing appraisers' offices who previously had been on the payroll of the Farm Credit Administration were transferred to the payrolls of the Federal land banks effective July 1, 1951.

Section 601 of the Department of Agriculture Organic Act of 1944 directs the Farm Credit Administration to estimate and
apportion equitably its expenses for the ensuing fiscal year to the institutions comprising the Farm Credit system, to assess in advance the amounts so apportioned, and at the end of the year to allocate its actual expenses equitably and make necessary adjustments for the difference between the advance assesiments and the allocations of actual expenses.

Tables 1 through 5 show pertinent information concerning the expenses of the Farm Credit Administration and the allocations of these expenses to the Farm Credit institutions and to appropriations from the U. S. Treasury.

Table 1 - Actual expenses by object classification fiscal year 1953

Actual expenses of the Farm Credit Administration (net of reimbursements from other agencies) totaled $\$ 2,535,920$ in 1953. Salaries of $\$ 2,201,304$ accounted for 87 percent of the total expenses, travel expenses 9 percent, and all other costs 4 percent.

| Ob ject | Amount |
| :---: | :---: |
| Salaries........................................... | \$2,201,304 |
| Travel..... | 226,337 |
| Transportation of things...................... | 2,958 |
| Comanication serpices....................... | 17,032 |
| Rents and utility services | 10,811 |
| Printing and reproduction. | 49,261 |
| Other contractual servioes | 7.773 |
| Supplies and materials......................... | 15,226 |
| Equi prent. . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | 3,665 |
| Refunds, awards, and indemitiles............ | - |
| Taxes and assessments.......................... | 1.553 |
| Total expenses............................ | 2,535,920 |

Table 2 - Comparison of actual man-years and expenses, fiscal years 1940 and 1953

Actual man-years (average number of employees) and expenses of the Farm Credit Administration decreased substantially during the period 1940-53. Data used for 1940 exclude man-years and expenses applicable to functions in that year not performed by the Farm Credit Administration in 1953, except that employees of the chief reviewing appraisers' offices and their expenses have not been eliminated from 1940 data. These employees were transferred from the payroll of the Farm Credit Administration to the payrolls of the Federal land banks effective July l, 1951. The functions performed in 1953 required 373 employees and cost $\$ 2,535,920$, whereas the same functions in 1940, with the exception above noted, required 1,308 employees and cost $\$ 4,018,500$-- a reduction of 71 percent in personnel and 37 percent in expenses. All divisions showed reductions in persomel. Expenses did not decrease in proportion to personnel strength, primarily for two reasons:
(1) with the reduction in personnel the proportion of employ ees in the higher grade jobs increased due to the nature of the supervisory and examination activities, and (2) the salaries of employees retained were increased by statutory pay raises and within grade increases required by law.

| Division or office | 1940 a/ |  | 1953 |  |
| :---: | :---: | :---: | :---: | :---: |
|  | $\begin{aligned} & \text { Man- } \\ & \text { years } \end{aligned}$ | Expenses | Manyears | Expenses |
| Salaries and travel: |  |  |  |  |
| Governor's office. | 18 | \$85,900 | 15 | \$121,091 |
| Land Bank Division b/........ | 146 | 596,200 | 34 | 304,590 |
| Intermediste Credit ${ }^{\text {Division. }}$ | 11 | 57,200 | 6 | 45.323 |
| Production Credit Division... | 26 | 127.500 | 11 | 89.561 |
| Cooperative Division.......... | 20 | 84,800 | - | 64,983 |
| Cooperative. Research and Service Division............ | 85 | 305,000 | 46 | 300,148 |
| Exanination Division b/...... | 196 | 777,600 | 98 | 714,525 |
| Finance and dooounts D1vision b/ | 324 | 739,900 | 78 | 428,295 |
| Adninistrative Division....... | 366 | 661,000 | 48 | 185,224 |
| Personnel Division............ | 49 | 121,800 | 9 | 54,457 |
| Bconomic and Credit Analysis D171sion. | 37 | 106,700 | 11 | 65,923 |
| Information and Extension D1vision. | 30 | 94,700 | 9 | 53.521 |
| Total salaries and travel. | 1,308 | 3,758,300 | 373 | 2,427,641 |
| Qeneral adainistrative expenses <br> (all other) <br> ....................... |  | 260,200 |  | 108,279 |
| Total expenses........... |  | 4,018,500 |  | 2,535,920 |

a/ Adjusted for comparabillty with 1953. except that employees of ohief - reviewing appraisers' offices and their expenses have not been -lininated from Land Bank D1vision.
b/Inoludes fleld enployees:
Land Bank Division..........
Examination Division....... Pinance and Acoounts
D171sion.....................


612,500
. 500 194,400

Total..................... $\qquad$

| 1953 |  |
| :---: | ---: |
| 11 | 1126,676 |
| 82 | 618,377 |
| 28 | 161,398 |
| 121 | 906,451 |

Table 3 - Authorized funds, actual expenses, and unexpended assessments or savings, by activity and source of funds, fiscal year 1953

Authorized funds of the Farm Credit Administration (administrative expense funds authorized by Congress) for the fiscal year 1953 totaled $\$ 2,751,171$. Assessments from Farm Credit institutions to cover supervision and examination of, and facilities and services to, these institutions represented $\$ 2,321,451$ of this amount, and appropriations from the U. S. Treasury for research and technical assistance, including facilities and services, to farmers' cooperatives represented $\$ 429,720$.

Actual expenses of the Farm Credit Administration totaled $\$ 2,535,920$, of which $\$ 731,598$ represented expenses applicable to examinations of Farm Credit institutions and $\$ 1,804,322$ all other expenses (expenses of supervising and furnishing facilities and services to Farm Credit institutions and providing research and technical assistance to farmer cooperatives). The allocation of examination expense to sources of funds was estimated by the chief examiner and will be revised to reflect the actual distribution based on examiners' time reports for 1953 when such reports are available. Examination expense
applicable to the district offices of the Federal Farm Mortgage Corporation is included in the assessments to the Federal land banks and is recovered by the banks through their contracts with the Corporation. The distribution of other expenses was made either directly or on predetermined divisional percentages established by a comprehensive analysis of the activities and expenses of the Farm Credit Administration.

Of the total expenses, 83.5 percent $(\$ 2,117,887)$ was applicable to the advance assessments from the Farm Credit institutions and 16.5 percent $(\$ 418,033)$ to appropriations. This compares with 84 percent allocated to the institutions and 16 percent allocated to appropriated funds in 1952.

Unexpended assessments or savings (difference between authorized funds and actual expenses). totaled \$215,251 in 1953. The unexpended assessments of $\$ 203,564$ will be returned to the Farm Credit institutions and savings of appropriations in the amount of $\$ 11,687$ will be returned to the U.S. Treasury.

## PARM CREDIT ADMINISTRATION

rable 3 - Authorized funds, actual expenses, and unexpended assessment or savings by activity and source of funds fiscal year 1953

| Activity | Authorized funds | Actual expenses |  |  |  |  |  | Unexpended assessments or savings |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Bxamination a/ |  | 111 other |  | Total |  |  |
| Source of Punds |  | Percent | Amount | Percent | Amount | Percent | Amount |  |
| supervision and exarination of and facilities and services to Parm Credit banks and corporations |  |  |  |  |  |  |  |  |
| Assessments from Pari Credit institutions: <br> Pederal land banks. | \$1,152,500 | 53.7 | \$392,800 | 35.3 | \$637,296 | 40.6 | \$1.030,096 | \$122,404 |
| Pederal Para Mortgage Corporation........................... | 92,100 | 0.1 | b/ 400 | 4.4 | 80,427 | 3.2 | 80,827 | 11,273 |
| Pederal internediate credit banks | 367,000 | 11.9 | 87.300 | 13.9 | 250,081 | 13.3 | 337,381 | 29,619 |
| District banks for cooperatives | 226,900 | 7.9 | 58,200 | 8.6 | 155,332 | 8.4 | 213.532 | 13,368 |
| Central Bank for Cooperatives. | 55,100 | 0.5 | 3,800 | 2.7 | 48,405 | 2.1 | 52,205 | 2,895 |
| Production credit corporations | 259,100 | 3.0 | 21,900 | 11.9 | 214,748 | 9.3 | 236,648 | 22,452 |
| Production oredit associations Other............................. | $\begin{array}{r} 167,000 \\ 1,751 \end{array}$ | 21.7 1.2 | $\begin{array}{r} 158.500 \\ 8,698 \end{array}$ | - |  | 6.3 0.3 | 158.500 8.698 | $8,500$ |
| Total assessments for this activity. | 2,321,451 | 100.0 | 731,598 | 76.8 | 1,386,289 | 83.5 | 2,117,887 | 203,564 |
| Researoh and technical assistance, including facilities and service to farmers' cooperatives |  |  |  |  |  |  |  |  |
| Appropriations from J. S. Treasury for this activity.. | 429,720 | - | - | 23.2 | 418,033 | 16.5 | 418.033 | 11,687 |
| Totals................................. . . . . . . . . . . . . . | 2,751,171 | 100.0 | 731,598 | 100.0 | 1,804,322 | 100.0 | 2,535,920 | 215,251 |

a/ Distribution based on estimetes of chief examiner.
 pLB's and are recovered by the banks under their contracts with the pric.
c/ Bxcess over authorization to be recovered through billings.

## FARM CREDIT ADMINISTRATION

Table 4 - Average namber of employees (man-years), average salary, and total expenses a/ fiscal years 1940-1953

Average number of employees (man-years) and total expenses reflect generally a downward trend during the period 1940-1953. Man-years decreased each year and salaries and total expenses decreased in all except 3 years (1947, 1949, and 1950), Average salary cost increased each year beginning in 1942 with the total increase during the period being about 130 percent.

These data represent actual obligations show in the budget
submissions including reimbursements from agencies other than Farm Credit institutions rather than actual expenses net of reimbursements from other agencies as shown in tables 1 through 3 and 5. Data for the years 1940-1952 have been adjusted for comparability with 1953, except that employees of the chief reviewing appraisers' offices and their expenses have not been eliminated.

| Piscal year | Average number of employees (man-years) | Average salary | Expenses |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Salaries | Other | Total |
| 1940.............................. | 1,308 | \$2,582 | \$3,376,259 | \$642,249 | \$4,018,508 |
| 1941.... | 1,271 | 2,546 | 3,236,282 | 629.390 | 3,865,672 |
| 1942... | 1,162 | 2,625 | 3,050,301 | 554,345 | 3,604,646 |
| 1943. ............................ | 1,002 | 2,878 | 2,883,265 | 519,740 | 3,403,005 |
| 1944.. | 806 | 3,324 | 2,679,762 | 397.996 | 3,077.758 |
| 1945. . | 739 | 3.461 | 2,556,053 | 361,169 | 2,917,222 |
| 1946. | 694 | 3.556 | 2,467,640 | 389,443 | 2,857,083 |
| 1947. | 655 | 4,090 | 2,681,076 | 383.434 | 3,064,510 |
| 1948. | 536 | 4,374 | 2,344,490 | 357.449 | 2,701,939 |
| 1949. | 492 | 4,830 | 2,377,164 | 344.895 | 2,722,059 |
| 1950. | 468 | 5.082 | 2,378,544 | 413,839 | 2,792,383 |
| 1951.. | 447 | 5,243 | 2,343,521 | 393,272 | 2,736,793 |
| 1952.. | 391 | 5.847 | 2,286,063 | 365,887 | 2,651,950 |
| 1953............................ | 373 | 5.950 | 2,219,284 | 339,062 | 2,558,346 |

a/ Obligation besis including reimbursements fros agencies other than Parm credit institutions; adjusted for comparability with 1953, except for employees of chiof reviewing appraisers' offices

Table 5 - Supervision and service costs and examination costs allocated to Farm Credit institutions a/, fiscal years 1944-1953

Supervision and service costs and examination costs allocated to Farm Credit institutions in 1953 totaled $\$ 2,117,887$; this compares with $\$ 2,213,960$ in 1952. During the last ten years such costs ranged from a high of $\$ 2,531,200$ in 1944 to a low of $\$ 2,079,404$ in 1948.

| Pisoal year | Detail | Distribution by institutions, showing percent of total |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | PLBs |  | PFMC b/ |  | PICBs |  | DBCs |  | CBC |  | PCCs |  | PCAs |  | OTHER O/ |  | T0TAL |  |
|  |  | Amount | 5 | Amount | 8 | Amount | 8 | Anount | 8 | Amount | 8 | Amount | 8 | Amount | 8 | Arount | 8 | Amount | \% |
| 1944 | Supervision | \$747.216 | 38.0 | \$620.618 | 31.5 | \$197.509 | 10.0 | \$117.039 | 6.0 | \$55,644 | 2.8 | \$229.589 | 11.7 |  |  |  |  | \$1,967,615 | 100 |
|  | Examinatio | 393.137 | 69.8 | 19,677 | 3.5 | 36,813 | 6.5 | 15,060 | 2.7 | 1,201 | 0.2 | 6.872 | 1.2 | \$70,638 | 12.5 | 120,187 | 3.6 | 563.585 | 100. |
|  | Totel. | 1,140,353 | 45.1 | 640,295 | 25.3 | 234.322 | 9.3 | 132,099 | 5.2 | 56,945 | 2.2 | 236,461 | 9.3 | 70,638 | 2.8 | 20,187 | 0.8 | 2,531,200 | 100.0 |
| 1945 | Supervision | 702.293 | 38.8 | 538,745 | 29.7 | 197.738 | 10.9 | 100,941 | 5.6 | 52.588 | 2.9 | 218,649 | 12.1 |  |  |  |  | 1,810,954 | 100.0 |
|  | Exandnation | 382,722 | 66.9 | 35.281 | 6.2 | 39.023 | 6.8 | 20.986 | 3.7 | 1,010 | 0.2 | 7.408 | 1.3 | 72.514 | 12.7 | 12.893 | 2.2 | 571.837 | 100.0 |
| 1946 | Total.. | 1,085,015 | -45.5 | 574,026 | 24.1 | 236,761 | 9.9 | 121,927 | 5.1 | 53.598 | 2.2 | 226,057 | 9.5 | 72,514 | 3.2 | 12.893 | 0.6 | 2,382, 791 | 100.0 |
|  | Supervision | 624,895 328,920 | 36.7 63.9 | 496.549 24.840 | 29.2 4.8 | 222,168 | 13.0 | 99.233 20.432 | 5.8 4.0 | 42,880 | 2.5 0.2 | 218,634 | 12.8 |  |  | 12** 173 | 2.4 | $1,704,359$ <br> 51474 | $100.0$ |
|  | Bramination | 328,920 | 63.9 | 24,840 | 4.8 | 44,566 | 8.7 | 20,432 | 4.0 | 1,277 | 0.2 | 7.385 | 1.4 | 75.154 | 14.6 | 12.173 | 2.4 | $514.747$ | $100.0$ |
| 1947 | Total.... | $\frac{953.815}{665.781}$ | 42.9 | 521.389 | 23.5 | 266,734 | 12.0 | 119,665 | 5.4 | 44, 157 | 2.0 | 226,019 | 10.2 | 75, 154 | 3.4 | 12,173 | 0.6 | 2,219,106 | 100.0 |
|  | Supervision.. | 665.781 | 38.4 | $476,762$ | 27.5 | $226.533$ | $13.1$ | 105,018 | 6.0 | 41,084 | 2.4 | 219,351 | 12.6 |  |  |  | - | 1.734.529 | 100.0 |
|  | Exanination | 378,316 | 63.2 | $20,364$ | 3.4 | $50,613$ | $8.5$ | 26,846 | 4.5 | 1,649 | 0.3 | $12,155$ | 2.0 | 96,920 | 16.2 | 11.339 | 1.9 | 598,202 | 100.0 |
| 1948 | Total.. | 1,044,097 | 44.8 | 497,126 | 21.3 | 277,146 | 11.9 | 131,864 | 5.6 | 42,733 | 1.8 | 231,506 | 9.9 | 96.920 | 4.2 | 12,339 | 0.5 | 2, 332,731 | 100.0 |
|  | Supervision | 722.727 | 46.6 | 271,994 | 17.6 | 204,756 | 13.2 | 105,025 | 6.8 | 38,230 | 2.5 | 206,886 | 13.3 |  |  | 12 | - | 1,549,618 | 100.0 |
|  | Exanination | 322,317 | 60.8 | $\begin{array}{r}18,740 \\ \hline 290,734\end{array}$ | 3.6 | 43,018 | 8.1 | 29,688 | 5.6 | 2,829 | 0.5 | 13.992 | 2.7 | 88,585 | 16.7 | 10,617 | 2.0 | 529.786 | 100.0 |
| 1929 | Total.... | 1,045,044 | $\frac{50.2}{51.6}$ | 290,734 | 24.0 | 247,774 | 11.9 | 134,713 | 6.5 | 41,059 | 2.0 | 220.678 | 10.6 | 88,585 | 4.3 | 10,617 | 0.5 | 2,079,404 | 100, 0 |
|  | Supervision.. Bxamation.. | $\begin{aligned} & 811.137 \\ & 326.007 \end{aligned}$ | $\begin{aligned} & 51.6 \\ & 57.9 \end{aligned}$ | $\begin{array}{r} 161.522 \\ 8.2044 \end{array}$ | 10.3 1.5 | $\begin{array}{r} 192,372 \\ 52,395 \end{array}$ | 12.2 | $\begin{array}{r} 137.944 \\ 38.292 \end{array}$ | 8.8 6.8 | 55,908 | 3.5 | 213.967 | 13.6 | 105857 |  |  | 2 | $1.572 .850$ | $100.0$ |
|  | $\begin{gathered} \text { Bxadnation.. } \\ \text { Total... } \end{gathered}$ | $\begin{array}{r} 326,007 \\ 1,137,144 \end{array}$ | $\begin{array}{r} 57.9 \\ 53.2 \end{array}$ | $\begin{array}{r} 8,204 \\ 169,726 \\ \hline \end{array}$ | 1.5 | $\begin{array}{r} 52,395 \\ 244,767 \end{array}$ | 9.3 | $\begin{array}{r} 38,292 \\ 176,236 \end{array}$ | 6.8 | 3.521 | 0.6 | 16,055 | 2.9 | $\frac{105,857}{105,857}$ | 18.8 | $\frac{12.370}{12.370}$ | 2.2 | $\begin{array}{r} 562.701 \\ 2,135,551 \end{array}$ | $\begin{array}{\|l\|} \hline 100.0 \\ \hline 100.0 \\ \hline \end{array}$ |
| 1950 | Supervision | 83.3 .962 | 51.7 | 166,044 | 10.3 | 197,632 | 12.3 | 141.730 | 8.8 | 51,746 | 3.2 | 220,076 | 13.7 | 105. |  |  | - | 1,611,190 | 100.0 |
|  | Examnatio | 338.5 아 | 56.6 | 248 | - | 60.742 | 10.2 | 41.393 | 6.9 | 2,274 | 0.4 | 15.853 | 2.7 | 124,312 | 20.8 | 14,063 | 2.4 | 597.388 | 100.0 |
| 1951 | Total. | 1,172,466 | 53.1 | 166,292 | 7.5 | 258.373 | 11.7 | 183, 123 | 8.3 | 52.020 | 2.5 | 235,929 | 10.7 | 124,312 | 5.6 | 14,063 | 0.6 | 2,208,578 | 100,0 |
|  | Superrision | 844,252 | 54.4 | 119.391 | 7.7 | 198,086 | 12.7 | 143.269 | 9.2 | $38,413$ | 2.5 | 209,298 | 13.5 |  |  |  |  |  | 100.0 |
|  | Exasinatio | 360.572 | 55.5 | 778 120 | 0.1 | 70, 337 | 10.8 | 46,860 | 7.2 | $4,274$ | 0.7 | $15,036$ | 2.3 | 137.855 | 21.2 | 14,026 | 2.2 | $642.738$ | 100.0 |
| 1952 | Totel.... | 1,204, 624 | 54.7 | 120,169 | 5.5 | 268,423 | 12.2 | 190, 129 | 8.6 | 42,687 | 1.9 | 224,334 | 10.2 | 137.855 | 6.3 | 14.026 | 0.6 | 2, 202, 447 | 100,0 |
|  | Supervision.. <br> sramination.. | $\begin{aligned} & 674749 \\ & 396,569 \end{aligned}$ | $\begin{array}{r} 45.9 \\ 53.2 \end{array}$ | 96.859 4.892 | 6.6 | 257.035 | 17.5 | 167.031 | 11.4 | 49,787 | 3.4 | 223.576 | 15.2 |  | - | - | - | 1,469,037 | 100.0 |
| 1953 | $\begin{array}{\|c\|} \text { Buandion.. } \\ \text { rotal.... } \end{array}$ | - $1,071,318$ | 53.2 | 4,992 101,851 | 0.7 | 85,846 342,881 | $\frac{11.5}{15.5}$ | 57,056 | 7.7 | 6, 5 , 245 | 0.9 | 17,857 | 2.4 | $\frac{158,441}{158,41}$ | 21.2 | $\underline{17.706}$ | $\frac{2.4}{0.8}$ | 744,923 | $\frac{100.0}{100.0}$ |
|  | Superasion | -637,296 | 45.9 | 80,427 | 5.8 | 250,081 | 15.5 | 224,007 | 11.2 | 56,243 | 3.5 | 241,433 | 10.9 | 158,441 | 7.2 | 17.706 | 0.8 | 2,213,260 | 100.0 |
|  | Ixamation | 392,800 | 53.7 | 400 | 0.1 | 87.300 | 11.9 | 58,200 | 7.9 | 3.800 | 0.5 | 21,900 | 3.0 | 158.500 | 21.7 | 8,698 | 1.2 | 731,598 | 100.0 |
|  | Total. | 1,030,096 | 48.6 | 80.827 | 3.81 | 337.381 | 15.9 | 213.532 | 10.1 | 52,205 | 2.5 | 236.648 | 11.2 | 158,500 | 7.5 | 8,698 | 0.4 | 2,117,887 | 100.0 |

D/ Ezaidmation costs for 1953 distributed on estimates of ohief examinar.
 allocated to the FLB's and reoovered by the banks through their oontreots with the Corporation.
o/ Inoludes joint stook land banks, general agents, fisoel agont, and audit of Mru-pCA petireant plans.

## FARM CREDIT ADMINISTRATION AND FARM CREDIT INSTITUTIONS

Table 6 - Comparative data on personal services, operating expenses, and volume of business, fiscal years 1940 and 1953

Personal services, both man-years and costs, of the Farm Credit Administration and in total for the district Farm Credit institutions (excludes associations) were substantially less in 1953 than in 1940 for comparable functions.* The number of employees of the Administration was 71 percent less and of the district institutions 65 percent less. Salary costs of the Administration were 34 percent less and of the district institutions 2? percent less.

Total operating expenses of the Farm Credit Administration in 1953 were 36 percent less than in 1940 for comparable functions,* whereas total operating expenses of all Farm Credit institutions, including associations, were 28 percent higher. The increase in the total expenses of all institutions was quite small, however, in comparison with the substantial increase in the total volume of business handled by these institutions. The total expenses of the institutions include FCA costs of $\$ 1.4$ million in 1940 and $\$ 2.1$ million in 1953. In 1940 the institutions paid only examination costs, except the FFMC which also paid supervisory costs, whereas in 1953 all institutions paid both supervisory and examination costs, except the PCA's which do not pay supervisory costs.

All institutions, except the FFMC, contributed to the increase from 1940 to 1953 in total operating expenses. The PCA's had
the largest increase of any of the systems both in dollar amount ( $\$ 10.1$ million) and percentagewise ( 149 percent). The FLB system (FLB's and NFLA's) had the next largest amount increase ( $\$ 6.3$ million), and the BC's the next largest percentage increase (the ir $\$ 1$ million increase representing 97 percent). The PCC's and FICB's had relatively small increases in amount, while the FFNC dropped about $\$ 8.9$ million.

Volume of business of all Farm Credit institutions as reflected by the total amount of loans made was about 4 times as great in 1953 as in 1940. The volume of loans serviced by the institutions, except by the FLB's, also increased during this period.

[^0]|  | P1scal year 1940 |  | P1scal year 1953 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Number | Amount | Nunber | Amount | Percentage change from 1940 |  |
|  |  |  |  |  | Number | Amount |
|  |  |  |  |  |  |  |
| Parm Credit Administration a/.................................. | 1,308 | \$3.376,259 | 373 | \$2,219,284 | -71 | -34 |
| Parm Crederal land banks (including reimbursements fron FFNC) | 4,614 | 9,246,408 | 1.139 | 5,816,166 | -75 |  |
| Federal intermediate credit banks.......................... | 431 | 1,073,975 | 283 | b/ 1,271,598 | -75 -34 | +18 |
| Production credit corporations............................. | 294 | 881.575 | 167 | ह/ 1,043,599 | -43 | +18 |
| Banks for cooperatives. | 220 | 649,699 | 231 | - 1,285,249 | +5 | +98 |
| General agents . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | 432 | 838.769 | 253 | 545,229 | -42 | -35 |
| Total............ . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | 5,991 | 12,690,426 | 2,073 | 9,961,841 | -65 | -22 |
| Total operating expenses: |  |  |  |  |  |  |
| Fapm Credit systemi $c /{ }^{\text {/ }}$ |  |  |  |  |  |  |
| Pederal land bank Bystem (PLB's and MPLA's).............. | - | 12.317.100 | - | 18,603,642 | - | +51 |
| Pederal Perm Mortgage Corporation............................ | - | 9,864.126 | - | 915.776 | - | -91 |
| Pederal intermediate credit banks............................ | - | 1,490,764 | - | 1,968,996 | - | +32 |
| Production credit corporations............................... | - | 1,362,934 | - | 1,652,679 | - | +21 |
| Production credit associations. | - | 6,757.632 | - | 16,816,749 | - | +149 |
| Banks for cooperatives........................................ | - |  | - | 2,043,214 | - | $+97$ |
| Total. | - | 32,829,234 | - | 42,001,056 | - | +28 |
| Volume of business: |  |  |  |  |  |  |
| Pederal land banks: |  |  |  |  |  |  |
| National farm loan associations............................. | 3.867 | -020. | 1,145 | 272.355.726 | -70 | - |
| Loans made ............ . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | 14,735 | $55,820,107$ | 45.247 | 272,355.716 | +207 | +388 |
| Loans outs tanding............................................. | 616,308 | 1,880,408,005 | 315.750 | 1.135,782,090 | -51 | -40 |
| Loans nade............................................................. . . . <br> Loans outstanding................................................. . . . . | 18,066 | 30,251,371 | 45 | 43,319 | -99 | -99 |
|  | 433.706 | 668,850,213 | 30.507 | 20,300,806 | . 93 | -97 |
| $\frac{\text { Pederal intermediate credit banks }}{\text { Loans made........................................................................................................... }}$ | - |  | - |  | - |  |
|  | - | $237,338,443$ | - | 1,830,218,669 | - | $+250$ |
| $\frac{\text { Production credit corporations: }}{\text { Production credit associations }}$. ........................ |  |  |  |  |  |  |
|  | 528 | - | 499 | - | -5 | - |
| Wholly-farmer ouned. | - | - | 283 | - | - | - |
| Nenbers. | 290,578 | 6, ${ }^{\circ}$ | 479,250 | - - | +65 | - |
| Parmer owned stock. | - | 16,680,100 | , | 92,228,217 | - | $+453$ |
| Loans made................................ ..................... | 229.566 | 328,342,002 | 270.335 | 1,290,038,908 | +18 | +293 |
| Loans outstanding............................................. | 217,128 | 199,802.560 | 248,609 | 768,182,904 | +14 | +284 |
| Banks for cooperetives: |  |  |  |  |  |  |
| Credit extended................................................... | - | 92,868,454 | - | 505.562.554 | - | +444 |
| Loans outstanding.............................................. | 1,689 | $63,333,429$ | 2,024 | $319,108,548$ | +20 | $+404$ |

 for anployees of chief refiewing appraisers' offices transferred to pls's effective July 1 , 1951.
$\mathrm{b} /$ Includes directors' compensation (IICB's $\$ 26,776$ and PCC's $\$ 28,609$ ) which iten is not available for 1940 .
1940 total operating expenses are on calendar year basis.

Table 7 - Operating expenses for years ended December 31, 1940, and June 30, 1944 and 1948 through 1953

Total operating expenses of the Farm Credit institutions of $\$ 42$ million in 1953 were about 28 percent greater than in 1940 and 5 percent greater than in 1952. The general trend of operating expenses for each system of institutions has been upward, except for the FFMC which has been in the process of liquidating its loans since July 1, 1947. The PCA's have had the largest increase since 1940 of any system ( $\$ 10.1$ million or 149 percent), the FLB's the next largest ( $\$ 6.3$ million or 51 percent) and the BC's next ( $\$ 1,000,000$ or 97 percent). The FICB's and PCC's have had relatively small increases and the FFMC has dropped $\$ 8.9$ million. Additional data on the individual systems are included in separate tables for those systems.

Total FCA costs included in the Farm Credit institutions' expenses each year since July 1, 1943, when the last of the district institutions began paying supervisory costs, have
ranged from $\$ 2.5$ million in 1944 to $\$ 2.0$ million in 1949. For the last 6 years, except for 1949, this amount has been about $\$ 2.2$ million and has represented from 6.5 percent of the institutions' total expenses in 1948 to 5.2 percent in 1953.

The $\$ 1.4$ million of FCA costs included in the Farm Credit institutions' total expenses in 1940 represented examination costs of all institutions and supervision costs of only the FFMC. This amount was 4.4 percent of the institutions' total expenses in that year. Supervision costs applicable to the other institutions amounting to $\$ 2.2$ million were paid from appropriated funds. The total amount of $\$ 3.6$ million of FCA costs in 1940 applicable to the Farm Credit institutions represented 10.3 percent of the institutions' total expenses plus FCA supervision costs not included in those expenses.

| Institution | $\begin{array}{\|c\|} \hline \text { Year ended } \\ \text { December } 31, \\ 1940 \end{array}$ | Year ended June 30 |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | 1944 | 1948 | 1949 | 1950 | 1951 | 1952 | 1953 |
| PCA's a/ | \$6,757.632 | \$8,141,533 | \$10,105,002 | \$11,696,957 | \$12.703.997 | \$13.908,453 | \$15,613,961 | \$16,816,749 |
| PCC's. | 1,362,934 | 1,613,080 | 1,763,456 | 1,525,940 | 1,582,269 | 1,585,551 | 1,643,807 | 1,652,679 |
| PICB's | 1,490,764 | 1,565,536 | 1,521,968 | 1,526,592 | 1,612,208 | 1,704,301 | 1,860,111 | 1,968,996 |
| BC's | 1,036,678 | 1,257,297 | 1,702,820 | 1.696,590 | 1,759,169 | 1,829,077 | 2,010,965 | 2,043,214 |
| PLB Syste | 12,317,100 | 11,568,314 | 16,040,546 | 15,675,535 | 15,821,745 | 16,777,728 | 17,883,599 | 18,603,642 |
| PFMC c/. | 9,864,126 | 7.777.563 | 2,372,089 | 1,871,106 | 1,603,731 | 1,250,828 | 1,086,972 | 915,776 |
| Total. | \$32,829,234 | \$31,923.323 | d/\$33.505,881 | \$33,992,720 | \$35,083,119 | \$37.055.938 | \$40,099,415 | \$42,001,056 |
| (1) PCA costs included in above total e/....... <br> (2) PCA supervision costs not inoluded in above total; paid from eppropriated funds | $\begin{aligned} & \mathrm{f} / \$ 1,440,151 \\ & \mathrm{~g} / 2,163,625 \end{aligned}$ | $\begin{gathered} \$ 2,526,777 \\ x \times x \end{gathered}$ | $\begin{gathered} \$ 2,183,148 \\ x 0 x \end{gathered}$ | $\begin{gathered} \$ 2.011,447 \\ x \times x \end{gathered}$ | $\begin{gathered} \$ 2,205,963 \\ x \times x \end{gathered}$ | $\begin{gathered} \$ 2,226,321 \\ \pi x \end{gathered}$ | $\begin{gathered} \$ 2,191,466 \\ x 0 x \end{gathered}$ | $\begin{gathered} \$ 2,200,049 \\ x \times x \end{gathered}$ |
| (3) Total PCA costs applicable to Farm Credit institutions. | 3,603.776 |  |  |  |  |  |  |  |
| (4) Item (3) as a percent of totai 1nstitutions ${ }^{\prime}$ expenses plus 1 tem (2)..... | $10.30 \%$ | $7.92 x$ | $6.52 x$ | $5.928$ | $6.298$ | $6.018$ | $5.47 \%$ | $5.24 \%$ |

> a/ Amounts exclude estimated income taxes paid by PCA'g in the years 1949-1953. V/ Amounts represent expenses of the FIB's and NPL's incured on their own behalr. // Amounts include expenses of the RIB's and NRLA's incurred on heheir of the FRMC.
$\bar{c}$ / Amounts include expenses of the PLB's and NPLA's incurred on behalf of the FFMC.
d/ Includes accrued annual leave applicable to prior years of $\$ 1,755,000$, set up in 1948 by the PCC's, FICB's, BC's, and PLB's.
$\frac{1}{9} /$ These amounts do not agree with the amounts shown in tables 3 and 5 as allocations to paym credit institutions beoause the anounts in this table represent assessments for the current year's expenses plus or minus adjustments of the assessments for the prior year's expenses, whereas the represent assessments for the current yearis expenses plus or minus adjustments of ther
amounts in the other tables represent the final adjusted oosts for particular years.
f/Represents examination costs of all institutions and supervision costs of the FPMC; amount represents 4.39\% of the institutions total empenses. $\overline{\bar{s}} /$ Represents supervision oosts of all institutions exoept the FFMC.

## PRODUCTION CREDIT ASSOCIATIONS

Table 8 - Selected income and expense items and ratios - calendar years
1940, 1944, 1948, 1950, 1951, and 1952

Income from loan operations (interest and service fees less patronage refunds) in 1952 of $\$ 44.4$ million was over 4 times as much as in 1940 and 21 percent more than in 1951. The increases resulted from more business and higher interest rates. Per annum rate of income* increased from 5.56 percent in 1940 to 6.41 percent in 1952.

Cost of borrowed funds (interest paid to FICB's) in 1952 of $\$ 18.3$ million was 7 times as much as in 1940 and 41 percent more than in 1951. The increases were due to more borrowings and higher interest rates. Higher money costs absorbed entirely the increase in the per annum rate of income from loan operations between 1940 and 1952.

Operating expenses in 1952 of $\$ 16.4$ million more than doubled those in 1940 and were about 11 percent higher than in 1951. Per annum rate of expenses,*however, dropped from 3.71 percent in 1940 to 2.36 percent in 1952.

Net gain from loan operations (income from loan operations less cost of money and operating expenses) in 1952 of $\$ 9.7$ million was over 12 times as much as in 1940 and about 7 percent more than in 1951. Per annum rate of net gain* increased from 0.42 percent in 1940 to 1.41 percent in 1952.

Net earnings before provision for losses and income taxes (net gain from loan operations, plus investment and other income) in 1952 of $\$ 12.8$ million were over 3 times those in 1940 and
were 6 percent more than in 1951. Interest on investments of $\$ 3.3$ million in 1940 represented about 80 percent of this item, whereas the $\$ 3.0$ million in 1952 represented only about 24 percent. Per annum rate* dropped from 2.24 percent in 1940 to 1.85 percent in 1952.

Final net earnings (after losses and provision for losses and income taxes) in 1952 of $\$ 8.5$ million more than doubled those in 1940 but were over 5 percent less than in 1951. Losses and provision for losses increased from $\$ 200,000$ in 1940 to $\$ 2.9$ million in 1952. Income taxes in 1952 amounted to $\$ 1.5$ million. Per annum rate of final net earnings* decreased from 2.13 percent in 1940 to 1.23 percent in 1952. Rates of return on paid-in capital and total net worth in 1952 were 8.79 percent and 4.85 percent, respectively, compared with 4.29 percent and 3.62 percent in 1940 .

PCC operating expenses as a per anmum rate of PCA loans outstanding decreased from 0.75 percent in 1940 to 0.24 percent in 1952. Dollar amount of PCC operating expenses actually increased from $\$ 1.4$ million in 1940 to $\$ 1.7$ million in 1952. (Washington office supervisory costs aggregating over $\$ 200,000$ a year are included in the PCC expenses since July 1, 1942.) Combined PCA and PCC operating expenses as a per annum rate of PCA loans outstanding decreased from 4.46 percent in 1940 to 2.60 percent in 1952 .

* Based upon average balance of loans outstanding (column 17).

Table 8 - Selected income and expense items and ratios

| D1str1ctandyear | Income from loan operations a/ |  | Cost of borrowed funds |  | Operating expenses b/ |  | Net gain from loan operations |  | Net earnings before provision for losses and Income taxes |  | Final net earnings |  |  |  | Dividends paid to stockholders | Patronage refunds paid to borrowers | Memoranda |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Amount | $\begin{gathered} \text { Per } \\ \text { annum } \\ \text { 1יate } \\ \text { c/ } \end{gathered}$ |  |  | Rate of return on |  |  |  | Average balance of PCA loans outstanding | Per annum rate of PCC operating c/ d/ |  |  |
|  | Amount | Per annumrate c) |  |  | Amount | Per annum rate c) |  |  | Amount | Per annum rate c) |  |  | Amount | Per annum rate c) |  |  |
|  |  |  |  |  |  |  | Amount | Per annum rate c/ |  |  |  |  |  |  |  |  | Total paid-in capital | $\begin{aligned} & \text { Total } \\ & \text { net } \\ & \text { worth } \end{aligned}$ |
|  | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) | (16) | (17) | (18) |
| System |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1940....... | \$10,142,155 | 5.56 5.24 | $\$ 2,610,992$ $3,444,375$ | 1.43 1.46 | $\$ 6,757,632$ $8,101,255$ | 3.71 | \$773, 531 789,391 | 0.42 | $\$ 4,084,147$ $3,560,762$ | 2.24 1.51 | $\$ 3,884,421$ $3,404,977$ | 2.13 1.45 | 4.29 3.69 | 3.62 2.78 | $\$ 86,178$ 215,755 | - | $\$ 182,394,000$ $235,623,000$ | 0.75 0.67 |
| 1948. | 22,716,193 | 5.64 | 7,068,164 | 1.75 | 10,910,178 | 2.71 | 4,737,851 | 1.18 | 7,395,580 | 1.84 | 6,949,101 | 1.73 | 8.44 | 5.37 | 304.784 | \$128,581 | 402,580,000 | 0.44 |
| 1950. | 28,862,231 | 6.07 | 9,361,929 | 1.97 | 13,250,388 | 2.78 | 6,249,914 | 1.32 | 9,096,386 | 1.91 | 7,261,106 | 1.53 | 8.52 | 4.96 5.64 | 394.038 | 142,318 | 475,789,000 | 0.33 |
| 1951...... | 36,830,784 | 6.15 | 12,978,736 | 2.17 | 14,756,754 | 2.46 | 9,095,294 | 1.52 | 12,085,147 | 2.02 | 8,979,818 | 1.50 | 10.01 | 5.64 | 426,987 | 159.403 | 598,706,000 | 0.27 |
| 1952...... | 44.405,045 | 6.41 | 18,297,826 | 2.64 | 16,371,788 | 2.36 | 9,735.431 | 1.41 | 12,824,396 | 1.85 | 8,488,541 | 1.23 | 8.79 | 4.85 | 494,983 | 244.635 | 692,218,000 | 0.24 |
| 1940....... | 587.568 | 4.88 | 171,432 | 1.42 | 362,759 | 3.01 | 53,377 | 0.45 | 277,219 | 2.30 | 240,306 | 2.00 | 3.84 | 3.41 |  | - | 12,043,000 | 0.98 |
| 1944. | 847,894 | 4.73 | 258,347 | 1.44 | 521,814 | 2.91 | 67,733 | 0.38 | 229,638 | 1.28 | 254.505 | 1.42 | 4.45 | 3.42 | 70,788 |  | 17,934,000 | 0.80 |
| 1948. | 1,652,921 | 5.07 | 559,686 | 1.72 | 738.577 | 2.26 | 354,658 | 1.09 | 515,646 | 1.58 | 491,443 | 1.51 | 8.65 | 5.72 | 5,373 |  | 32,612,000 | 0.47 |
| 1950. | 1,935,300 | 5.58 | 658,147 | 1.90 | 883.318 | 2.55 | 393.835 | 1.13 | 552,449 | 1.59 | 435,057 | 1.26 | 7.69 | 4.58 | 15,221 | - | 34,664,000 | 0.37 |
| 1951. | 2,014,217 | 5.64 | 706,385 | 1.98 | 930,085 | 2.60 | 377.747 | 1.06 | 534,573 | 1.50 | 386,467 | 1.08 | 7.07 | 3.97 | 38,880 | - | 35,683,000 | 0.37 |
| 1952.. | 2,253,284 | 5.93 | 962,534 | 2.53 | 976,321 | 2.57 | 314,429 | 0.83 | 465.698 | 1.23 | 332,382 | 0.87 | 6.23 | 3.36 | 41,727 | - | 38,006,000 | 0.35 |
| 1940. | 552,390 | 5.82 | 140,970 | 1.49 | 394,333 | 4.15 | 17,087 | 0.18 | 238,390 | 2.51 | 204,301 | 2.15 | 3.27 | 2.86 |  | - | 9,486,000 | 1.28 |
| 1944. | 746,997 | 5.38 | 219,814 | 1.58 | 467.704 | 3.37 | 59,479 | 0.43 | 238,777 | 1.72 | 221,226 | 1.59 | 3.70 | 2.88 | - | - | 13,890,000 | 0.99 |
| 1948. | 1,417.971 | 5.52 | 447,542 | 1.74 | 595,841 | 2.32 | 374.588 | 1.46 | 513,703 | 2.00 | 501,276 | 1.95 | 10.44 | 6.48 | 23,280 | - | 25,695,000 | 0.48 |
| 1950. | 1,826,281 | 5.88 | 614.797 | 1.98 | 712,657 | 2.29 | 498,827 | 1.61 | 654.583 | 2.11 | 589,879 | 1.90 | 12.03 | 6.65 | 29.544 | - | 31,066,000 | 0.38 |
| 1951. | 2,154,618 | 5.24 | 779,265 | 2.15 | 784,007 | 2.16 | 591,346 | 1.63 | 765,966 | 2.11 | 623,807 | 1.72 | 12.59 | 6.55 | 32,296 | - | 36,239,000 | 0.34 |
| 1952. | 2,557.572 | 6.23 | 1,068,865 | 2.60 | 839,295 | 2.04 | 649,412 | 1.59 | 843,342 | 2.05 | 674,998 | 1.54 | 13.02 | 6.49 | 42,392 | - | 41,069,000 | 0.32 |
| 1940... | 957.688 | 6.50 | 212,862 | 1.44 | 814,676 | 5.53 | -69,850 | -0.47 | 336,253 | 2.28 | 284,839 | 1.93 | 2.62 | 2.31 |  | - | 14,729,000 | 0.89 |
| 1944. | 1,306,531 | 5.89 | 333,803 | 1.50 | 893,399 | 4.03 | 79,329 | 0.36 | 431,405 | 1.94 | 459,921 | 2.07 | 3.92 | 3.14 | - |  | 22,189,000 | 0.74 |
| 1948........ | 2,541,306 | 6.55 | 754.729 | 1.94 | 1,224,565 | 3.16 | 562,012 | 1.45 | 914,112 | 2.36 | 803,353 | 2.07 | 7.61 | 5.03 |  | - | 38,793,000 | 0.46 |
| 1950. | 3,290,445 | 7.25 | 938,191 | 2.07 | 1.495.399 | 3.29 | 856,855 | 1.89 | 1,178,280 | 2.60 | 1,063,359 | 2.34 | 10.46 | 6.05 | 2,923 |  | 45,399,000 | 0.34 |
| 1951. | 3,818,248 | 7.24 | 1,228,172 | 2.33 | 1,593,475 | 3.02 | 996,601 | 1.89 | 1,334,435 | 2.53 | 1,298,827 | 2.46 | 12.38 | 6.82 | 3.904 |  | 52,726,000 | 0.30 |
| Loussvilie ${ }^{\text {co.. }}$ | 4,556,433 | 7.32 | 1,690,349 | 2.72 | 1,720,152 | 2.76 | 1,145.932 | 1.84 | 1.476,736 | 2.37 | 1,365,971 | 2.19 | 12.57 | 6.58 | 8.709 | - | 62,239,000 | 0.26 |
| 1940. | 1,200,351 | 5.60 | 304,59 | 1.42 | 859.552 | 4.01 | 36,200 | 0.17 | 310,737 | 1.45 | 266,13 | 1.24 | 3.28 | 2.84 |  |  | 21,431,000 | 0.60 |
| 1944........ | 1,395,062 | 5.26 | 389,088 | 1.47 | 1,032,349 | 3.89 | -26,375 | -0.10 | 245,253 | 0.92 | 216,402 | 0.82 | 2.10 | 1.75 | 8.447 |  | 26,533,000 | 0.56 |
| 1948....... | 2,640,268 | 5.53 | 762,728 | 1.60 | 1,360,890 | 2.85 | 516,650 | 1.08 | 788,118 | 1.65 | 735,128 | 1.54 | 7.99 | 5.78 | 7.212 |  | 47,733,000 | 0.36 |
| 1950. | 3,522,838 | 5.97 | 1,179,934 | 2.00 | 1,731,919 | 2.94 | 610,985 | 1.03 | 934.700 | 1.58 | 833.430 | 1.41 | 8.91 | 5.74 | 14.492 | 9,293 | 59,007.000 | 0.26 |
| 1951... | 4,245,193 | 6.01 | 1,532,667 | 2.17 | 2,015,184 | 2.85 | 697,342 | 0.99 | 1,031,999 | 1.46 | 856,702 | 1.21 | 8.88 | 5.45 | 9,423 | 20,370 | 70,666,000 | 0.22 |
| 1952........ | 5,110,941 | 6.28 | 2,160,149 | 2.63 | 2,257,656 | 2.75 | 731,136 | 0.90 | 1,082,854 | 1.32 | 849,318 | 1.04 | 8.52 | 5.02 | 10,518 | - | 81,988.000 | 0.20 |
| 1940....... | 758,319 | 6.54 | 164,127 | 1.42 | 481,265 | 4.15 | 112,927 |  |  | 3.21 |  | 2.06 |  |  |  |  | 11,596,000 | 0.74 |
| 1944. | 1,087.973 | 5.76 | 273.794 | 1.45 | 640,432 | 3.39 | 173.747 | 0.92 | 381,261 | 2.02 | 337,117 | 1.79 | 4.88 | 3.53 | 10,048 | - | 18,864,000 | 0.56 |
| 1948. | 1,874,298 | 6.28 | 538.458 | 1.80 | 889,936 | 2.98 | 445,904 | 1.50 | 601,932 | 2.02 | 645.478 | 2.16 | 10.97 | 6.44 | 15,022 |  | 29,861,000 | 0.45 |
| 1950. | 2,211,865 | 6. 64 | 646,714 | 1.94 | 993.056 | 2.98 | 572.095 | 1.72 | 749.560 | 2.25 | 671.613 | 2.02 | 10.15 | 5.68 | 46,377 | 37,270 | 33,325,000 | 0.37 |
| 1951...... | $2,827,193$ $3,521,151$ | 6.78 7.09 | 933,266 $1,315,623$ | 2.24 2.65 | $1,093,585$ $1,260,765$ | 2.62 2.54 | 800,342 944,763 | 1.92 1.90 | 979,005 $1,117.879$ | 2.35 2.25 | 959,682 824,276 | 2.30 1.66 | 14.57 11.85 | 7.69 5.94 | 24,164 66,501 | 12,137 19,456 | $41,727,000$ $49,651,000$ | 0.29 0.26 |
| St. Louis |  |  |  |  |  |  |  | 1.50 | 1,117,879 | 2.25 | 824,276 | 1.66 | 11.85 | 5.94 | 66.501 | 19,456 | 49,651,000 | 0.26 |
| 1940. | 1,123,333 | 5.76 | 281,150 | 1.44 | 769.847 | 3.95 | 72,336 | 0.37 | 347,308 | 1.78 | 350.693 | 1.80 | 4.54 | 3.91 | - | - | 19,485.000 | 0.66 |
| 1944. | 1,300,002 | 5.34 5.86 | 348,063 728,588 | 1.43 1.76 | 952,342 1.172 .292 | 3.91 2.83 | $\begin{array}{r}24.403 \\ \hline 135\end{array}$ | 1.27 | 251.954 815.824 | 1.03 | 242,397 830,088 | 1.00 | 2.45 8.47 | $\frac{1}{1.97}$ | - | - | $24,350.000$ $41,380.000$ | 0.61 0.42 |
| 1950. | 3,128,829 | 6.26 | 967,715 | 1.94 | 1,446,442 | 2.89 | 714,672 | 1.43 | 1,005,156 | 2.01 | 857,169 | 1.72 | 8.75 | 5.64 | 13,812 | - | 49,962,000 | 0.31 |
| 1951........ | 4,082,986 | 6.22 | 1,408,263 | 2.14 | 1,610,563 | 2.45 | 1,071,160 | 1.63 | 1,365,223 | 2.08 | 1,182,469 | 1.80 | 11.53 | 7.03 | 16,026 | - | 65,709,000 | 0.25 |
| 1952. | 4.886 .149 | 6.32 | 2.005,368 | 2.59 | 1,881.868 | 2.43 | 998.913 | 1.30 | 1,287.412 | 1.66 | 292.981 | 1.28 | 8.96 | 5.29 | 18.343 | - | 77,325,000 | 0.20 |

Table 8 - Selected incoine and expense 1 tems and ratios - continued

| $\begin{gathered} \text { District } \\ \text { and } \\ \text { year } \end{gathered}$ | Incoms from loan operations a/ |  | $\begin{aligned} & \text { cost of } \\ & \text { borrowed funds } \end{aligned}$ |  | Operating expenses b |  | Net gain from loan operations |  | Net earnings before provision for losses and income taxes |  | P1nal net earnings |  |  |  | Dividends pa1d to stockholdere | Patronage rerunds paid to borrowers | Memoranda |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Amount | $\begin{aligned} & \text { Per } \\ & \text { annum } \\ & \text { rate } \\ & \text { c/ } \end{aligned}$ | Amount | Per annum rate c) | Amount | Per annum rate c) | Amount | Per annum rate c) |  |  | Amount | $\begin{gathered} \text { Per } \\ \text { annum } \\ \text { rate } \\ \text { c/ } \end{gathered}$ | Rate or return on |  |  |  | Avs rage balance of PCA loans outstanding | Per annum rate of PCC operating expenses c d |
|  |  |  |  |  |  |  |  |  | Amount | Per annum rate c/ |  |  | Total pa1d-1n cap1tal | $\begin{aligned} & \text { Total } \\ & \text { net } \\ & \text { worth } \end{aligned}$ |  |  |  |  |
|  | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) | (16) | (17) | (18) |
| St. Paw |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1940...... | \$826,294 | 5.61 5.07 | \$208,949 221,207 | 1.42 | $\$ 639,869$ 604,314 | 4.34 3.80 | -\$22,524 | -0.15 -0.12 | $\$ 264,310$ 175.551 | 1.79 1.12 | $\$ 288,982$ 163,802 | 1.96 1.03 | 3.68 2.30 | 3.17 1.80 | - |  | $\$ 14,741,000$ $15,880,000$ | 0.88 0.86 |
| 1948....... | 1,492,843 | 5.56 | 437.916 | 1.63 | 848,448 | 3.16 | 206,479 | 0.77 | 385,710 | 1.47 | 372,709 | 1.39 | 6.20 | 4.22 | \$6,365 |  | 26,872,000 | 0.57 |
| 1950. | 2,150,651 | 6.17 | 686,063 | 1.97 | 1,076,686 | 3.09 | 387.902 | 1.11 | 588.851 | 1.69 | 518,253 | 1.49 | 9.11 | 5.47 | 22,341 | - | 34,832,000 | 0.37 |
| 1951. | 2,543,164 | 6.25 | 888,824 | 2.19 | 1,200,927 | 2.95 | 453.413 | 1.11 | 667.517 | 1.64 | 470,424 | 1.16 | 8.09 | 4.66 | 25,113 |  | 40,665,000 | 0.33 |
| 1952. | 3,103,060 | 6.55 | 1,269,238 | 2.68 | 1.325,249 | 2.80 | 508,573 | 1.07 | 734.389 | 1.55 | 446,345 | 0.94 | 7.24 | 4.07 | 36,099 | - | 47,346,000 | 0.30 |
| Omaha |  |  |  |  |  |  |  |  |  |  |  |  | 4.76 | 3.95 | 24,662 |  | 13,288,000 | 0.82 |
| 1944. | 828,936 | 4.75 | 253,036 | 1.45 | 523,235 | 3.00 | 52,665 | 0.30 | 251,853 | 1.44 | 229,304 | 1.32 | 3.50 | 2.53 | 46,711 |  | 17,430,000 | 0.69 |
| 1948...... | 1,218,327 | 4.64 | 421.770 | 1.61 | 613.819 | 2.34 | 182,738 | 0.69 | 369.400 | 1.41 | 365.853 | 1.39 | 6.87 | 4.24 | 68,448 | \$72,211 | 26,269,000 | 0.49 |
| 1950. | 1,868,532 | 5.31 | 674,021 | 1.91 | 730,940 | 2.25 | 403.571 | 1.15 | 591.755 | 1.68 | 430,472 | 1.22 | 7.95 | 4.53 | 80,968 | 51,409 | 35,191,000 | 0.34 |
| 1951...... | $2,831,773$ $3,443,021$ | 5.58 5.95 | $1,057,009$ $1,442,278$ | 2.08 2.49 | 926,640 $1,022,150$ | $1 \begin{aligned} & 1.83 \\ & 1.77\end{aligned}$ | 848.124 | 1.67 | 1,034,617 | 2.04 2.04 | 650,724 679,845 | 1.28 1.17 | 10.36 9.80 | 5.97 5.51 | 53,100 100,849 | 8,053 59,299 | $50.767,000$ $57,882,000$ | 0.24 0.22 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1940.. | 797.357 | 5.35 | 212,718 | 1.43 | 480,516 | 3.22 | 104,123 | 0.70 | 369,441 | 2.48 | 352,099 | 2.36 | 4.92 | 3.96 | 9,027 |  | 14,894,000 | 0.74 |
| 1944...... | 829,126 | 5.14 | 234,710 | 1.46 | 548,366 | 3.40 | 46,050 | 0.28 | 271,467 | 1.68 | 261,208 | 1.62 | 3.89 | 2.68 |  |  | 16,117,000 | 0.82 |
| 1948. | 1,672,807 | 5.31 | 548,612 | 1.74 | 711,502 | 2.26 | 412,693 | 1.31 | 632,398 | 2.01 | 594.026 | 1.89 | 10.16 | 5.85 | 48,224 | 19,871 | 31,475,000 | 0.44 |
| 1950. | 2,106,773 | 5.60 | 724.970 | 1.93 | 886,107 | 2.35 | 495.696 | 1.32 |  | 1.94 | 622,143 | 1.65 | 10.15 | 5.34 | 29,230 |  | 37,647,000 | 0.32 |
| 1951.. | 3,017.460 | 5.83 | 1,100,501 | 2.13 | 1,011,223 | 1.95 | 905.736 | 1.75 | - 1,162,426 | 2.25 | 913,614 | 1.76 | 13.89 | 7.05 | 37.638 | 10,230 | 51,769,000 | 0.24 |
| 1952...... | 3,475,498 | 6.16 | 1,506,335 | 2.67 | 1,103,965 | 1.96 | 865,198 | 1.53 | 1,139,124 | 2.02 | 856.009 | 1.52 | 11.19 | 5.73 | 37,810 | 9,000 | 56,462,000 | 0.23 |
| 1940. | 821.947 | 5.36 | 214.320 | 1.40 | 515,840 | 3.36 | 91,787 | 0.60 | 347.926 | 2.27 | 372,965 | 2.43 | 5.36 | 4.48 | - 0 | - | 15,343,000 | 0.60 |
| 1944. | 1,346,362 | 5.23 | 375.945 | 1.46 | 858,591 | 3.34 | 111,826 | 0.43 | 375.678 | 1.46 | 350.734 | 1.36 | 4.14 | 3.18 | 13,085 |  | 25,731,000 | 0.48 |
| 1948. | 2,594,363 | 6.15 | 759,180 | 1.80 | 1,235.536 | 2.93 | 599.647 | 1.42 | 859,095 | 2.04 | 737.566 | 1.75 | 9.49 | 5.94 | 15,762 | 8,236 | 42,153,000 |  |
| 1950...... | $3,099,030$ $4,196,506$ | 6.56 6.63 | 941,006 $1,401,939$ | 1.99 2.21 2.21 | $1,508,249$ $1,623,645$ | 3.19 | 649,775 $1,170,922$ | 1.38 1.85 | 969,507 $1,534,538$ | 2.05 2.42 | 395,436 602,074 | 0.84 | 4.12 | 2.53 3.45 | 18,964 20,889 | 11,191 | $47,245,000$ $63,310,000$ | 0.26 |
| 1951....... | 4,196,506 $4,746,475$ | 6.63 6.84 | $1,401,939$ $1,871,819$ | 2.21 2.70 | $1,623,645$ $1,781,986$ | 2.57 2.57 | $1,170,922$ $1,092,670$ | 1.85 1.57 | $1,534,538$ $1,469,603$ | 2.42 2.12 | 602,074 434,732 | 0.95 0.63 | 5.53 3.61 | 3.45 2.27 | 20,889 | 14,142 | $63,310,000$ $69,387,000$ | 0.19 0.19 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1944...... | 927.927 | 4.99 | 268,206 | 1.44 | 500,163 | 2.69 | 159.558 | 0.86 | 373.217 | 2.01 | 342,477 | 1.84 | 5.31 | 3.53 | 40,590 |  | 18,603,000 | 0.64 |
| 1948...... | 1,387,994 | 5.25 5.43 | 491,640 | 1.86 | 701.773 | 2.66 | 194,581 | 0.73 | 401,840 | 1.52 | 335,144 | 1.27 | 6.15 | 3.41 | 50,607 | 28,263 | 26,411,000 | 0.58 |
| 1951. | 2,067,254 | 5.52 | 823,254 | 1.96 2.20 | 899,679 | 2.82 2.40 | 344, 321 | 0.65 0.92 | 399,214 567,461 | 1.43 1.52 | 364,302 378,900 | 1.31 1.01 | 6.70 6.66 | 3.53 3.47 | 64,669 99,995 | 33,155 94.471 | $27,871,000$ $37,417,000$ | 0.45 0.35 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1944...... | 912,467 | 5.04 | 268,362 | 1.48 | 558,546 | 3.09 | 85.559 | 0.47 | 334,708 | 1.85 | 325,884 | 1.80 | 5.09 | 3.24 | 86,086 |  | 18,102,000 | 0.61 |
| 1948...... | 1,798,080 | 5.40 | 617.315 | 1.85 | 816.999 | 2.45 | 363.766 | 1.10 | 597.802 | 1.79 | 537.037 | 1.61 | 8.90 | 4.95 | 64,491 | - | 33,326,000 | 0.40 |
| 1950....... | 2,207,766 | 5.58 | 782,809 | 1.98 | 940,441 | 2.38 | 484.516 | 1.22 | 742,127 | 1.88 | 479.993 | 1.21 | 7.41 | 3.89 | 55,497 | - | 39,580,000 | 0.30 |
| 1951...... | 3,025,172 | 5.81 | 1,119,191 | 2.15 | 1,067,741 | 2.05 | 838,240 | 1.61 | 1,107,387 | 2.13 | 656,128 | 1.26 | 9.24 | 4.85 | 65,559 | - | 52,028,000 | 0.22 |
| 1952...... | 3,929,307 | 6.25 | 1,702,122 | 2.71 | 1,214,787 | 1.93 | 1,012,398 | 1.61 | 1,300,764 | 2.07 | 722,052 | 1.15 | 9.26 | 4.84 | 18,665 | - | 62,820,000 | 0.20 |

$\frac{a}{b}$ Arter patronage refunds, Enich for the syatem totaled $\$ 364,925$ in 1950, $\$ 999,699$ in 1951, and $\$ 1,468,051$ in 1952 .
c/ Based upon the avsrage balance or PCA loans outstanding.
PCC expensss for 1940 do not include Washington office zupervieory costs which, aince the corporations bsgan paying these coats effective July 1 , lght, have aggregated systemulde
ovsr $\$ 200,000$ a ysar. over $\$ 200,000$ a ysar.

## PRODUCTION CREDIT CORPORATIONS

Table 9 - Selected income and expense items - years ended December 31, 1940, and June. 30, 1944, 1948, 1951, 1952, and 1953

Operating income (primarily interest on securities, but also includes dividends on class A stock of PCA's and miscellaneous income) of $\$ 1.2$ million in 1953 was 27 percent less than in 1940 but slightly more than in 1952. The decrease from earlier years resulted from sales of securities in 1949 which were made to obtain funds to retire U. S. Goverment capital.

Operating expenses in 1953 of $\$ 1.7$ million were 21 percent greater than in 1940 and slightly more than in 1952. Operating expenses include FCA examination costs and, except in 1940, FCA supervisory costs. Since the corporations began paying the latter costs, effective July 1, 1942, they have aggregated over $\$ 200,000$ a year for the system. Included in 1948 expenses is a norrecurring charge of $\$ 219,000$ representing the cost of establishing as a liability on the records of the corporations the value of accrued annual leave of their employees applicable to 1947 and prior years.

[^1]from operations of $\$ 480,000$ which compares with a gain of $\$ 238,000$ in 1940 and a loss of $\$ 514,000$ in 1952. The operating losses in recent years have resulted from the smaller amounts of operating income, as explained above, not being sufficient to pay operating expenses.

Final net earnings or loss (net gain or loss from operations adjusted for profit or loss on sales of securities). In 1953 the corporations had a inal net loss of $\$ 779,000$ which compares with final net earnings of $\$ 1.8$ million in 1940 and a loss of $\$ 587,000$ in 1952. The large net earnings in 1940 resulted from the sale at substantial premiums of holdings of consolidated Federal farm loan bonds callable in 1944. The proceeds of such sales were reinvested in long-term U. S. Treasury bonds. Final net earnings in 1948 include $\$ 464,000$, representing the reinstatement of security premiums previousiy written off.

PRODUCTION CREDIT CORPORATIONS
Table 9-Selected income and expense 1 tems
1940. 1944, 1948. 1951, 1952 snd 1953 a/f

| Corporationandyear | Operating income | $\begin{aligned} & \text { Opersting } \\ & \text { expenses b/ } \end{aligned}$ | Nst gain <br> or $1088(-)$ from operations | Pinal net earnings or loss ( - ) |
| :---: | :---: | :---: | :---: | :---: |
|  | (1) | (2) | (3) | (4) |
| System |  |  | \$237 708 |  |
| 1940................ | \$1,600,642 | \$1.362.934 | \$237.708 | \$1,833,544 |
| 1944................. | 1,467.769 | 1,613.080 | -145,311 | 668.317 |
| 1951................... | 1,1098,802 | 1,585,551 | -486.749 | -600,622 |
| 1952................. | 1,129,624 | 1,643,807 | -514.183 | -586,646 |
| 1953................ | 1,172,538 | 1,652,679 | -480,141 | -778,931 |
| Sprinfrield |  |  |  |  |
| 1940................. | 235,024 140,251 | 118,316 139.055 | 16,708 1,196 | $\begin{array}{r} 189,122 \\ 56,882 \end{array}$ |
| 1948................. | 151,752 | 159,562 | -7,810 | 39,585 |
| 1951................. | 91,815 | 132,862 | -41,047 | -111,598 |
| 1952................ | 96.405 | 133,306 | -36,901 | -37.073 |
| Belitimore ${ }^{195}$ | 98,883 | 131.599 | -32.716 | -32,716 |
| 1940................ | 138,449 | 121,128 | 17.321 | 180.577 |
| 1944.................. | 115.054 | 139,871 | -24.817 | 42,813 |
| 1948... | 151,947 | 120,032 | 31,915 | 100,868 |
| 1951. | 90,225 | 119.567 | -29,342 | -76,957 |
| 1953................... | 95.577 | 128,929 130,641 | -32.918 -35.064 | $-42,070$ $-56,451$ |
| 1940................ | 138,484 | 131,151 | 7.333 | 181,801 |
| 1944................. | 114,028 | 165,049 | -51,021 | 40.465 |
| 1948................ | 163,651 | 173.570 | -9,919 | 44.076 |
| 1951... | 91.978 | 157.716 | -65,738 | -70,969 |
| 1952................ | 104.728 | 157.905 | -53,177 | -55.357 |
| 1953................ | 117.654 | 164.487 | -46,833 | -46,833 |
| 1940................. | 135.779 | 128,473 | 7,306 | 123,013 |
| 1944................. | 111,804 | 154.335 | -42,531 | -24,844 |
| 1948................ | 162,080 | 163.134 | -1,054 | 29,247 |
| 1951................. | 100,199 | 158,847 | -58,648 | -140,025 |
| 1953................ | 113.879 | 161,518 | $-56,345$ $-47,639$ | -87.215 -86.789 |
| New Orleans |  |  |  |  |
| 1940................ | 109,618 | 85.818 | 23.800 | 139.680 |
| 1944................. | 111,666 | 112,544 | -878 | 42,695 |
| 1948.......................... | 132.005 78.451 | 131,293 123,474 | -45.023 | 41,703 $-53,415$ |
| 1952................ | 91,875 | 126,074 | -34.199 | -36,071 |
| 1953................. | 90,377 | 123,096 | -32,719 | -32,719 |
| ig40,............... | 165,644 | 129,206 |  | 113.713 |
| 1944................. | 122,501 | 152.144 | -29.643 | 7.947 |
| 1948.................... | 160,604 110,428 | 175.175 | -14.571 | 22,912 |
| 1952, ................ | 113,829 |  | -44, 4 -46 | -49.718 |
|  | 111:946 | 165.122 | -53.176 | -84,763 |

PRODUCTION CREDIT CORPORATIONS
$\begin{aligned} & \text { Table } 9 \text { - Selected income and expense 1tems - continued } \\ & 1940.1944,1948,1951,1952 \text { and } 1953 \mathrm{~s} /\end{aligned}$

| Corporstionandyesr | Operating income | $\begin{gathered} \text { Operating } \\ \text { expenses b/ } \end{gathered}$ | Net gain or loss ( - ) from operations | Pinal net earnings or 10 ss (-) |
| :---: | :---: | :---: | :---: | :---: |
|  | (1) | (2) | (3) | (4) |
| St. Peul |  |  |  |  |
| 1940............... | \$175,849 | \$130,106 | \$45,743 | \$181,099 |
| 1944................ | 140,603 | 135.563 | 5.040 | 47,858 |
| 1948............... | 151,984 103,439 | 159,427 132,279 | -7.443 | 56,437 $-8,913$ |
| 1952................. | 103.652 | 138.562 | -34.910 | -39.080 |
| $\xrightarrow{1953}$ Omaha | 101,674 | 139,083 | -37.409 | -37.409 |
| 1940... | 109,892 | 108,974 | 918 | 131,179 |
| 1944............... | 116,114 | 125,207 | -9,093 | 44.039 |
| 1948................ | 141,855 | 121,302 | 20,553 | 87.316 |
| 1951............... | 85.935 | 118,673 | -32,738 | -32,205 |
| 1952................. | 86,899 | 127.450 | -40.551 | -47,213 |
| wichita $1953 . . . . . . . . . .$. | 91.792 | 129.038 | -37.246 | -109.719 |
| 1940............... | 129.951 | 110,934 | 19.017 | 170,694 |
| 1944................ | 101.478 | 133.977 | -32,499 | 20,056 |
| 1948. | 138,250 | 134.492 | 3.758 | 63.600 |
| 1951................. | 82,871 | 124,280 127.437 | -41,409 | - 71.530 |
| 1952,............... | 69,622 83,785 | 127.437 127.662 | $-57,815$ $-43,877$ | $-66,341$ $-156,163$ |
| Houston |  |  |  |  |
| 1940............... | 111.397 | 92.040 | 19.357 | 120.569 |
| 1944................. | 100,086 | 122.125 | -27.039 | 46,541 |
| 1948................. | 142,201 82,690 | 137.275 119.733 | 4,926 $-37,043$ | -28,262 |
| 1952............ | 82.401 | 128,985 | -46.584 | -47.990 |
| 1993................ | 82.043 | 126.734 | -44,691 | -46,321 |
| Berkeley |  |  |  |  |
| 1940............... | 119,196 139,535 |  |  | 109,936 |
| 1944................. | 139,535 139,686 | 119,891 154.742 | 19,644 $-15,056$ | 150,405 48,667 |
| 1951................. | 96,965 | 126,085 | -29,120 | -27.458 |
| 1952................ | 92.752 | 129.641 | -36,889 | -36,889 |
| 1953................ | 96,552 | 130,901 | -34,349 | -34.349 |
| 1940............... | 131,359 | 89.839 | 41.520 | 192,161 |
| 1944... | 154.649 | 108,319 | 46,330 | 193.460 |
| 1948................ | 137.074 | 133.452 | 3,622 | 53.379 |
| 1951............... | 83,806 | 114.509 | -30.703 | 71.161 |
| 1952...............\| | 86.063 | 121,511 | - 35.448 | -41,029 |
| 1953.0............. | 88,376 | 122.798 | -34,422 | -54,699 |

b/ 1940 calendar years other years fiscal ended June 30 . rstions began paying thess costs effective July 1, 1942, have sgaregated sjstsmide over $\$ 200,000$ a year

## PRODUCTION CREDIT SYSTEM

Table 10 - Operating expenses of the PCA's and PCC's related to (1) the number of PCA loans made and (2) the average mumber of PCA loans outstanding -- calendar jears 1940, 1944, 1948, 1950, 1951, and 1952

Operating expenses in this table are the same as those in tables 8 and 9 except that (1) all PCC expenses are on a calendar year basis for comparability with PCA expenses and (2) PCC expenses in 1948 have been adjusted to eliminate a nonrecurring charge of $\$ 219,000$ representing the cost of establishing as a liability on the records of the corporations the value of the accrued annual leave of their employees applicable to 1947 and prior years.

Operating expense per PCA loan made in 1952 amounted to $\$ 64.51$, of which $\$ 58.57$ represented PCA expense and $\$ 5.94$ represented PCC expense. The PCA unit cost compares with $\$ 29.26$ in 1940 and $\$ 51.91$ in 1951, and the PCC cost with $\$ 5.90$ and $\$ 5.64$, respectively. Increase in PCA unit cost from 1940 to 1952 resulted from PCA expenses increasing at a faster rate than the number of loans made; expenses more than doubled while the number of loans increased only 21 percent. Increase from 1951 to 1952 resulted from PCA expenses increasing nearly 11 percent while the number of loans made dropped 1.7 percent.

Increase in PCC unit cost between 1940 and 1952 resulted from PCC expenses increasing at a slightly faster rate than PCA loans made; the increase between 1951 and 1952 reflects the increase in PCC expenses and decrease in PCA loans made. PCC unit cost for 1940 does not reflect Washington office supervisory expense as the corporations did not pay these expenses prior to July 1, 1942.

Operating expenses per PCA loan outstanding in 1952 amounted to $\$ 80.13$, of which $\$ 72.75$ represented PCA expenses and $\$ 7.38$ PCC expenses. Comparable rates in 1940 were for the system $\$ 41.69$, PCA's $\$ 34.69$, and PCC's $\$ 7.00$, and in 1951, system $\$ 72.85$, PCA's $\$ 65.71$, and PCC's $\$ 7.14$. The se average costs are greater than the costs per PCA loan made for comparable periods as the average number of PCA loans outstanding for any year is less than the number of loans made. This is due to the major volume of PCA business being for terms of less than one year.

Table 10 - operating expenses of the PCA's and PCC's related to (1) the number of PCA loans made and (2) the average number of PCA loans outstanding


PRODUCTION CREDIT SYSTEM
Table 10 - Operating expenses of the PCA's and PCC's related to (1) the number or PCA loans made and (2) the average number of PCA loans outstandin Calendar years $1940,1944,1948,1950,1951$ and 1952 - oontinued

| $\begin{aligned} & \text { D1strict } \\ & \text { and } \\ & \text { year } \end{aligned}$ | Operating expenses |  |  | Operating expenses per PCA loan made |  |  |  | Operating expenses per PCA loan outstanding |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | PCA a/ | PCC | Total | Number of PCA <br> loans made | PCA | PCC | Total | average number of PCA loans outstanding | PCA | PCC | Total |
|  | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) |
| St. Paul |  |  |  |  |  |  |  |  |  |  |  |
| $1940 \mathrm{c} /$. | \$639,869 | \$130,106 | \$769.975 | 25,624 | \$24.97 | \$5.08 | \$30.05 | 25,132 | \$25.46 | \$5.18 | \$30.64 |
| 1944. | 604,314 848,448 | 136,191 134.682 | 740,505 983,130 | 18,727 22,233 | 32.27 38.16 | 7.27 | 39.54 44.22 | 16,251 | 37.19 | 8.38 | 45.57 |
| 1950. | 1,076,686 | 128,861 | 1,205.547 | 22,23 24.156 | 38.16 44.57 | 6.06 5.33 | 44.22 49.90 | 17,396 20.629 | 48.77 52.19 | 7.74 6.25 | 56.51 58.44 |
| 1951 | 1,200.927 | 135.036 | $1,335.963$ | 23,841 | 50.37 | 5.66 | 56.03 | 20,674 | 58.19 58.09 | 6.25 6.53 | 58.44 64.62 |
| $1952 .$. Omaha | 1,325,249 | 141,356 | 1,466,605 | 23,255 | 56.99 | 6.08 | 63.07 | 20,513 | 64.61 | 6.89 6.89 | 71.50 , |
| 1940 s/. | 428,066 | 108,974 | 537.040 | 9,273 | 46.16 | 11.75 | 57.91 | 8,009 | 53.45 | 13.61 |  |
| 1944. | 523.235 | 120,801 | 644.036 | 9,005 | 58.10 | 13.41 | 71.51 | 7,723 | 67.75 | 15.64 | 83.39 |
| 1948. | 613.819 | 115,762 | 729,581 | 9.115 | 67.34 | 12.70 | 80.04 | 7.030 | 87.31 | 16.47 | 103.78 |
| 1951. | 792.940 | 118,779 122,960 | 909,719 $1,049,600$ | 10,942 10,895 | 72.28 85.05 | 10.86 11.29 | 83.14 96.34 | 8,647 9,478 | 91.47 | 13.74 | 105.21 |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
| 1940 1944 c... | 480,516 548,366 | 110,934 131,563 | 591,450 679,929 | 10,863 9,969 | 44.23 55.01 | 10.21 13.20 | 54.44 68.21 | 9.494 | 50.61 | 11.68 16.44 | 62.29 |
| 1948. | 711,502 | 118,868 | 830.370 | 12,813 | 55.01 55.53 | 13.28 9.28 | 68.21 64.81 | 8,755 | 68.53 81.27 | 16.44 13.58 | 84.97 94.85 |
| 1950. | 886.107 | 122,240 | 1,008,347 | 13.635 | 64.98 | 8.97 | 73.95 | 10,109 | 87.66 | 12.09 | 99.75 |
| 1951. | $1.011,223$ $1,103,965$ | 123,821 130,329 | 1,135,044 | 12,522 | 80.75 93.50 | 9.89 11.04 | 90.64 204.54 | 10,563 10,176 | 95.73 108.48 | 11.72 12.81 | 107.45 121.29 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| 1940 ¢/. | 515,840 858,591 | 92.040 122.389 | 607,880 | 12,393 |  | 7.43 | 49.05 | 9.841 | 52.42 | 9.35 | 61.77 |
| 1948. | 858,591 $1.235,536$ | 122,389 121,450 | 607,880 $1,356,980$ | 16,941 22,689 | 50.68 54.46 | 7.22 5.35 | 57.90 59.81 | 14,057 15,515 | 61.08 79.63 | 8.71 7.83 | 69.79 87.46 |
| 1950. | 1.,508.249 | 123.529 | 1,631,778 | 21,867 | 68.97 | 5.35 5.65 | 74.62 | 14,809 | 101.85 | 8.34 | 110.19 |
| 1951. | 1,623.645 | 120,886 128,375 | $1,744,531$ $1,910,361$ | 20,103 18,727 | 80.77 95.16 | 6.01 6.95 | 86.78 | 15,703 | 103.40 | 7.70 | 111.10 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| 1940 c. . | 470,639 500,163 | 116,949 | 587.588 | 7.014 | 67.10 | 16.67 | 83.77 | 5,878 | 80.07 | 19.90 | 99.97 |
| 1948. | 501,773 | 134,567 | 619.236 836.340 | 6,359 7,609 | 78.65 92.23 | 18.73 | 97.38 | 4,845 | 103.23 | 24.58 | 127.81 |
| 1950. | 785,174 | - 124.678 | 909,852 | 8,170 | 96.10 | 15.26 | 111.36 | 5,450 5.929 | 128.77 132.43 | 24.69 21.03 | 153.46 153.46 |
| 1952. | 899.679 | 130,374 | 1,030,053 | 8.427 | 106.76 | 15.47 | 122.23 | 6,215 | 144.76 | 20.98 | 165.74 |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
| 1948. | 558,546 | 110.123 | 668,669 | 8,222 | 67.93 | 13.39 | 81.32 | 5.757 | 97.02 | 19.13 | 116.15 |
| 1950. | 940,441 | 116,928 | 1, 932,243 1.057 .369 | 11,289 12,560 | 72.37 | 10.21 | 82.58 | 7.726 | 105.74 | 14.92 | 120.66 |
| 1951. | 1,067,741 | 117.008 | 1,184.749 | 13,195 | . 80.92 | 9.31 8.87 | 84.19 89.79 | 9,169 | 102.57 | 12.75 | 115.32 |
| 1952........... | 1.214 .797 | 122,540 | 1,337,327 | 12,637 | 96.13 | 9.70 | 105.83 | 9.840 | 123.46 | 12.45 | 135.91 |

b/ Excludoe income taxes in the years 1950, 1951, and 1952.
c/ PCC expensee for 1940 do not include washington ofrice supervisie to 1947 and prior yeare.
$\$ 200,000$ a year.

Table 11 - Selected income and expense itoms and ratios - yoars ended December 31, 1940, and June 30, 1944, 1948, 1951, 1952, and 1953

Income from loan operations (interest on loans and discounts, less compensation to the $B C^{\prime}$ s for servicing loans rediscounted; system amounts exclude income on interbank transactions) in 1953 of $\$ 21.8$ miliion was more than 6 times as much as in 1940 and 10 percent more than in 1952. The increases resulted from a greater average loan volume -- from $\$ 225$ million in 1940 to $\$ 785$ million in 1952 and $\$ 805$ million in 1953, and higher average loan and discount rates*-- from 1.47 percent in 1940 to 2.52 percent in 1952 and 2.71 percent in 1953.

Cost of borrowed funds (interest expense, commissions, and fiscal agent and debenture expense; system amounts exclude interest on interbank borrowings) in 1953 of $\$ 18$ million was almost 19 times as much as in 1940 and 6 percent more than in 1952. The increases resulted from a greater amount of borrowings and higher rates of cost on debentures outstanding .- from 0.45 percent in 1940 to 2.23 percent in 1952 and 2.31 percent in 1953. In 1953 and 1952 money costs absorbed 2.24 and 2.16 percentage points, respectively, of the per annum rate of income on loans, as compared with only 0.42 points in 1940.

Operating expenses in 1953 of nearly $\$ 2$ million were 32 percent greater than in 1940 and nearly 6 percent greater than in 1952. The per annum rate of expense* which amounted to 0.66 percent in 1940 dropped to 0.24 percent in 1952 and 1953.

Operating expenses include FCA examination costs and, except in 1940, FCA supervisory costs. Since the banks began paying the latter costs effective July 1, 1942, they have ranged for the systom from about $\$ 190,000$ to $\$ 260,000$ a year. Expenses in 1948 include a nonrecurring charge of $\$ 181,000$ representing the cost of establishing as a liability on the records of the banks the value of the accrued annual leave of their omployees applicable to 1947 and prior years.

Net gain from loan operations (income from loan operations less cost of borrowed funds and operating expenses) in 1953 of
$\$ 1.9$ million was more than twice as much as in 1940 and almost twice as much as in 1952. Per annum rate* declined from 0.39 percent in 1940 to 0.12 percent in 1952 and 0.23 percent in 1953. The increase in rate between 1952 and 1953 reflects an increase in loan income which was much larger than the increases in money costs and operating expenses. The small amount $(\$ 21,800)$ of net gain in 1948 was due in part to the nonrecurring charge for accrued annual leave mentioned in connection with operating expenses.

Final not earnings (net gain from loan operations plus not income from investments, adjusted for charge-offs, recoveries, and allowances for losses) in 1953 of $\$ 3.2$ million was 36 percent less than in 1940 but 33 percent more than in 1952. The substantial amount of not earnings in 1940 reflects slightly over $\$ 3$ million profit on sales of securities; these sales were necessary to provide funds to return $\$ 40$ million of paid-in capital to the revolving fund in the U. S. Treasury. Not earnings in 1948 include $\$ 490,500$ representing the reinstatement of security premiums previously written off. Charge-offs, recoveries, and allowances for losses have been nominal in amounts and have affected net earnings very little. Per annum rate of net earnings* in 1953 was 0.39 percent compared with 0.30 percent in 1952 and 2.21 percent in 1940.

Earnings as a rate of return on paid-in capital and total net worth in 1953 wero 4.73 percent and 2.84 percent, respectively, compared with 5.62 percent and 4.52 percent in 1940 , and 3.76 percent and 2.27 percent in 1952.

Franchise taxes paid U. S. Government in 1953 of $\$ 387,000$ represented 12 percent of final net earnings bofore transfers to reserve for contingencies; the comparable proportion in 1940 was 11 percent and in 1952 it was 12 percent.

[^2]Table 11 - Selected income and expense items and ratios

\begin{tabular}{|c|c|c|c|c|c|c|c|c|c|c|c|c|c|c|c|}
\hline \multirow{4}{*}{Bank and year} \& \multicolumn{2}{|l|}{Income rrom loan operations} \& \multicolumn{3}{|l|}{Cost of borrowed funds} \& \multicolumn{2}{|c|}{Operating expenses} \& \multicolumn{2}{|l|}{Net gain from loan operations} \& \multicolumn{4}{|c|}{P1nal net earnings} \& \multirow{3}{*}{$$
\begin{aligned}
& \text { Franchise } \\
& \text { taxes } \\
& \text { paid } \\
& \text { U. S. } \\
& \text { Government }
\end{aligned}
$$} \& Memorandum <br>
\hline \& \& \& \& \& Rate of cost of \& \& \& \& \& \& Per \& Rate of \& m on \& \& balance of loans, <br>
\hline \& Amount \& annum rate b/ \& Amount \& annum rate b/ \& $$
\begin{aligned}
& \text { debentures } \\
& \text { outstanding } \\
& \text { c }
\end{aligned}
$$ \& $$
\begin{gathered}
\text { Amount } \\
\text { d }
\end{gathered}
$$ \& annum
rate b/ \& Amount \& annum rate b/ \& Amount \& annum rate b) \& Pa1d-1n capital \& Total net worth \& \& $$
\begin{aligned}
& \text { notes } \\
& \text { recelvable } \\
& \text { outstanding }
\end{aligned}
$$ <br>
\hline \& (1) \& (2) \& (3) \& (4) \& (5) \& (6) \& (7) \& (8) \& (9) \& (10) \& (11) \& (12) \& (13) \& (14) \& (15) <br>
\hline \multicolumn{16}{|l|}{System} <br>
\hline 1940 \& \$3.324,864 \& 1.47 \& \$954.150 \& 0.42 \& 0.45 \& \$1,490,764 \& 0.66 \& \$879,950 \& \& \$4.966,738 \& 2.21 \& 5.62 \& 4.52 \& \$547.934 \& \$225,143,628 <br>
\hline 1944 \& 4.638 .243
$6.940,985$ \& 1.42
1.60 \& 2,806.657 \& 0.86
1.24 \& 0.93
1.33 \& $1,565,536$
$1,521,968$ \& 0.48
0.35 \& 266.050
21.818 \& 0.08
0.01 \& $1,203,045$
$1,512,723$ \& 0.37
0.35 \& 2.01 \& 1.34 \& 231.011 \& 325,520,026 <br>
\hline 1948. \& 6,940,985
$12,740,014$ \& 1.60
2.03 \& 5,397,199
$9,954,201$ \& 1.24
1.59 \& 1.33
1.67 \& $1,521,968$
$1,704,301$ \& 0.35
0.27 \& 1,081,818 \& 0.01 \& 1,512,723 \& 0.35
0.36 \& 2.52
3.70 \& 1.60
2.22 \& 178,181
299,525 \& $434,065,655$
$625,394.589$ <br>
\hline 1952. \& 19.141,614 \& 2.52 \& 16,945,254 \& 2.16 \& 2.23 \& 1,860,111 \& 0.24 \& 1.936,249 \& 0.12 \& 2,376,200 \& 0.30 \& 3.76 \& 2.27 \& 285,300 \& 784,588,447 <br>
\hline \multicolumn{9}{|l|}{\multirow[t]{2}{*}{}} \& \& \& \& \& \& \& <br>
\hline \& 192,176 \& 1.49 \& 53,614 \& 0.41 \& 0.44 \& 111,639 \& 0.87 \& 26.923 \& 0.21 \& 199.020 \& \& \& 2.83 \& \& <br>
\hline 1944. \& 283,583 \& 1.46 \& 159.918 \& 0.82 \& 0.92 \& 113.371 \& 0.59 \& 10,294 \& 0.21 \& 199.020
94.319 \& 1.54
0.49 \& 3.78
1.89 \& 2.83
1.29 \& 23,255 \& 12,920,962 <br>
\hline 1948. \& 547,206 \& 1.56 \& 430,911 \& 1.23 \& 1.30 \& 121,675 \& 0.35 \& -5,380 \& -0.02 \& 128,640 \& 0.37 \& 2.57 \& 1.67 \& 19,660 \& 35,123,399 <br>
\hline 1951 \& 749.503 \& 2.00 \& 573.417 \& 1.53 \& 1.64 \& 131,979 \& 0.35 \& 44,107 \& 0.12 \& 134,801 \& 0.36 \& 2.70 \& 1.67 \& 21,200 \& 37,425,412 <br>
\hline \& 970,110
$1,115,773$ \& 2.41
2.75 \& 854,867
882,792 \& 2.13
2.18 \& 2.26
2.30 \& 145,952
154,140 \& 0.36
0.38 \& -30.709
78.841 \& -0.08 \& 62,574 \& 0.16 \& 1.25 \& 0.77 \& 3.143 \& 40,202,786 <br>
\hline \multicolumn{16}{|l|}{} <br>
\hline 1940. \& 172,823 \& 1.53 \& 48.799 \& 0.43 \& 0.45 \& 111,653 \& 0.99 \& 12,371 \& 0.11 \& 264,199 \& 2.34 \& 4.77 \& 3.87 \& 16,050 \& 11,301,086 <br>
\hline 1944. \& 263.056 \& 1.49
1.68 \& 146,601 \& 0.83
1.26 \& 0.93 \& 122.955 \& 0.74
0.45 \& -13,500 \& -0.08 \& 81.096 \& 0.46 \& 1.62 \& 1,18 \& 20,274 \& 17.599 .043 <br>
\hline 1951. \& 805,386 \& 2.12 \& 609,683 \& 1.60 \& 1.66 \& 147,438 \& 0.45
0.39 \& -9,718 \& -0.03
0.13 \& 148,031
143,932 \& 0.52
0.38 \& 2.96
2.88 \& 2.04
1.87 \& 18,258
23,483 \& $28,543.744$
37.970 .830 <br>
\hline 1952. \& 1,151,805 \& 2.51 \& 1,001,801 \& 2.18 \& 2.25 \& 164.524 \& 0.36 \& -14,520 \& -0.03 \& 84,900 \& 0.18 \& 1.70 \& 1.09 \& 14,975 \& 45,916,098 <br>
\hline \multicolumn{16}{|l|}{} <br>
\hline 1940. \& 221.959 \& 1.49 \& 56,687 \& 0.38 \& 0.43 \& 114,658 \& 0.77 \& 50,614 \& 0.34 \& 418,946 \& 2.81 \& 4.75 \& 4.48 \& 42,236 \& 14,916,719 <br>
\hline 1944 \& 375,472 \& 1.41 \& 248,532 \& 0.93 \& 0.93 \& 132,273 \& 0.50 \& -5,333 \& -0.02 \& 74,614 \& 0.28 \& 1.49 \& 1.23 \& 6,154 \& 26,575,356 <br>
\hline 19481 \& 725,154
$1.080,241$ \& 1.66
2.12 \& 598.936
864.679 \& 1.37
1.70 \& 1.35
1.67 \& 137,263
152,638 \& 0.31
0.30 \& -11.045 \& -0.02 \& 106.465 \& 0.24 \& 2.11 \& 1.66 \& 1.616 \& 43,538,091 <br>
\hline 1952 \& 1,560,910 \& 2.12
2.60 \& 1,316,449 \& 1.70
2.19 \& 1.67
2.18 \& 152,638
164,508 \& 0.30
0.27 \& 62,924 \& 0.12 \& 149.505 \& 0.29 \& 2.93 \& 2.14 \& 12.376 \& 50,848,339 <br>
\hline \multicolumn{16}{|l|}{} <br>
\hline $$
1940 . . .
$$ \& 337.917 \& 1.48 \& 111,037 \& 0.49 \& 0.46 \& 117.103 \& 0.51 \& 109.777 \& 0.48 \& \& 1.66 \& \& \& \& <br>
\hline 1944. \& 460,854 \& 1.45 \& 280,949 \& 0.88 \& 0.94 \& 127.312 \& 0.40 \& 52,593 \& 0.17 \& 119,968 \& 1.66
0.38 \& 2.40 \& 1.58 \& 34,537
17.492 \& 22,809,535 <br>
\hline 1948 \& 662,674 \& 1.50 \& 554.879 \& 1.26 \& 1.33 \& 129,114 \& 0.29 \& -21,319 \& -0.05 \& 98,507 \& 0.22 \& 1.97 \& 1.21 \& 17.482
5,877 \& 31,671,988 <br>
\hline 1951 \& 1,412,607 \& 2.02 \& 1,103.473 \& 1.58 \& 1.65 \& 149.583 \& 0.21 \& 159,551 \& 0.23 \& 239,138 \& 0.34 \& 4.78 \& 2.77 \& 22,285 \& 69,758,463 <br>
\hline 1953. \& 2,391,211 \& 2.41 \& 1,903,134 \& 2.19 \& 2.25 \& 162,044 \& 0.19 \& 26,033 \& 0.03 \& 112,810 \& 0.13 \& 2.16 \& 1.26 \& 3,203 \& 86,772,773 <br>
\hline New Orleans \& 2,393,077 \& 2.63 \& 2,039,844 \& 2.24 \& 2.31 \& 171,933 \& 0,29 \& 181,300 \& 0.20 \& 273,842 \& 0.30 \& 4.71 \& 2.80 \& 5,960 \& 91,072,600 <br>
\hline 1940. \& 217.469 \& 1.44 \& 52,783 \& 0.35 \& 0.37 \& 107.097 \& 0.71 \& 57.589 \& 0.38 \& 143.336 \& 0.95 \& 2.43 \& 2.11 \& 4,584 \& <br>
\hline 1944. \& 394.799
572,182 \& 1.40
1.69 \& 260.812
462.324 \& 0.92
0.37
1.37 \& 0.37
1.32
1.32 \& 124,660 \& 0.44 \& 9,327 \& 0.04 \& 88,340 \& 0.31 \& 1.77 \& 1.37 \& 8,585 \& 28,198,654 <br>
\hline 1951 \& 549,771 \& 1.69
2.11 \& 462,324
760,419 \& 1.37
1.69 \& 1.32
1.65 \& 123.845
143.165 \& 0.36
0.32 \& -13.987
46.187 \& -0.04
0.10 \& 114.672 \& 0.34 \& 2.29
3 \& 1.69 \& $\frac{16.168}{35}$ \& 33,769,414 <br>
\hline 1952. \& 1,418.014 \& 2.58 \& 1,208,777 \& 2.20 \& 1.65
2.20 \& 143,165
147,730 \& 0.32
0.27 \& 46,187
61,507 \& 0.10
0.11 \& 192,917 \& 0.43
0.74 \& 3.86 \& 2.68 \& 35.729 \& 45,107,166 <br>
\hline 1953.....
st.

Louis \& 1,702,369 \& 2.76 \& 1.414.797 \& 2.29 \& 2.30 \& 159,269 \& 0.27
0.26 \& 128,303 \& 0.11
0.21 \& 403,961
252,691 \& 0.74
0.41 \& 7.28

4.06 \& ${ }_{\text {cker }}^{5.05}$ \& \[
$$
\begin{aligned}
& 38,490 \\
& 31,923
\end{aligned}
$$

\] \& \[

$$
\begin{aligned}
& 54,847,904 \\
& 61.777 .639
\end{aligned}
$$
\] <br>

\hline 1940. \& 337.319 \& 1.49 \& 104.512 \& 0.46 \& 0.45 \& \& \& \& \& \& \& \& \& \& <br>
\hline 1944. \& 518.495 \& 1.40 \& 338,729 \& 0,92 \& 0.93 \& 134.877 \& 0.36 \& 44,889 \& 0.12 \& 104,793 \& 0.28 \& 2.10 \& 1.44 \& 13,698 \& 22,629,607 <br>
\hline 1951. \& 1.363.845 \& 1.59
2.03 \& 562,324
$1,088,573$ \& 1.26 \& 1.33 \& 132,761 \& 0.30
0.34 \& 15,550 \& 0.03 \& 129.074 \& 0.29 \& 2.58 \& 1.68 \& 13.519 \& 44,699,690 <br>
\hline 1952. \& 2,151,829 \& 2.56 \& 1, 1,882, 685 \& 1.62
2.24 \& 1.66
2.27 \& 160,060
170,846 \& 0.24
0.20 \& 115,207 \& 0.17 \& 196,348 \& 0.29 \& 3.89 \& 2.40 \& 30,337 \& 67,319,778 <br>
\hline 1953.... \& 2,109,367 \& 2.56
3.67 \& 1,799.899 \& 2.24
2.28 \& 2.27
2.29 \& 170,846
177.540 \& 0.20
0.22 \& 131,928 \& 0.12 \& 2078.884
218 \& 0.25
0.28 \& 3.55 \& 2.28 \& 33,221
23 \& 84.155 .327 <br>
\hline
\end{tabular}

PEDERAL INTERMEDIATE CREDIT BANKS
Table 11 - Selected 1 ncome and expense 1 teme and ratios

| Bank and year | Inoome from loan operetions |  | Cost of borrowed funds |  |  | Opersting expenses |  | Net gain from loan operations |  | P1nal nat earnings |  |  |  | $\begin{aligned} & \text { Pranoh1 se } \\ & \text { taxes } \\ & \text { pa1d } \\ & \text { U. S. } \\ & \text { Oovernment } \end{aligned}$ | Mamorandum <br> Avarage dally balance of 103ne, disoounta and notes recelvabla outstanding |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Amount | Per rate b/ | Amount | Per ennum rate b/ | Rate of cost of debentures outstanding - | Amount d/ | Per annum rate b/ | Amount | Per ennum rata b/ | Amount | Par ennumrate b/ | Rate of return on |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  | $\begin{aligned} & \text { Paid-1n } \\ & \text { capital } \end{aligned}$ | Total nat worth |  |  |
|  | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (12) | (12) | (13) | (14) | (15) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1944. | 306,634 | 1.43 | 163,028 | 0.76 | 0.92 | 138,366 | 0.65 | 5,240 | 0.02 | 77.439 | 0.36 | 1.55 | 0.89 | 19.360 | 21,347,872 |
| 1948. | 440,410 | 1.53 | 325,883 | 1.13 | 1.32 | 118,039 | 0.41 | -3,512 | -0.01 | 135,347 | 0.47 | 2.71 | 1.48 | 21,336 | 28,720,683 |
| 1951. | 937,291 | 2.02 | 698,176 | 1.50 | 1.65 | 147.708 | 0.32 | 91.407 | 0.20 | 182.750 | 0.39 | 3.66 | 1.91 | 33,188 | 46,384,145 |
| 1952. | 1,429.473 | 2.52 | 1.181 .795 | 2.08 | 2.24 | 159.406 | 0.28 | 88,272 | - 0.16 | 182,444 | 0.32 | 3.65 | 1.88 | 30,611 | 56.729 .569 |
|  |  |  |  |  |  |  |  | 185.411 | 0.31 | 282,017 | 0.47 | 5.64 | 2.84 | 35.504 | 60,223,320 |
| 1940. | 225,767 | 1.53 | 60.753 | 0.41 | 0.47 | 118,813 | 0.81 | 46,201 | 0.31 | 397,490 | 2.70 | 5.17 | 3.77 | 49,372 | 14,745,228 |
| 1944 | 312,282 | 1.45 | 172,647 | 0.80 | 0.93 | 131,269 | 0.61 | 8,366 | 0.04 | 90,762 | 0.42 | 1.82 | 1.08 | 22,690 | 21,513,849 |
| 1948 | 384,306 | 1.50 | 293,033 | 1.14 | 1.35 | 119.627 | 0.47 | -28.354 | -0.11 | 100,740 | 0.39 | 2.01 | 1.14 | 12,685 | 25,560,364 |
| 1951 | 947,491 | 2.00 | 734,256 | 1.55 | 1.68 | 132,792 | 0.28 | 80,443 | 0.17 | 169,931 | 0.36 | 3.40 | 1.84 | 42,483 | 47,307.560 |
| 1952. | 1,589,006 | 2.49 | 1,359.306 | 2.13 | 2.26 | 141,622 | 0.22 | 88,078 | 0.14 | 181,965 | 0.29 | 3.64 | 1.95 | 39,241 | 63.703.921 |
| Wichita | 1.573,473 |  | 1,305,462 | 2.18 | 2.30 | 254,170 | 0.26 | 113,841 | 0.19 | 213,879 | 0.36 | 4.28 | 2.24 | 47,220 | 59,863,296 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1944. | 357.740 480.830 | 1.41 | 213,868 | 0.84 | 0.92 | 133.437 120.806 | 0.53 | 10.435 | 0.04 | 101,901 | 0.40 | 2.04 | 1.30 | 19,225 | 25.424.828 |
| 1948. | 480,830 996.408 | 1.56 2.00 | 366,184 790,581 | 1.19 1.58 | 1.32 1.69 | 120,806 137,212 | 0.39 0.28 | $-6,160$ 68,615 | -0.02 0.14 | 120,055 163,265 | 0.39 0.33 | 2.40 3.27 | 1.46 1.88 | 11,264 15,816 | $30,883.790$ $49.803,980$ |
| 1952 | 1.597.781 | 2.54 | 1,346,329 | 2.14 | 2.24 | 153,889 | 0.24 | 97.563 | 0.16 | 198.057 | 0.31 | 3.96 | 2.25 | 24,514 | 62,885,757 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| $\begin{aligned} & \text { ouston } \\ & 1940 . \end{aligned}$ | 395.651 | 1.48 | 108,843 | 0.41 | 0.43 | 141,768 | 0.53 | 145.040 | 0.54 | 446.052 | 1.67 | 6.66 | 4.67 |  | 26,736,466 |
| 1944. | 618,644 | 1.43 | 370.739 | 0.86 | 0.93 | 139,080 | 0.32 | 108,825 | 0.25 | 186.866 | 0.43 | 3.74 | 2.13 | 34,226 | 43.351.022 |
| 1948 | 814.403 | 1.59 | 630,859 | 1.23 | 1.34 | 127,833 | 0.25 | 55.711 | 0.11 | 148,102 | 0.29 | 2.96 | 1.59 | 12,025 | 51,375,552 |
| 1951 | 1,482,088 | 2.03 | 1,157,359 | 1.59 | 1.69 | 133,343 | 0.18 | 191.386 | 0.26 | 301.436 | 0.41 | 6.03 | 2.99 | 12,859 | 72,744,388 |
| 1952. | 2,302,910 | 2.53 | 1,960,208 | 2.16 | 2.23 | 157.069 | 0.17 | 185.633 | 0.20 | 324.751 | 0.36 | 6.05 | 3.03 | 6,188 | 90,807,846 |
| 1953... | 2,550,416 | 2.75 | 2,073,152 | 2.24 | 2.30 | 167.623 | 0.18 | 309.641 | 0.33 |  |  |  |  |  |  |
| 1940. | 334.423 | 1.41 | 95.509 | 0.40 | 0.42 | 140,468 | 0.59 | 98,446 | 0.42 | 730.611 | 3.08 | 6.54 | 6.14 | 90.153 | 23.752,858 |
| 1944 | 428,125 | 1.42 | 268.371 | 0.89 | 0.94 | 134,914 | 0.45 | 24.840 | 0.08 | 78,676 | 0.26 | 1.57 | 1.18 | 19.669 | 30,188,638 |
| 1948. | 643,688 $1,042,607$ | 1.75 2.03 | 456,002 824.812 | 1.24 | 1.29 | 134,222 140,434 | 0.37 | 53.464 | 0.14 | 157.020 | 0.43 | 3.14 | 2.26 | 14,255 | 36,658,218 |
| 1952. | 1,881,860 | 2.53 | 1,588,570 | 2.14 | 2.22 | 249.833 | 0.20 | 143,457 | 0.19 | 229.947 | 0.32 | 3.25 4.28 | 2.19 2.90 | 15.578 | $51,408,628$ $74,309,760$ |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1940. | 339.691 | 1.45 | 107,464 | 0.46 | 0.49 | 145.014 | 0.62 | 87.213 | 0.37 | 536,477 | 2.30 | 5.84 | 4.84 | 65,369 | 23,287.839 |
| 1944. | 330,899 | 1.42 | 194,803 | 0.84 | 0.92 | 126,022 | 0.54 | 10,074 | 0.04 | 104,272 | 0.45 | 2.09 | 1.39 | 26,068 | 23.318.162 |
| 1948 | 507,383 | 1.63 | 383,701 | 1.23 | 1.34 | 127.114 | 0.41 | -3.432 | -0.01 | 126,070 | 0.40 | 2.52 | 1.60 | 31.518 | 31.145 .722 |
| 1951 |  | 2.02 2.52 |  | 1.57 2.12 |  | 127.949 | 0.26 |  | 0.19 | 186.765 | 0.38 | 3.74 | 2.25 | 34.191 | 49.315,900 |
| 1952..... | $1,617,257$ $1,853,395$ | 2.52 2.75 | 1.362,285 | 2.12 | 2,22 | 142.688 | 0.22 | 112.284 | 0.18 | 210,054 | 0.33 | 4.20 | 2.50 | 40,014 | 64,212,401 |
| 1953...... | 1,853,395 | 2.75 | 1,481,923 | 2.20 | 2.31 | 150,640 | 0.22 | 220,832 | 0.33 | 318.867 | 0.47 | 6.38 | 3.67 | 67,216 | 67,401,661 |

[^3]/ Net upon the avaraga dally balanoe of loans, discounta and notes rooivable outstanding (oolumn 15)
Net debentura costs, axcluding riscal agant and debentura axpanse, related to the average daily balanoa of dabenturee outstanding.
from about $\$ 190,000$ to $\$ 260,000$ a yaar.

Table 12 - Selected income and expense items and ratios - years ended
December 31, 1940, and June 30, 1944, 1948, 1951, 1952, and 1953

Income from loan operations* in 1953 of $\$ 12.6$ million was slightly more than 6 times as much as in 1940 and 4.1 percent more than in 1952. Higher interest rates accounted for the increase between 1952 and 1953 while a combination of higher interest rates and increased loan volume was the reason for the change between 1940 and 1953. The average' balance of net credit outstanding was $\$ 77.4$ million in 1940 as compared with $\$ 371.4$ million in 1952 and $\$ 369.8$ million in 1953. Per annum rate of income** increased from 2.67 percent in 1940 to 3.25 percent in 1952 and to 3.40 percent in 1953. The 1944 per annum rate was only 1.78 percent, due to the banks' substantial investment in CCC paper on which the interest varied from 3/4 of 1 percent to 1 percent.

Cost of borrowed funds (interest expenses and fiscal agent costs, less compensation for services to FICB's; system amounts exclude interest on interbank borrowings) in 1953 of $\$ 4.4 \mathrm{mil}$ lion compares with $\$ 87,000$ in 1940 and $\$ 4.3$ million in 1952. The increase between 1952 and 1953 was entirely due to higher interest rates. The per annum rate of money costs** increased from 0.11 percent in 1940 to 1.16 percent in 1952 and to 1.20 percent in 1953.
Operating expenses in 1953 of slightly more than $\$ 2$ million were almost twice as much as in 1940 and 1.6 percent higher than in 1952. Per annum rate of expenses**, however, decreased from 1.34 percent in 1940 to 0.54 percent in 1952 and 0.55 percent in 1953 due to the greater volume of credit outstanding. Operating expenses include FCA examination costs and, except in 1940, FCA supervisory costs. Since the banks began paying the latter costs effective July l, 1943, they have ranged from $\$ 140,000$ to over $\$ 200,000$ a year. Expenses in 1948 include a nonrecurring charge of $\$ 209,000$ representing the cost of establishing as a liability on the records of the banks the value of the accrued leave of their employees applicable to 1948 and prior years.

Net gain from loan operations (income from loan operations less cost of borrowed funds and operating expenses) in 1953 of $\$ 6.1$ million was 6.5 times as much as in 1940 and 6.0 percent more than in 1952. Per annum rate of net cain** was l. 22 nercent

In 1940 as compared with 1.55 percent in 1952 and 1.65 percent in 1953.

Net earnings before provision for losses (net gein from loan operations plus investment and other income) in 1953 of $\$ 7.1$ million was about 1.6 times as much as in 1940 and 5.2 percent more than in 1952. Investment and other income in 1940 amounted to $\$ 3.5$ million (includes profit of over $\$ 2$ million on sales of securities which were necessary to retire $\$ 60 \mathrm{mil}$ lion of the banks' Goverment capital) and represented about
80 percent of earnings before losses. In 1953 it amounted to $\$ 1$ million and represented only 14.6 percent of the item. Per annum rate** dropped from 5.79 percent in 1940 to 1.83 percent in 1952 and increased to 1.93 percent in 1953.
Final net earnings (apter loan losses and provision for losses) in 1953 of $\$ 8.8$ million were 64.8 percent higher than in 1940 and were 58.5 percent more than in 1952. Downward adjustments of loss reserves and profits on the sale of acquired assets increased net earnings $\$ 1.7$ million in 1953, whereas in 1952 losses and provision for losses decreased net earnings $\$ 1.2$ million. Per annum rate of final net earnings** decreased from 6.93 percent in 1940 (reflects the large volume of investment income and net downward reserve adjustment in that year) to 1.50 percent in 1952 and increased in 1953 to 2.39 percent.

The rates of return in 1953 on paid-in capital of 4.47 percent and on total net worth of 3.31 percent were considerably higher than the rates in 1952 of 2.83 percent and 2.15 percent, respectively, and compare favorably with the 1940 rates of 3.82 percent and 3.41 percent. The differences between 1953 and 1952 reflect primarily the fluctuations in losses and provision for losses.

[^4]able 12 - Selected income and expense items and ratios


Table 12 - Selected income and expense 1 tams and ratios
1940. $1944,1948,1951,1952$ and 1953 a $/$ continued

| Bank and year | Income from loan operations |  | cost of borrowed funds |  | Operating expenses |  | Net gain from loan operations |  | Net earnings before provision for losses |  | Pinal net earnings |  |  |  | Mamorandum <br> Avarage <br> balance or nat crad1t outstanding |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Amount | Per annum rate b/ | Amount | $\begin{aligned} & \text { Per } \\ & \text { annum } \\ & \text { rate } \\ & \text { b/ } \end{aligned}$ | $\begin{aligned} & \text { Amount } \\ & d / \int \end{aligned}$ | $\begin{aligned} & \text { Per } \\ & \text { annum } \\ & \text { rate } \\ & \text { b/ } \end{aligned}$ | Amount | Per annum rate b/ | Amount | $\begin{aligned} & \text { Per } \\ & \text { annum } \\ & \text { rate } \\ & \text { b/ } \end{aligned}$ | Amount | Par annum rata b) | Rate of return on |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  | Pa1d-1n capital | Total nat worth |  |
|  | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) |
| St. Paul 1940 | \$131,840 | 2.89 | \$871 | 0.02 | \$87,421 |  | \$43,548 |  | \$169,526 |  |  | 2.89 | 1.62 |  |  |
| 1944. | 266,394 | 2.10 | 14,276 | 0.11 | 105,906 | 0.84 | 146,212 | 1.15 | +161,122 | 3.71 1.59 | $\$ 131,901$ 298,607 | 2.89 2.36 | 2.53 | 1.51 2.25 | \$4,564,062 |
| 1948 | 606,650 | 2.86 | 89,166 | 0.42 | 129,322 | 0.61 | 388,162 | 1.83 | 446,530 | 2.10 | 344,739 | 1.62 | 2.76 | 2.28 | 21,243,645 |
| 1951 | 865,858 | 3.16 | 225.411 | 0.82 | 148.189 | 0.54 | 492,258 | 1.80 | 540,275 | 1.97 | 496.571 | 1.81 | 3.34 | 2.62 | 27,379,846 |
|  | 1,006.487 | 3.17 | 368.879 | 1.16 | 153.882 | 0.49 | 483,726 | 1.52 | 544,825 | 1.72 | 509.119 | 1.61 | 3.39 | 2.59 | 31,704,693 |
| 1953. | 1,097,046 | 3.25 | 428.891 | 1.27 | 158,004 | 0.47 | 510,151 | 1.51 | 571,250 | 1.69 | 521,250 | 1.55 | 3.44 | 2.57 | 33.714.699 |
| Omaha 1940 | 72.488 | 3.23 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1944 | 164,757 | 2.45 | 17,288 | 0.26 | 81,842 | 1.22 | 65,627 | 0.97 | 103,703 | 1.54 | 125.450 | 4.85 | 1.51 2.03 | 1.48 1.80 | $2,242,372$ $6,733,816$ |
| 1948. | 199,163 | 2.64 | 26,622 | 0.35 | 114,741 | 1.52 | 57,800 | 0.77 | 96,263 | 1.28 | 101,840 | 1.35 | 1.62 | 1.35 | 7,753.816 |
| 1951. | 356,250 | 3.00 | 106,641 | 0.90 | 109.724 | 0.92 | 139,885 | 1.18 | 178,550 | 1.51 | 188.981 | 1.59 | 2.88 | 2.32 | 11,863,169 |
| 1952. | 432,994 | 3.07 | 181,019 | 1.28 | 120.787 | 0.86 | 131,188 | 0.93 | 169,852 | 1.21 | 169:498 | 1.20 | 2.51 | 1.99 | 14,086.796 |
| 1953. | 477,019 | 3.04 | 192,909 | 1.23 | 124,853 | 0.80 | 159,257 | 1.01 | 197.921 | 1.26 | 196,866 | 1.25 | 2.42 | 1.95 | 15,693,855 |
| W10h1ta | 150.361 | 2.82 | 6,827 | 0.13 | 68,316 | 1.28 | 75,218 | 1.41 | 213,273 | 4.00 | 156,158 | 2.93 | 2.16 | 2.00 | 4 |
| 1944. | 242,502 | 2.38 | 29,257 | 0.28 | 90,584 | 0.89 | 122,661 | 1.21 | 184,949 | 1.82 | 224,933 | 2.91 2.21 | 2.07 | 1.85 | $5,334,949$ $10,170,109$ |
| 1948. | 402.504 | 3.54 | 27,530 | 0.24 | 119.374 | 1.05 | 255,600 | 2.25 | 324,341 | 2.86 | 344,230 | 3.04 | 2.99 | 2.48 | 11,345,725 |
| 1951. | 862,930 | 4.22 | 146,929 | 0.72 | 169.505 | 0.83 | 546,496 | 2.67 | 603,312 | 2.95 | 516,725 | 2.53 | 4.15 | 3.24 | 20.454.346 |
| 1952 | 949.222 | 4.15 | 229.033 | 1.00 | 200.419 | 0.88 | 519,770 | 2.27 | 591,616 | 2.59 | 470,329 | 2.06 | 3.73 | 2.83 | 22,863,278 |
| 1953. | 944,213 | 4.07 | 243.157 | 1.05 | 203.146 | 0.88 | 497.910 | 2.14 | 569,756 | 2.46 | 474.039 | 2.04 | 3.77 | 2.78 | 23,182,879 |
| 1940. | 97.794 | 3.50 | 213 | 0.01 | 65,863 | 2.36 | 31,718 | 1.13 | 167,513 |  | 147,035 | 5.26 | 2.34 | 2.12 | 2,794,567 |
| 1944. | 228,096 | 2.13 | 15,631 | 0.15 | 98,503 | 0.92 | 113,962 | 1.06 | 170,246 | 1.59 | 179.241 | 1.67 | 1.71 | 1.53 | 10,731,271 |
| 1948. | 335.581 | 3.08 | 28,409 | 0.26 | 113.466 | 1.04 | 193.706 | 1.78 | 249.631 | 2.29 | 311,786 | 2.86 | 2.89 | 2.40 | 10,905,765 |
| 1951 | 517.191 | 3.31 | 77.351 | 0.50 | 112,684 | 0.72 | 327.156 | 2.09 | 383.082 | 2.45 | 276,400 | 1.77 | 2.53 | 1.95 | 15,617,239 |
| 1952. | 639.615 680.181 | 3.53 3.57 | 141,670 164,997 | 0.78 0.87 | 117.974 118,062 | 0.65 0.62 | 379.971 397.122 | 2.10 | 435,897 453.048 | 2.41 | 395.923 | 2.19 | 3.55 | 2.70 | 18.099.709 |
| Berkeley | 680,181 | 3.57 | 164,997 |  | 118,062 | 0.62 | 397,122 | 2.08 | 453,048 | 2.38 | 477.735 | 2.50 | 4.23 | 3.13 | 19.073.400 |
| 1940.. | 313,621 | 2.76 | 24,047 | 0.21 | 119,265 | 1.05 | 170,309 | 1.50 | 406.411 | 3.57 | 342,383 | 3.01 | 2.43 | 2.24 | 11,369,531 |
| 1944. | 236,030 558,181 | 2.05 2.87 | 46,526 128,656 | 0.40 0.66 | 116,191 | 1.01 | 73,313 | 0.64 | 157.846 | 1.37 | 242,846 | 2.11 | 2.01 | 1.69 | 11,532,040 |
| 1951. | 671,031 | 3.01 |  | 0.66 0.74 | 146,109 <br> 9645 | 0.75 0.72 | 283,416 | 1.46 1.55 | 359,193 412,677 | 1.85 1.85 | 94,716 564,085 | 0.49 2.53 | 0.89 4.32 | 0.69 3.30 | 19,444,844 |
| 1952. | 1.027 .922 | 3.15 | 434,282 | 1.33 | 161,803 | 0.50 | 431,837 | 1.32 | 510,362 | 1.56 | 656,073 | 2.01 | 4.83 | 3.59 | 32,634,024 |
| 1953.0 spokane | 1,060,676 | 3.40 | 421.314 | 1.35 | 161,451 | 0.52 | 477.911 | 1.53 | 556,861 | 1.78 | 670.704 | 2.15 | 4.95 | 3.55 | 31,212,034 |
| 1940. | 202,457 | 3.27 | 7.549 | 0.12 | 84,064 | 1.36 | 110,844 | 1.79 | 282,502 | 4.56 | 294,232 |  | 2.89 | 2.66 | 6,190,037 |
| 1944. | 204,883 | 2.77 | 14.111 | 0.19 | 100,062 | 1.35 | 90,710 | 1.23 | 153,375 | 2.07 | 177,451 | 2.40 | 1.98 | 1.68 | 7,394,926 |
| 1948. | 381,961 | 2.89 | 52,420 | 0.39 | 123.965 | 0.94 | 205.576 | 1.56 | 267.511 | 2.03 | 237.111 | 1.80 | 2.55 | 2.00 | 13,195,712 |
| 1951. | 470.741 618,149 | 3.23 3.30 | 83,612 186,287 | 0.57 1.00 | 121,664 133.559 | 0.84 0.71 | 265,465 298,303 | 1.82 1.59 | 316,348 362,636 | 2.17 | 336,461 308,434 | 2.31 | 3.33 | 2.48 | 14,587,834 |
| 1953.... | 601,190 | 3.35 | 180.610 | 1.01 | 136,874 | 0.71 0.76 | 298,303 283,706 | 1.59 1.58 | 362,636 348,038 | 1.93 1.94 | 308,434 336,038 | 1.65 1.88 | 2.98 3.26 | 2.17 2.33 | $\begin{aligned} & 18.748 .933 \\ & 17.918 .878 \end{aligned}$ |
| $1940 \ldots$ | 393.375 | 1.84 | 22,933 | 0.11 | 127,165 | 0.59 | 243,277 | 1.14 | 1,842,022 | 8.62 | 3,232,312 | 15.12 |  |  | 21,374,693 |
| 1944 | 1,266,914 | 1.26 | 397.504 | 0.40 | 124, 566 | 0.14 | 724,844 | 0.72 | 1,833,099 | 0.83 | 3,243,312 | 0.84 | 1.12 | 0.96 | 100,390,755 |
| 1948. | 1,643,099 | 2.40 | 576.505 | 0.84 | 192.756 | 0.28 | 874,838 | 1.28 | 1.516.371 | 2.21 | 1,266,371 | 1.85 | 1.63 | 1.34 | 68,483.636 |
| 1952. | 4,507,600 | 3.61 | $1,338.878$ 2.815 .542 | 1.39 2.26 | 179,709 214,933 | 0.18 0.17 | 1,536,295 | 1.59 | 1,818,172 | 1.88 | 1,803,623 | 1.87 | 2.91 | 2.17 | 96,653,333 |
| 1953.... | 5,341,703 | 4.38 | 3,499,912 | 2.87 | 211.517 | 0.17 | 1,630,274 | 1.34 | 1,997,629 | 1.64 | 2,485,483 | 2.04 | 3.97 | 1.47 2.84 | $124.734,102$ $122,060,150$ |

a/ 1940 calendar year; other years riacal ended June 30
based on average balance of credit outstanding net of participations sold.


Table 13 - Selected income and expense items and ratios years ended June 30, 1948 through 1953
(FLB and NFLA data have been consolidated with adjustments having been made to eliminate items causing duplication, such as compensation, loan closing fees and dividends paid by the banks to the NFLA's)

Income from loan operations (interest on loans and real estate sales peper, miscellaneous interest, and loan closing fees received from borrowers) in 1953 of $\$ 45$ million was 19 percent greater than in 1948 and 8 percent more than in 1952. The increases resulted from a greater average loan volume (see column 19) and higher rates of interest on new loans closed at 3 banks. The per anmm rate of all income from loan operations* was 4.11 percent in 1953 compared with 4.10 percent in 1952 and 4.16 percent in 1948.
Cost of borrowed funds (all costs of CFFL bonds, interest on notes payable, and interest on future payment funds) in 1953 of $\$ 20$ million was 76 percent more than in 1948 and 38 percent greater than in 1952. The increases resulted from larger borrowings and higher interest rates. The average interest rate on CFFL bonds outstanding (weighted average face rate on bonds outstanding at the end of the year) increased from 1.55 percent in 1948 to 2.07 percent in 1952 and 2.35 percent in 1953. Money costs in 1953 absorbed 1.83 percentage points of the per anmum rate of income on loans* as compared with 1.25 points in 1948.
Operating expenses (net of recoveries from the FFMC and for surplus property disposal) of $\$ 18.6$ million in 1953 were 16 percent greater than in 1948 and 4 percent more than in 1952. The per annum rate of expense* in 1953 was 1.70 percent compared with 1.77 percent in 1948 and 1.76 percent in 1952 . Operating expenses in 1948 include a nonrecurring charge of $\$ 1,146,000$ representing the cost of establishing as a liability on the records of the banks the value of accrued annual leave of their employees applicable to 1948 and prior years.

Net gain from loan operations (income from loan operations less cost of borrowed funds and operating expenses) in 1953 of $\$ 6.3$ million was 39 percent less than in 1948 and 31 percent less than in 1952. The per annum rate* in 1953 was 0.58 percent as compared with 2.14 percent in 1948 and 0.91 percent in 1952.

Net earnings before provision for losses (net gain from loan operations plus net income from investments and mineral rights, and miscellaneous income) in 1953 of $\$ 12.6$ million were 11 percent less than in 1948 and 18 percent less than in 1952. These decreases would have been substantially greater were it not for income from mineral reservations, this income having increased from $\$ 777,000$ in 1948 to $\$ 2,700,000$ in 1952 and $\$ 2,300,000$ in 1953. The per annum rate of net earnings before provision for losses* was 1.15 percent in 1953 as compared with 1.56 percent in 1948 and 1.51 percent in 1952. Net earnings before provision for losses represented about an 18 percent rate of return on capital stock in 1953 compared with rates of about 25 percent in 1948 and 24 percent in 1952. The rate of return on total net worth of the system was 3.32 percent in 1953 as compared with 4.99 percent in 1948.

Final net earnings (after provision for losses) in 1953 of $\$ 21.3$ million were 51 percent greater than in 1948 but were 21 percent less than in 1952. The year to year changes in final net earnings were due largely to differences in the amount of net downward adjustments in the banks' reserve for losses, which were made after determining that such reserves were too high. These reserves had been built up by charges to earnings in previous years. In 1953 a smaller net gain from lending operations also was a major factor in the decline in final net earnings. The per annum rate of final net earnings* was 1.95 percent in 1953 as compared with 1.55 percent in 1948 and 2.65 percent in 1952 .

The rate of return in 1948 of final net earnings on capital stock was 24.98 percent and on total net worth 4.98 percent. The comparable rates in 1953 were 30.40 percent and 5.62 percent, respectively, and in 1952 they were 41.32 percent. and 7.55 percent.

Dividends declared by NFLA's to borrowers have ranged from $\$ 3.5$ million in 1948 to $\$ 4.1$ million in 1953.

[^5]| Bank <br> and <br> year | Income from loan operations |  | Cost of borrowed funds |  |  | Operating expenses |  | Net gain from loan operations |  | Net earnings before provision for losses |  |  |  | Finsl net earniggs |  |  |  | $\left\{\begin{array}{c} \text { Dividends } \\ \text { declared } \\ \text { by } \\ \text { NFLA's } \\ \text { to } \\ \text { borrowers } \end{array}\right.$ | Memorandum <br> Average <br> balance or <br> mortgage <br> lans <br> and <br> real estate <br> sales paper <br> outstanding |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Anount | Per annum rate | Amount | Per annum rateb/ | Average <br> interest <br> rate on bonds outstanding | Amount | Per annum rate b/ | Amount | $\left\lvert\, \begin{gathered} \text { Per } \\ \text { annum } \\ \text { rate } \\ \text { be } \end{gathered}\right.$ | Amount | $\begin{gathered} \text { Per } \\ \text { annum } \\ \text { rate } \\ \text { b/ } \end{gathered}$ | Rate or return on |  | Amount | Per annum rateb/ | Rate of return on |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  | Capital stock | $\begin{aligned} & \text { Total } \\ & \text { net } \\ & \text { worth } \end{aligned}$ |  |  | $\begin{aligned} & \text { capital } \\ & \text { stock } \end{aligned}$ | $\begin{aligned} & \text { Total } \\ & \text { net } \\ & \text { worth } \end{aligned}$ |  |  |
|  | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) | (16) | (17) | (18) | (19) |
| System |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1948. | \$37,715,890 | 4.16 | \$11,370,298 | 1.25 <br> 1.28 | 1.55 | \$16,040,546 | 1.77 | \$10,305,046 | 1.14 | \$14,102,232 | 1.56 | 25.03 | 4.99 4.49 | \$14,073,500 | 1.55 | 24.98 | 4.98 | \$3,487,261 | \$900, 116.419 |
| 1949. | $36,264,590$ $37,742,760$ | 4.08 4.10 | 11,410,015 | 1.28 1.34 | 1.55 1.62 | $15,675,535$ $15,821,745$ | 1.77 1.72 | 9,179,040 | 1.03 1.04 | $13,176,472$ $13,901,828$ | 1.48 1.51 | 23.15 23.45 | 4.49 4.49 | $13,982,012$ $18,119,943$ | 1.57 1.97 | 24.57 30.56 | $\begin{aligned} & 4.77 \\ & 5.85 \end{aligned}$ | $3,876,806$ $3,621,520$ | $\begin{aligned} & 888,104,611 \\ & 920.784,857 \end{aligned}$ |
| 1951 | 39,482,509 | 4.10 | 12,722,795 | 1.32 | 1.62 | 16.777,728 | 1.74 | 9,981,986 | 1.04 | 14,210,244 | 1.48 | 23.10 | 4.29 | 21,795,493 | 2.26 | 35.44 | 6.59 | 3,961,406 | 963.658,219 |
| 1952 | 41,542,306 | 4.10 | 14,532,120 | 1.43 | 2.07 | 17,883.599 | 1.76 | 9,126,587 | 0.91 | 15,369.085 | 1.51 | 23.56 | 4.31 | 26,950,673 | 2.65 | 41.32 | 7.55 | 3,923,937 | 1.015,241.096 |
| 1953. | 44,970,160 | 4.11 | 20,032,987 | 1.83 | 2.35 | 18,603,642 | 1.70 | 6,333,532 | 0.58 | 12.585.511 | 1.15 | 17.98 | 3.32 | 21,284,524 | 1.95 | 30.40 | 5.62 | 4,075,675 | 1,093.747.456 |
| Sprinefleld |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1949 | 2,356,280 | 4.20 | 788,995 | 1.41 | 1.65 | 1,038,239 | 1.85 | 529,046 | 0.94 | 646,188 | 1.15 | 18.12 | 5.09 | 571,714 | 1.02 | 16.03 | 4.50 | 67,393 | 56,049,668 |
| 1950 | 2,389,297 | 4.22 | 825.432 | 1.46 | 1.71 | 1,085,734 | 1.92 | 478.131 | 0.84 | 595,167 | 1.05 | 16.49 | 4.34 | 1,070,328 | 1.89 | 29.65 | 7.81 | 105,397 | 56,572,051 |
| 1951 | 2,423,752 | 4.28 | 830,096 | 1.47 | 1.71 | 1,137,362 | 2.01 | 456,294 | 0.80 | 589,093 | 1.04 | 16.14 | 4.16 | 560,192 | 0.99 | 15.35 | 3.95 | 123,000 | 56,630,938 |
| 1952 | 2.461 .879 | 4.31 | 864,013 | 1.51 | 2.06 | 1.110,292 | 1.94 | 493.574 | 0.86 | 655.321 | 1.15 | 17.43 | 4.29 | 1,131,205 | 1.98 | 30.09 | 7.40 | 134,262 | 57,232,571 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1948. | 1,678,759 | 4.36 | 453,692 | 1.18 | 1.45 | 951,778 | 2.47 | 273,289 | 0.71 | 368,176 | 0.96 | 14.70 | 3.80 | 368,176 | 0.96 | 14.70 | 3.80 |  | 38,505,540 |
| 1949 | 1,643,003 | 4.26 | 473.976 | 1.23 | 1.45 | 867,616 | 2.25 | 301.411 | 0.78 | 389,693 | 1.01 | 15.19 | 3.85 | 364,807 | 0.95 | 14.22 | 3.61 |  | 38,573,963 |
| 1950 | 1,693,348 | 4.26 | 520.148 | 1.31 | 1.55 | 881.686 | 2.22 | 291,514 | 0.73 | 401,518 | 1.01 | 15.05 | 3.80 | 345,902 | 0.87 | 12.97 | 3.28 |  | 39,749,391 |
| 1951 | 1,782,826 | 4.20 | 547.490 | 1.29 | 1.55 | 951.062 | 2.24 | 284,274 | 0.67 | 356,383 | 0.84 | 12.42 | 3.23 | 268,150 | 0.63 | 9.34 | 2.43 | 1,374 | 42,463,162 |
| 1952 | 1,919,376 | 4.17 | 684.737 | 1.49 | 1.95 | 1.018,757 | 2.21 | 215,882 | 0.47 | 326,472 | 0.71 | 11.17 | 2.57 | 1,707,114 | 3.71 | 58,42 | 13.42 | 60,156 | 46,043,350 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1948. | 1,961,379 | 4.47 | 613,000 | 1.40 | 1.43 | 1,127,033 | 2.57 | 221,346 | 0.50 | 360,263 | 0.82 | 12.63 | 4.85 | 292,776 | 0.67 | 10.27 | 3.94 | - | 43,880, 708 |
| 1949 | 2,054,156 | 4.37 | 677.489 | 1.44 | 1.43 | 1,111,068 | 2.36 | 265.599 | 0.57 | 409,120 | 0.87 | 13.58 |  | 502,989 | 1.07 | 16.69 |  | - | 47,005,829 |
| 1951 | 2,321,979 | 4.55 4.54 | 782,613 | 1.53 | 1.53 | 1,213,206 | 2.38 2.35 | 326,160 364,760 | 0.64 | 473,889 | 0.93 | 14.55 | 5.41 | 425.873 | 0.83 | 13.08 | 4.86 4.73 | - | $51.075,954$ |
| 1951 | 2,483,107 | 4.54 4.65 | 829.948 | 1.52 1.63 | 1.53 2.23 | 1,288,399 | 2.35 | 364.760 | 0.67 0.83 | 559,709 | 1.02 | 16.29 | 5.97 | 443,959 | 0.81 | 12.92 | 4.73 |  | 54,661,413 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Lou1svil | 2,357,738 | 4.07 | 520,557 | 0.90 | 1.75 | 1,364,107 | 2.35 | 473,074 | 0.82 | 630.342 | 1.09 | 15.69 | 1.80 | 1,630,342 | 2.82 | 40.57 | 4.65 | 268.857 |  |
| 1949. | 2,290,297 | 4.02 | 514,790 | 0.90 | 1.75 | 1,550,052 | 2.72 | 225,455 | 0.40 | 382,756 | 0.67 | 9.45 | 1.09 | 278,123 | 0.49 | 6.86 | 0.79 |  | 57.955,094 |
| 1950 | 2,439,397 | 4.03 | 602,236 | 1.00 | 1.75 | 1,496,411 | 2.47 | 340,750 | 0.56 | 526,982 | 0.87 | 12.29 | 1.48 | 526,982 | 0.87 | 6.06 12.29 | 1.48 | 253,853 | 60,513,682 |
| 1951 | 2,608,877 | 4.02 | 649,276 | 1.00 | 1.75 | 1,588,803 | 2.45 | 370,798 | 0.57 | 557,099 | 0.86 | 12.52 | 1.55 | 460,432 | 0.71 | 10.35 | 1.28 | 251,454 | 64.785,853 |
| 1952. | 2,758,988 | 4.01 | 777.587 | 1.13 | 2.11 | 1,672,059 | 2.43 | 309,342 | 0.45 | 506.318 | 0.74 | 10.73 | 1.39 | 412,821 | 0.60 | 8.75 | 1.13 | 255.889 | 68,832,314 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1948.. | 2,106,606 | 4.40 | 429,854 | 0.90 | 1.35 | 1,074,169 | 2.24 | 602,583 | 1.26 | 1,271,242 | 2.66 | 41,95 | 6.20 | 1,200,813 | 2.51 | 39.63 | 5.85 | 120,149 | 47,836,771 |
| 1949 | 2,044,546 | 4.20 | 444,391 | 0.91 | 1.35 | 1,256,718 | 2.58 | 343,437 | 0.71 | 949,873 | 1.95 | 30,02 | 4.44 | 863.619 | 1.77 | 27.29 | 4.03 | 112,265 | 48,663,267 |
| 1950 | 2,224,686 | 4.24 | 530,210 | 1.01 | 1.48 | 1,081,012 | 2.06 | 613.464 | 1.17 | 1,367,959 | 2.61 | 39.80 | 6.00 | 1,262,065 | 2.40 | 36.72 | 5.54 | 141,834 | 52,511,164 |
| $\begin{aligned} & 1951 \\ & 1952 \end{aligned}$ | 2,335,000 | 4.17 4.15 | 581,698 684,683 | 1.04 1.18 | 1.48 2.27 | 1,198,046 | 2.14 2.18 | 555,256 456,401 | 0.71 0.99 0.79 | 1,158,222 | 2.61 2.07 2.32 | 32.56 36.07 | 4.037 4.84 | 3,72,325 | 6.71 2.24 | 37.72 105.49 34.84 | 14.17 | 168,897 | 55,880.428 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| St ${ }_{\text {i }}$ Leur.. | 3,484,756 | 4.07 | 1,284,801 | 1.50 | 1.69 | 1,333,995 | 1.56 |  |  | 1,332,032 |  |  |  |  |  |  | 4.17 |  |  |
| 1949. | 3,321,127 | 4.01 | 1,260,828 | 1.52 | 1.70 | 1,247,426 | 1.51 | 812,873 | 0.98 | 1,258.524 | 1.52 | 22.75 | 5.67 | 1,258,524 | 1.52 | 22.75 | 5.15 | 271,007 | 82,686,705 |
| 1950 | $3.444,086$ | 4.01 | 1,360,528 | 1.58 | 1.74 | 1,276,157 | 1.49 | 807,401 | 0.94 | 1,251.015 | 1.46 | 21.83 | 4.89 | 1,251,015 | 1.46 | 21.83 | 4.89 | 284.231 | 85,847.338 |
| 1951 | 3,649,290 | 4.01 | 1,403,295 | 1.54 | 1.74 | 1,419.172 | 1.56 | 826,823 | 0.91 | 1,251,956 | 1.38 | 21.01 | 4.67 | 1,251,956 | 1.38 | 21.01 | 4.67 | 262,103 | 90,997.772 |
| 1952.. | 3.851 .038 | 4.01 | 1,604.678 | 1.67 | 2.09 | 1,488,627 | 1.55 | 757.733 | 0.79 | 1,243,716 | 1.29 | 19.74 | 4.42 | 1,243,716 | 1.29 | 19.74 | 4.42 | 248,086 | 96,178,883 |
| 1953. | 4,123,324 | 4.00 | 2,038,220 | 1.98 | 2.33 | 1,552,865 | 1.51 | 532,239 | 0.51 | 1,150,117 | 1.12 | 17.23 | 3.35 | 6,118,980 | 5.94 | 91.68 | 17.81 | 306,753 | 103,075,429 |

PRDERAL LAND BANK SYSTBM
Date for Pederal Land Banks and National Parm Loan Ajsocietions have been consolldated) a
Table 13 - Selected income and expense items and ratios

| Bank and year | Income from loan operetions |  | Cost of borrowed funds |  |  | Opereting expenses |  | Net gain from loan operations |  | Net earnings before provision for losses |  |  |  | Pinal net earnings |  |  |  | Dividends declared by NPLA's to borrowers | Memorandum <br> Average balance of mortgege loans and real estate sales peper outstand1ng |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Amount | Per rate b/ | Amount | Per ennum b/ | Average interest rate on bonds outstanding | Amount | Per annum rete b/ | Amount | Per annum rate b/ | Amount | Per annum reteb/ | Rate of return on |  | Amount | Per annumrate b/ | Rate of return on |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  | Cap1tal stock | $\begin{gathered} \text { Total } \\ \text { net } \\ \text { worth } \end{gathered}$ |  |  | $\begin{gathered} \text { Cap1tal } \\ \text { stock } \end{gathered}$ | Total net worth |  |  |
|  | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (23) | (14) | (15) | (16) | (17) | (18) | (19) |
| St. Paul 1948. |  |  |  |  |  |  |  | \$1,943,879 | 1.56 | \$2,469,744 | 1.98 |  | 9.77 | \$2,371,267 | 1.90 | 33.17 |  | \$358,578 | 124,647,196 |
| $\begin{aligned} & 1948 . . \\ & 1949 . \end{aligned}$ | \$5,201,626 | 4.17 | \$1,497,820 | 1.20 | 1.39 | \$1,759,927 | 1.41 | \$1, $1,410,247$ | 1.20 | +2,415,258 | 1.72 | 28.46 | 7.55 | \$2,316,901 | 1.95 | 35.66 | 6.81 | \$350,523 | 124,647,196 |
| 1950. | 4,745,821 | 4.01 | 1,394,856 | 1.18 | 1.45 | 1,665,665 | 1.41 | 1,685,300 | 1.42 | 2,153,865 | 1.82 | 29.61 | 7.60 | 1,826,127 | 1.54 | 25.10 | 6.44 | 338,773 | 118,457,216 |
| 1951. | 4,894.156 | 4.03 | 1,401,627 | 1.15 | 1.45 | 1,818,170 | 1.50 | 1,674,359 | 1.38 | 2,188,463 | 1.80 | 29.21 | 7.29 | 1,823,307 | 1.50 | 24.34 | 6.07 | 361,535 | 121,532,728 |
| 1952 | 5,141,480 | 4.00 | 1,641,182 | 1.28 | 2.03 | 2,098,277 | 1.63 | 1,402,021 | 1.09 | 2,672,829 | 2.07 | 32.57 | 6.15 | 13,063,764 | 10.13 | 159.17 | 30.07 | 367,132 | 128,899,891 |
| 1953. | 5.766,923 | 4.04 | 2,680,837 | 1.88 | 2.52 | 2,269,598 | 1.59 | 816,488 | 0.57 | 1.883.071 | 1.32 | 20.76 | 4.14 | 1,584,493 | 1.11 | 17.47 | 3.48 | 403,083 | 142,848.129 |
| 1948. | 6,939,041 | 4.03 | 2,434,428 | 1.42 | 1.65 | 2,175,825 | 1.26 | 2,328,788 | 1.35 | 2,765,653 | 1.60 | 26.56 | 5.65 | 2,699,155 | 1.56 | 25.92 | 5.51 | 1,277,094 | 172,063,749 |
| 1949. | 6,597,967 | 4.00 | 2,409,854 | 1.46 | 1.65 | 2,125,059 | 1.29 | 2,063,054 | 1.25 | 2,571,926 | 1.56 | 24.84 | 5.17 | 2,474,254 | 1.50 | 23.90 | 4.98 | 1,659,225 | 165,137,133 |
| 1950. | 6,755,456 | 4.00 | 2,562,330 | 1.52 | 1,72 | 2,489,070 | 1.47 | 1,704,056 | 1.01 | 2,237,448 | 1.32 | 20.88 | 4.39 | 2.104,937 | 1.24 | 19.65 | 4.13 | 1,264,700 | 169,331,051 |
| 1951. | 7.049,472 | 4.00 4.00 | 2,609,767 | 1.48 | 2.72 | $2,325,278$ $2,448,121$ | 1,32 1.34 | 2,114,427 | 1.20 1.13 | 2,614, 361 | 1.48 | 23.76 23.39 | 5.00 | $2,439,184$ $2,516,169$ | 1.38 | 22.17 21.82 | 4.67 4.65 | 1, 1 , 206,630 | 176,584,977 |
| 1952. | 7,332,099 | 4.00 | 2,813,055 | 1.53 1.89 | 2.11 2.32 | $2,448,121$ $2,480,637$ | 1.34 1.28 | $2,070,923$ $1,626,121$ | 1.13 0.84 | $2,696,555$ $2,290,309$ | 1.47 1.18 | 23.39 18.94 | 4.99 3.96 | $2,516,169$ $4,347.990$ | 1.37 2.24 | 21.82 35.96 | 4.65 7.52 | $1,220,861$ $1,215,567$ | $183,449,049$ $194,145,984$ |
| Wichita... | 7,779,805 | 4.01 | 3,673,047 | 1.89 | 2.32 | 2,480,637 | 1.28 | 1,626,121 | 0.84 | 2,290,309 | 1.18 | 18.94 | 3.96 | 4,347.990 | 2.24 | 35.96 | 7.52 | 1,215,567 | 194,145,984 |
| 1948.. | 2,865,769 | 4.12 | 1,042,693 | 1.50 | 1.65 | 1,296,394 | 1.86 | 526,682 | 0.76 | 962,743 | 1.38 | 22.41 | 4.44 | 902,782 | 1.30 | 21.02 | 4.17 | 192.432 | 69,608,708 |
| 1949. | 2,756,827 | 4.08 | 1,013,256 | 1.50 | 1.66 | 1,371,218 | 2.03 | 372,353 | 0.55 | 902,847 | 1.34 | 20.86 | 4.04 | 797.866 | 1.18 | 18.44 | 3.57 18.30 | 186,170 | 67,507,675 |
| 1950. | 3,911,056 | 4.10 4.09 | $1,064,498$ $1,084,754$ | 1.50 1.44 | 1.72 1.72 | $1,245,379$ $1,375,501$ | 1.75 1.82 | 623,179 | 0.85 0.83 | 1,154,410 | 1.63 | 25.24 23.52 | 4.22 3.96 | 5,010,537 $1,072,821$ | 7.06 1,42 | 109.56 22.36 | 18.30 3.77 | 192,544 204,927 | $70,959,685$ $75,407,282$ |
| 1952. | 3,262,817 | 4.08 | 1,228,440 | 1.54 | 1.99 | 1,503,351 | 1.88 | 531,026 | 0.66 | 1,258,473 | 1.57 | 24.81 | 4.24 | 1,120,320 | 1.40 | 22,09 | 3,78 | 223.164 | 80,011,762 |
| 1953.... | 3,455,482 | 4.07 | 1,545,600 | 1.82 | 2.33 | 1.594,092 | 1.88 | 315,790 | 0.37 | 1,039,257 | 1.22 | 19.19 | 3.24 | 2,270,900 | 2.67 | 41.94 | 7.09 | 232,348 | $84,947.109$ |
| 1948. | 4,009,244 | 4.12 | 911,392 | 0.94 | 1.46 | 1,804,809 | 1.85 | 1,293,043 | 1.33 | 1,684,912 | 1.73 | 27.77 | 3.65 | 1,614,521 | 1.66 | 26.61 | 3.50 | 567,508 | 97,227,224 |
| 1949. | 3,757,744 | 4.06 | 892,134 | 0.96 | 1.46 | 1,334,961 | 1.44 | 1,530,649 | 1.66 | 1,981,248 | 2.14 | 32.76 | 4.18 | 1,895,106 | 2.05 | 31.34 | 4.00 | 654,914 | 92,541,495 |
| 1950 | 3,792,962 | 4.07 | 985,885 | 1.06 | 1.54 | 1,380,872 | 1.48 | 1,426,205 | 1.53 | 1,999,767 | 2,15 | 32.95 | 4.12 | 1,890,962 | 2.03 | 31.16 | 3.89 | 735,931 | 93,185,995 |
| 1951 | 3,878,043 | 4.07 | 1,010,024 | 1.06 | 1.55 | 1,532,398 | 1.61 | 1,335,621 | 1.40 | 2,030,137 | 2.13 | 32.27 | 3.62 | 7,260,196 | 7.61 | 115.40 | 12.93 | 832,546 | 95,345,904 |
| 1952 | 4,162,189 | 4.06 | 1,215,875 | 1.19 | 1.89 | 1,666,378 | 1.62 | 1,279,936 | 1.25 | 1,956,616 | 1.91 | 29.09 | 3.44 | 1,956,406 | 1.91 | 29.09 | 3.44 | 830,728 | 102,436,239 |
| l953.... | 4,589,133 | 4.06 | 1,785,793 | 1.58 | 2.38 | 1,732,344 | 1.53 | 1,070,996 | 0.95 | 1,713.473 | 1.52 | 23.19 | 2.94 | 1,713,211 | 1.52 | 23.19 | 2.94 | 833,681 | 112,963,861 |
| 1948. | 2,604,127 | 4.07 | 798.567 | 1.25 | 1.58 | 1,006,866 | 1.57 | 798,694 | 1.25 | 987,217 | 1.55 | 24.81 | 4.95 | 834,121 | 1.31 | 20.96 | 4.19 | 180,512 | 63,940,599 |
| 1949. | 2,642,561 | 4.03 | 828,159 | 1.26 | 1.58 | ,980,667 | 1.51 | 827.735 | 1.26 | 1,009,646 | 1.54 | 24.73 | 4.52 | 2,498,716 | 3.81 | 61.21 | 11.18 | 186,956 | 65.572 .355 |
| 1950. | 2.749.407 | 4.03 | 932,081 | 1.37 | 1.66 | 1,024,046 | 1.50 | 793,280 | 1.16 | 1,025,636 | 1.50 | 24.27 | 4.42 | 868,197 | 1.27 | 20.55 | 3.74 | 143,457 |  |
| 1951. | $2,778,866$ $2,782,464$ | 4.03 4.01 | 939,304 $1.014,697$ | 1.36 1.46 | 1.66 2.08 | 1,061,781 | 1.54 1.75 | 777.781 | 1.13 0.80 | 1,034,891 | 1.50 1.29 | 24.47 20.28 | 4.17 <br> 3.48 <br> .8 | 1,773,236 | 2.57 1.14 | 41.94 17.95 | 7.14 3.08 | 153,500 157.194 | $\begin{aligned} & 68,890,908 \\ & 69,308,842 \end{aligned}$ |
| 1953.... | 2,963,765 | 4.02 | 1,311,561 | 1.78 | 2.29 | 1,212,981 | 1.65 | 439,223 | 0.59 | 729.993 | 0.99 | 15.43 | 2.78 | 431,174 | 0.59 | 9.12 | 1.64 | 145.745 | 73,687,631 |
| Spokane 1948.... | 2,103,268 | 4.28 | 594,633 | 1.21 | 1.38 | 1,059,725 | 2.16 | 448,910 | 0.91 | 652,482 | 1.33 | 22.00 | 5.41 | 623,995 | 1.27 | 21.04 | 5.17 | 144,696 | 49,162,802 |
| 1949. | 2,072,219 | 4.15 | 633,070 | 1.27 | 1.38 | 941,968 | 1.89 | 497,181 | 0.99 | 659,393 | 1.32 | 21.06 | 5.18 | 659,393 | 1.32 | 21.06 | 5.18 | 147,954 | 49,936,413 |
| 1950. | 2,275,265 | 4.18 | 751,375 | 1.38 | 1.53 | 982,50\} | 1.81 | 541,383 | 0.99 | 714,172 | 1.31 | 20.75 | 4.96 | 1,537,018 | 2.82 | 44.65 | 10.67 | 160,800 | 54,425,152 |
| 1951 | 2,515,851 | 4.16 | 835,516 | 1.38 | 1.53 | 1,081,756 | 1.79 | 598,579 | 0.99 | 741,450 | 1.23 | 19.64 | 4.87 | 689,735 | 1.14 | 18.27 | 4.53 | 195.440 | 60,466,854 |
| 1952. | 2,771,958 | 4.13 | 1,063,227 | 1.58 | 2.16 | 1.133 .484 | 1.69 | 575,247 | 0.86 | 1,165,227 | 1.74 | 28.10 | 7.06 | 1,121,595 | 1.67 | 27.05 | 6.80 | 218,602 | 67,115,468 |
| 1953.... | 3,080,212 | 4.14 | 1,493,093 | 2.01 | 2.27 | 1,199,413 | 1.61 | 387,706 | 0.52 | 1,070,120 | 1.44 | 23.33 | 5.98 | 1,187,951 | 1.60 | 25.90 | 6.64 | 238,808 | 74,414,995 |

a/ Adjustments have been made to eliminate those items which would cause duplication, such as compensation, loan closing fees end dividends paid by the banks to NPLAIs.

## FEDERAL LAND BANK SYSTEM

## (Federal Land Banks and National Farm Loan Associations)

Table 14 - Operating expense: Average number and cost of units serviced and average amount and cost per $\$ 100$ of loans and sales paper outstanding - years onded December 31, 1940, and June 30, 1944, 1948, 1951, 1952, and 1953

Total operating expenses in this table differ from those in Table 13 in that (1) FLB and NFLA expenses include those incurred for the FFMC in its regular operations (they still exclude those applicable to the disposal of surplus property and mineral rights under $P$. L. 760), (2) $F L B$ expenses exclude the nonrecurring charge of $\$ 1,146,000$ in 1948 for accrued annual leave of the banks' employees applicable to prior years, and (3) NFLA expenses exclude lump sum payments made for past service credits of employees under association retirement plans for the years in which the payments were made. The latter two adjustments were made in order to afford comparability between years. As in Table 13, FLB expenses exclude compensation and loan closing fees to the NFLA's in order to avoid overstating the system's expenses. Also, FLB expenses in 1940 do not include FCA supervisory costs which, since the banks began paying these costs effective July 1, 1943, have ranged systemwise from $\$ 623,000$ to over $\$ 800,000$ a year.

Operating expenses (as described above) of the FLB system (FLB's and NFIA's) in 1953 of $\$ 19.4$ million were 8 percent less than in 1940 but 3 percent more than in 1952. FLB expenses of $\$ 9.6$ million in 1953 were 36.5 percent less than in 1940 but slightly higher than in 1952, while NFIA expenses of $\$ 9.9$ million in 1953 were 62 percent greater than in 1940 and 4 percent larger than in 1952. As in 1952 NFLA expenses oxceoded FLB expenses.

Cost per unit serviced (average number of FLB and FFMC mortgage loans, real estate sales paper, and real estate owned, with joint FLB-FFMC loans counted as one unit) for the system has increased steadily from $\$ 23.61$ in 1940 to $\$ 55.55$ in 1952 and to $\$ 57.58$ in 1953. FFLB expenses per unit serviced increased
from $\$ 16.79$ in 1940 to $\$ 27.57$ in 1952 and to $\$ 28.32$ in 1953 while the NFIA costs moved from $\$ 6.82$ to $\$ 27.98$ in 1952 and to $\$ 29.26$ in 1953. The increase in FIB unit costs irom 1940 to 1952 resulted from the number of units serviced having declined at a easter rate than FLB operating expenses; in 1953 expenses increased slightly as the number of units serviced continued to drop. The increase in NFLA unit costs reflects the smaller number of units together with the higher NFLA operating expenses. The average number of units serviced declined from 897,000 in 1940 to 339,000 in 1952 and to 337,500 in 1953.

Cost per $\$ 100$ of loans and sales paper outstanding (average unpaid balance of FLB and FFMC units) for the system increased from $\$ 0.80$ in 1940 to $\$ 1.79$ in 1952 and then declined to $\$ 1.74$ in 1953. The major portion of this increase occurred between 1944 and 1948 and resulted from the average balance of loans declining at a much faster rate than operating expenses. The cost for the FLB's was $\$ 0.57$ in 1940 as compared with $\$ 0.89$ in 1952 and $\$ 0.86$ in 1953, while for the NFLA's it was $\$ 0.23$ in $1940, \$ 0.90$ in 1952 and $\$ 0.88$ in 1953. The relative stability in the rates during the past several years indicates that changes in operating expenses and in the average balance of loans outstanding have been in about the same proportion. The average balance of loans and real estate sales paper outstanding declined from $\$ 2,660$ million in 1940 to under $\$ 1,000$ million in 1949 and 1950, then increased to $\$ 1,119$ milion in 1953.
(Federal Land Banks and National Farm Loan Associations)
Table 14 - Operating expense: Average number and cost of units serviced; and average amount and cost per $\$ 100$ of $10 a n s$ and sales paper outstanding

| D1strictandyear | Operating expense a/ |  |  | Average number and cost of units serviced |  |  |  | Average amount, and cost per $\$ 100$, of loans and sales paper outstanding |  |  |  | Nemorandum <br> Compensation and loan closing fees to <br> NPLA's excluded from FLB operating expense d/ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | FLB | NFLA | Total | Number b/ | cost per unit serviced |  |  | $\begin{aligned} & \text { Amount } \\ & \mathrm{c} / \end{aligned}$ | cost per \$100 balance |  |  |  |
|  |  |  |  |  | RLB | NFLA | Total |  | FLB | NFLA | Total |  |
|  | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) |
| System$1940 \ldots \ldots \ldots$$1944 \ldots \ldots \ldots$.$1948 \ldots \ldots \ldots$.$1951 \ldots \ldots \ldots .$.$1952 . \ldots \ldots \ldots$. |  | $\begin{array}{r} \$ 6.077,900 \\ 6,677,800 \\ 7,265,800 \\ 8,640,800 \\ 9,483,700 \\ 9,876,200 \end{array}$ | $\begin{array}{r} \$ 21,139,500 \\ 18,52,500 \\ 16,466,000 \\ 17,91,800 \\ 18,830,400 \\ 19,436,300 \end{array}$ | $\begin{aligned} & 897,001 \\ & 693,766 \\ & 388,397 \\ & 344,766 \\ & 339,001 \\ & 337,522 \end{aligned}$ | $\begin{array}{r} \$ 16.79 \\ 17.07 \\ 23.69 \\ 26.89 \\ 27.57 \\ 28.32 \end{array}$ | $\begin{array}{r} \mathrm{e} / \$ 6.82 \\ \mathrm{e} / \mathbf{8} .69 \\ \mathrm{e} / 18.91 \\ 25.96 \\ 27.98 \\ 29.26 \end{array}$ | $\begin{array}{r} \$ 23.61 \\ 26.70 \\ 42.40 \\ 51.95 \\ 55.55 \\ 57.58 \end{array}$ | $\begin{array}{r} \$ 2,660,118,500 \\ 1,875,427,800 \\ 1,018,265,700 \\ 1,009,608,700 \\ 1,049.553,000 \\ 1,118,998,000 \end{array}$ | $\begin{array}{r} \$ 0.57 \\ 0.63 \\ 0.90 \\ 0.92 \\ 0.89 \\ 0.86 \end{array}$ | $\mathrm{e} / \$ 0.23$$\mathrm{e} / 0.36$$\mathrm{e} / 0.72$0.860.900.88 | $\begin{array}{r} \$ 0.80 \\ 0.99 \\ 1.61 \\ 1.78 \\ 1.79 \\ 1.74 \end{array}$ | $\begin{array}{r} \$ 6,650,500 \\ 6,872,000 \\ 7,178,600 \\ 7,462.100 \\ 7,811,800 \\ 7,834,400 \end{array}$ |
|  | $\begin{array}{r} \$ 15,061,600 \\ 11,845,000 \\ 9,200,200 \\ 9,270,000 \\ 9,346,700 \\ 9,560,600 \end{array}$ |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| $\begin{aligned} & 1953 . . . . . . . \\ & \text { Springlield } \end{aligned}$ |  |  |  |  |  |  |  | 108,913,600 | 1.08 |  |  |  |
| 1940..... | $\begin{array}{r} 1,172,600 \\ 900,300 \\ 780,800 \\ 740,600 \\ 67,900 \\ 662,300 \end{array}$ | $\begin{array}{r} 80,800 \\ 107,300 \\ 41,600 \\ 503,300 \\ 530,300 \\ 562,200 \end{array}$ | $\begin{aligned} & 1,253,400 \\ & 1,007,600 \\ & 1,196.400 \\ & 1,243,900 \\ & 1,208,200 \\ & 1,224,500 \end{aligned}$ | $\begin{aligned} & 38,416 \\ & 35,188 \\ & 24,472 \\ & 22,368 \\ & 22,250 \\ & 22,339 \end{aligned}$ | 30.52 | 2.10 | 32.62 28.64 |  | 1.00 | 0.12 |  | 124,10072.500 |
| 1944. |  |  |  |  | 25.59 31.91 | 3.05 16.98 | 28.64 48.89 | 90,005,600 |  |  | 1.12 |  |
| 1951. |  |  |  |  | 33.11 | 22.50 | 55.61 | 60,977,900 | 1.21 | 0.83 | 2.04 | 521,100 |
| 1952. |  |  |  |  | 30.47 | 23.83 | 54.30 | 60,437,900 | 1.12 | 0.88 | 2.00 | 561,200 |
| 1953.... |  |  |  |  | 29.65 | 25.16 | 54.81 | 62.044,000 | 1.07 | 0.90 | 1.97 | 587,200 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1940. | 894,300 | 215.500 | 1,109,800 | 36,588 | 24.44 | 5.89 | 30.33 | 85,040,200 | 1.05 | 0.25 | 1.30 | 177.700 |
| 1914. | 733,500 | 298,100 | 1,031,600 | 27,701 | 26.48 | 10.76 | 37.24 | 58,638,200 | 1.25 | 0.51 | 1.76 | 307,700 |
| 1948. | 535,200 | 308.900 | 844,100 | 15,284 | 35.02 | 20.21 | 55.23 | 32,613,100 | 1.64 | 0.95 | 2.59 | 329.500 |
| 1951 | ${ }_{\text {xx }}$ | ${ }_{x x}$ | xx $\chi x$ | ${ }_{x \times}$ | ${ }_{\text {xx }} \times$ | xx $\chi x$ |  | $x x$ $\pi x$ | xx xx | $\pi x$ $\pi x$ | xx xx | $x$ |
| 1953........ | $x$ | xx | xx | xx | $x \times$ | $x \times$ | $x \times$ | $x \times$ | $x \times$ | ${ }_{x}$ | ${ }_{x \times}$ | ${ }_{x \times}$ |
| Puerto Rico f/ |  |  |  |  |  |  |  |  |  |  |  |  |
| 1944. | 173.000 174.800 | - | 173.000 174.800 | 5,187 4,664 | 33.35 37.48 | - | 33.35 37.48 | $12,558,700$ $11,252,600$ | 1.38 | - | 1.38 | - |
| 1948. | 170,600 | - | 170,600 | 4,112 | 41.49 |  | 41.49 | 12,194,200 | 1.40 | - | 1.40 | - |
| 1951 | ${ }_{\text {xx }}$ | ${ }_{x \times}$ | xx | $x \times$ | $x{ }^{\text {x }}$ | xx | xx | ${ }^{x}$ | $x{ }^{\text {x }}$ | xx | x $x$ | $x{ }^{\text {x }}$ |
| 1952. | xx | xx | xx | $x{ }_{x}$ | $x{ }_{x}$ | $x{ }_{x}$ | xx | xx | xx | $x{ }^{\text {x }}$ | ${ }^{\text {xx }}$ | $x^{x}$ |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1940. | $1,067,300$908,300 | $\begin{aligned} & 215,500 \\ & 298,100 \end{aligned}$ | $\begin{aligned} & 1,282,800 \\ & 1,206,400 \end{aligned}$ | $\begin{aligned} & 41,775 \\ & 32,365 \end{aligned}$ | $x \times$ | ${ }_{x} \times$ | 30.71 |  | xx | xx | 1.31 | 177.700307.700 |
| 1944. |  |  |  |  | xx | xxxx | 37.2752.31 |  | $x x$ | $x{ }_{x}$ | 1.732.76 |  |
| 1948. | 705.800 603.400 | 308,900 | 1,014,700 | 19,396 | $\begin{gathered} \pi x \\ 35.05 \end{gathered}$ |  |  | $\begin{aligned} & 69,890,800 \\ & 44,807,300 \end{aligned}$ |  |  |  | 329.500 |
| 1952. | 555,000 | 4123:700 | 1,023,100 | 17,216 16.753 | $\begin{aligned} & 35.05 \\ & 33.13 \end{aligned}$ | $\begin{aligned} & 24.38 \\ & 31.24 \end{aligned}$ | 59.43 64.37 | $\begin{aligned} & 45,284,000 \\ & 48,197,900 \end{aligned}$ | $\begin{aligned} & 1.33 \\ & 1.15 \end{aligned}$ | 0.93 1.09 |  | 442.500 |
| 1953... | 571,400 | 536,400 | 1,107:800 | 16,759 | 35.15 34.47 | 32.36 | 66.83 | $\begin{aligned} & 48,197,900 \\ & 50,907,700 \end{aligned}$ | $\begin{aligned} & 1.15 \\ & 1.12 \end{aligned}$ | 1.06 | $2.18$ | $\begin{aligned} & 532,800 \\ & 554,100 \end{aligned}$ |
| Columbla 1940. | 1,110,500 | 397.300472,600 | $1,507,800$$1,422,300$ | 71,372 |  |  |  |  | 0.93 | 0.33 |  |  |
| 1944. | 949,700 |  |  |  | 16.95 | 8.43 |  | 119,778. 100 |  |  | 1.26 | 436,300 |
| 1948. | 785,100 | 482.400607,400 | 1,267,500 | 32,690 | 14.02 | 14.76 | 38.78 | 54,744,700 | 1.43 | 0.88 | 2.31 | 4488,700 |
| 1951. | 792.800 |  | 1,400,200 | 31.199 | 25.4124.16 | $\begin{aligned} & 19.47 \\ & 20.49 \end{aligned}$ | $\begin{aligned} & 44.88 \\ & 44.65 \end{aligned}$ | $60.778,500$ | $\begin{aligned} & 1.35 \\ & 1.22 \end{aligned}$ | 1.04 | 2.38 | 502,200469,200 |
| 1953.... | 742,800 782,600 | 630,200635,000 | 1,373,000 | 30.75330.751 |  |  |  |  |  |  | 2.26 |  |
| Louisville | 102,600 |  |  |  | 25,45 | 20.65 | 46.10 | 64,726,700 | 1.21 | 0.98 | 2.19 | $\begin{aligned} & 469,200 \\ & 470.500 \end{aligned}$ |
| 1940 | $\begin{array}{r} 1,159,500 \\ 915,200 \\ 686,100 \\ 777,000 \\ 828,500 \\ 834,000 \end{array}$ | $\begin{aligned} & 598,900 \\ & 559,800 \\ & 713,600 \\ & 878,400 \\ & 897800 \\ & 942,000 \end{aligned}$ | $\begin{aligned} & 1,758,400 \\ & 1,475,000 \\ & 1,39,700 \\ & 1,657,400 \\ & 1,726,300 \\ & 1,776,000 \end{aligned}$ | $\begin{aligned} & 97,293 \\ & 67,692 \\ & 32,892 \\ & 27,854 \\ & 26,997 \\ & 26,716 \end{aligned}$ | $\begin{aligned} & 11.92 \\ & 13.52 \\ & 20.86 \\ & 27.97 \\ & 30.69 \\ & 31.22 \end{aligned}$ | $\begin{array}{r} 6.16 \\ 8.27 \\ 21.70 \\ 31.54 \\ 33.25 \\ 35.26 \end{array}$ | $\begin{aligned} & 18.08 \\ & 21.79 \\ & 42.56 \\ & 59.51 \\ & 63.94 \\ & 66.48 \end{aligned}$ | $\begin{array}{r} 250,305,000 \\ 148,190,700 \\ 63,963,600 \\ 66,865,900 \\ 70,256,500 \\ 76,268,100 \end{array}$ | $\begin{aligned} & 0.46 \\ & 0.62 \\ & 1.07 \\ & 1.17 \\ & 1.18 \\ & 1.09 \end{aligned}$ | $\begin{aligned} & 0.24 \\ & 0.38 \\ & 1.12 \\ & 1.31 \\ & 1.28 \\ & 1.24 \end{aligned}$ | $\begin{aligned} & 0.70 \\ & 1.00 \\ & 2.19 \\ & 2.48 \\ & 2.46 \\ & 2.33 \end{aligned}$ | $\begin{aligned} & 750,500 \\ & 639,800 \\ & 687,700 \\ & 802,200 \\ & 512,200 \\ & 520,100 \end{aligned}$ |
| 1948. |  |  |  |  |  |  |  |  |  |  |  |  |
| 1951. |  |  |  |  |  |  |  |  |  |  |  |  |
| 1952. |  |  |  |  |  |  |  |  |  |  |  |  |
| New Orleans |  |  |  |  |  |  |  |  |  |  |  |  |
| 1940. | $\begin{aligned} & 922,000 \\ & 723,000 \\ & 79,000 \\ & 672,600 \\ & 61,100 \\ & 715,200 \end{aligned}$ | 420,000 <br> 424,700 458.400 <br> 599,000 <br> 642,000 | $\begin{aligned} & 1,342,000 \\ & 1,147,700 \\ & 1,167,400 \\ & 1,27,600 \\ & 1,334,200 \\ & 1,357,200 \end{aligned}$ | $\begin{aligned} & 77,039 \\ & 58,524 \\ & 34,237 \\ & 33,099 \\ & 32,772 \\ & 32,155 \end{aligned}$ | $\begin{aligned} & 11.97 \\ & 12.35 \\ & 20.71 \\ & 20.32 \\ & 21.09 \\ & 22.24 \end{aligned}$ | $\begin{array}{r} 5.45 \\ 7.26 \\ 13.39 \\ 18.10 \\ 19.62 \\ 19.97 \end{array}$ | $\begin{aligned} & 17.42 \\ & 19.61 \\ & 34.10 \\ & 38.42 \\ & 40.71 \\ & 42.21 \\ & \hline \end{aligned}$ | $\begin{array}{r} 108,556,500 \\ 76,831,600 \\ 53,114,300 \\ 57,889,700 \\ 59,43,900 \\ 61,852,700 \\ \hline \end{array}$ | $\begin{aligned} & 0.85 \\ & 0.94 \\ & 1.33 \\ & 1.16 \\ & 1.16 \\ & 1.15 \end{aligned}$ | $\begin{aligned} & 0.39 \\ & 0.55 \\ & 0.86 \\ & 1.03 \\ & 1.08 \\ & 1.04 \end{aligned}$ | $\begin{aligned} & 1.24 \\ & 1.49 \\ & 2.19 \\ & 2.19 \\ & 2.24 \\ & 2.19 \end{aligned}$ | 439.700 <br> 433.300 <br> 277,800 <br> 258,700 <br> 257,900 |
| 1944. |  |  |  |  |  |  |  |  |  |  |  |  |
| 1951. |  |  |  |  |  |  |  |  |  |  |  |  |
| 1952.... |  |  |  |  |  |  |  |  |  |  |  |  |

Table 14 - Opersting expenss: Averags number and cost of units serviced; and average amount and cost per $\$ 100$ of loans and 3 ales paper outstanding Years ended December 31, 1940, and June $30,1944,1948,1951,1952$ and 1953-continued

\begin{tabular}{|c|c|c|c|c|c|c|c|c|c|c|c|}
\hline \multicolumn{3}{|c|}{Opsrating expense 3} \& \multicolumn{4}{|l|}{Average number and cost of units serviced} \& \multicolumn{4}{|l|}{Average amount, and cost per $\$ 100$, of loans
and saies paper outstanding} \& Memorandum <br>
\hline \& \& \multirow[b]{2}{*}{Total} \& \multirow[t]{2}{*}{Number b/} \& \multicolumn{3}{|l|}{cost per unit serviced} \& \multirow[t]{2}{*}{$$
\begin{aligned}
& \text { Anount } \\
& \text { c/ }
\end{aligned}
$$} \& \multicolumn{3}{|l|}{Cost per $\$ 100$ balance} \& \multirow[t]{2}{*}{Compsneation and loan closing rees to NPLA's sxcluded from PLB opsrating expense d/} <br>
\hline FLB \& NFLA \& \& \& PLi \& NFLA \& Total \& \& PLB \& NPLA \& Total \& <br>
\hline (1) \& (2) \& (3) \& (4) \& (5) \& (6) \& (7) \& $18)$ \& (9) \& (10) \& (11) \& (12) <br>
\hline $$
\begin{array}{r}
\$ 1,097,900 \\
861,700 \\
638,500 \\
756,700 \\
760,700 \\
751,100
\end{array}
$$ \& $$
\begin{array}{r}
\$ 499,900 \\
564,700 \\
640,000 \\
739,300 \\
791,600 \\
857,300
\end{array}
$$ \& $$
\begin{array}{r}
\$ 1,597,800 \\
1,426,400 \\
1,278,500 \\
1,496,000 \\
1,552,300 \\
1,608,400
\end{array}
$$ \& $$
\begin{aligned}
& 74,901 \\
& 56.343 \\
& 31,762 \\
& 28,676 \\
& 28,225 \\
& 27.948
\end{aligned}
$$ \& $$
\begin{array}{r}
\$ 14.66 \\
15.29 \\
20.10 \\
26.39 \\
26.95 \\
26.87
\end{array}
$$ \& $$
\begin{aligned}
& \$ 6.67 \\
& 10.02 \\
& 20.15 \\
& 25.78 \\
& 28.05 \\
& 30.68
\end{aligned}
$$ \& $$
\begin{array}{r}
\$ 21.33 \\
25.31 \\
40.25 \\
52.17 \\
55.00 \\
57.55
\end{array}
$$ \& $$
\begin{array}{r}
\$ 260,470,500 \\
274,796,100 \\
93,005.900 \\
94,033,200 \\
98,453,600 \\
104,746,800
\end{array}
$$ \& $$
\begin{array}{r}
\$ 0.42 \\
0.49 \\
0.69 \\
0.80 \\
0.77 \\
0.72
\end{array}
$$ \& $$
\begin{array}{r}
\$ 0.19 \\
0.32 \\
0.69 \\
0.79 \\
0.89 \\
0.82
\end{array}
$$ \& $\$ 0.61$
0.81
1.38
1.59
1.58
1.54

0 \& $$
\begin{array}{r}
\$ 482,100 \\
563,900 \\
694,100 \\
503,700 \\
530,300 \\
557,700
\end{array}
$$ <br>

\hline $$
\begin{array}{r}
2,225,900 \\
1,710,500 \\
1,046,500 \\
997,400 \\
1,19,500 \\
1,166^{\prime}, 500
\end{array}
$$ \& \[

$$
\begin{array}{r}
947,700 \\
1,060,000 \\
870,300 \\
1,010,500 \\
1,153,800 \\
1,254,800
\end{array}
$$
\] \& $3,173,600$

$2,70,500$
$1,916,800$
$2,007,900$
$2,273,300$
$2,421,300$ \& 138,744
107.944
56,351
47,902
47.330
47,820 \& 16.04
15.85
18.87
20.82
23.65
24.39 \& 6.83
9.82
1.44
21.10
24.38
26.24 \& 22.87
25.67
34.01
41.92
48.03
50.63 \& $432,846,000$
$305,996,800$
$144,490,800$
$130,79,700$
$136,026,800$
$148,331,100$ \& 0.51
0.51
0.56
0.72
0.76
0.82
0.79 \& 0.22
0.35
0.60
0.77
0.85
0.84 \& 0.73
0.91
1.32
1.53
1.67

1.67 \& $$
\begin{array}{r}
1,049,500 \\
1,099,000 \\
970,500 \\
1,339,000 \\
1,647,500 \\
1,747,300
\end{array}
$$ <br>

\hline $$
\begin{aligned}
& 1,780,600 \\
& 1,451,800 \\
& 1,14,100 \\
& 1,182,800 \\
& 1,170,500 \\
& 1,144,200
\end{aligned}
$$ \& 944,500

$1,075,900$
$2,050,900$
$1,217,200$
$1,337,800$
$1,386,300$ \& $2,725,100$
$2,727,700$
$2,191,000$
$2,400,000$
$2,508,300$

$2,530,500$ \& $$
\begin{array}{r}
100,309 \\
81,659 \\
48,702 \\
42,723 \\
42,187 \\
42,286
\end{array}
$$ \& 17.75

17.78
23.42
27.69
27.75
27.06 \& 9.42
$\begin{array}{r}331.18 \\ 21.58 \\ 28.49 \\ 31.71 \\ 32.78\end{array}{ }^{\text {a }}$ ( \& 27.17
300.96
44.99
56.18
59.46
59.84 \& $488,610,800$
$366,54,800$
$182,749,800$
$180,517,400$
$186,453,600$
$196,424,000$ \& 0.36
0.40
0.62
0.66
0.63
0.58 \& 0.19
0.29
0.58
0.67
0.72
0.72 \& 0.55
0.69
1.69
1.33
1.33
1.35
1.29 \& $1,111,000$
$1,82,400$
$1,109,900$
$1,98,500$
$1,286,900$
$1,033,700$ <br>

\hline $$
\begin{array}{r}
1,413,100 \\
1,143,000 \\
74,900 \\
760,300 \\
78,600 \\
818,300
\end{array}
$$ \& 638,800

578,100
597,400
713.500
792.600

830,000 \& $$
\begin{aligned}
& 2,051,900 \\
& 1,721,100 \\
& 1,82,300 \\
& 1,473,800 \\
& 1,78,200 \\
& 1,648,300
\end{aligned}
$$ \& 78,166

60,897
30,318
26,122
25,675
25,269 \& 18.08
18.77
25.89
29.17
30.60
32.38 \& 8.17
9.49
9.70
27.70
30.81
32.85 \& 26.25
28.26
45.59
56.42
61.47

65.23 \& $$
\begin{array}{r}
227,073,400 \\
155,205,300 \\
78,630,000 \\
78,00,200 \\
82,192,300 \\
86,297,100
\end{array}
$$ \& 0.62

0.74
0.700
1.000
0.97
0.96
0.95 \& 0.78
0.37
0.76
0.76
0.91
0.96
0.96 \& 0.90
1.11
1.76
1.78
1.88
1.92

1.91 \& $$
\begin{aligned}
& 471,000 \\
& 566,200 \\
& 623,600 \\
& 521,700 \\
& 542,400 \\
& 574,100
\end{aligned}
$$ <br>

\hline $$
\begin{array}{r}
1,029,500 \\
904,700 \\
665,900 \\
658,500 \\
678,700 \\
706,800
\end{array}
$$ \& \[

$$
\begin{array}{r}
590,400 \\
819,900 \\
\mathrm{~g} / 944,30 \\
970,800 \\
1,073,500 \\
1,102,100
\end{array}
$$

\] \& \[

$$
\begin{aligned}
& 1,619,900 \\
& 1,724,600 \\
& 1,51,200 \\
& 1,629,300 \\
& 1,72,200 \\
& 1,808,900
\end{aligned}
$$
\] \& 85,291

70,274
42,117
34,879
34,025
33,880 \& 12.07
12.87
15.81
18.88
19.95
20.86 \& 6.92
110.67
20.05
27.83
31.55
32.53 \& 18.99
24.54
35.86
46.71
51.50

53.39 \& $$
\begin{aligned}
& 244,551,800 \\
& 183,567,300 \\
& 106,113,700 \\
& 99,003,100 \\
& 105,76,200 \\
& 115,044,400
\end{aligned}
$$ \& 0.42

0.49
0.63
0.67
0.65
0.61 \& 0.24
0.45
0.80
0.98
1.02
0.96 \& 0.66
0.94
1.43
1.45
1.65
1.67

1.57 \& $$
\begin{aligned}
& 736,000 \\
& 74,100 \\
& 762,700 \\
& 49,200 \\
& 513,200 \\
& 553,400
\end{aligned}
$$ <br>

\hline $$
\begin{array}{r}
1,049,500 \\
748,000 \\
649,100 \\
713,500 \\
728,000 \\
760,100
\end{array}
$$ \& \[

$$
\begin{array}{r}
366,600 \\
368,000 \\
423,900 \\
444,200 \\
g / 526,00 \\
525,100
\end{array}
$$

\] \& \[

$$
\begin{aligned}
& 1,416,100 \\
& 1,116,000 \\
& 1,063,000 \\
& 1,157,700 \\
& 1,54,000 \\
& 1,285,200
\end{aligned}
$$
\] \& 40,149

29,974
15,828
14,739
24,143
13,883 \& 26.14
24.95
41.01
48.41
51.48
54.75 \& 9.13
12.28
26.78
30.14
37.19
37.82 \& 35.27
37.23
67.79
78.55
88.67

92.57 \& $$
\begin{array}{r}
172,601,500 \\
19,932,200 \\
73,844,600 \\
73,277,000 \\
72,585,900 \\
76,106,600
\end{array}
$$ \& 0.61

0.662
0.688
0.987
1.000
1.00 \& 0.21
0.31
0.57
0.67
0.61
0.73
0.69 \& 0.82
0.93
1.45
1.48
1.58
1.63

1.69 \& $$
\begin{aligned}
& 484,600 \\
& 429,700 \\
& 362,500 \\
& 365,900 \\
& 396,000 \\
& 397,000
\end{aligned}
$$ <br>

\hline $$
\begin{array}{r}
1,033,200 \\
628,800 \\
608,400 \\
612,400 \\
608,400 \\
648,100 \\
\hline
\end{array}
$$ \& \[

$$
\begin{aligned}
& 377,500 \\
& 348,700 \\
& 460,100 \\
& 53,500 \\
& 583,600 \\
& 603,000
\end{aligned}
$$

\] \& \[

$$
\begin{array}{r}
1,410,700 \\
977,500 \\
1,08,500 \\
1,149,900 \\
1,92,000 \\
1,251,100 \\
\hline
\end{array}
$$

\] \& \[

$$
\begin{aligned}
& 53.546 \\
& 36,865 \\
& 19,632 \\
& 17,989 \\
& 17,892 \\
& 17.899
\end{aligned}
$$

\] \& \[

$$
\begin{aligned}
& 19.30 \\
& 17.06 \\
& 30.09 \\
& 34.04 \\
& 34.00 \\
& 36.21
\end{aligned}
$$

\] \& \[

$$
\begin{array}{r}
7.05 \\
93.46 \\
23.44 \\
29.88 \\
32.62 \\
33.69
\end{array}
$$

\] \& \[

$$
\begin{aligned}
& 26.35 \\
& 26.02 \\
& 54.43 \\
& 63.92 \\
& 66.92 \\
& 69,92
\end{aligned}
$$

\] \& \[

$$
\begin{array}{r}
148,812,400 \\
99,36,300 \\
56,555,900 \\
63,709,100 \\
69,559,100 \\
76,248,800 \\
\hline
\end{array}
$$

\] \& \[

$$
\begin{aligned}
& 0.69 \\
& 0.63 \\
& 1.08 \\
& 0.96 \\
& 0.87 \\
& 0.85
\end{aligned}
$$

\] \& \[

$$
\begin{aligned}
& 0.25 \\
& 0.35 \\
& 0.82 \\
& 0.84 \\
& 0.84 \\
& 0.84 \\
& 0.79
\end{aligned}
$$

\] \& \[

$$
\begin{aligned}
& 0.94 \\
& 0.98 \\
& 1.89 \\
& 1.80 \\
& 1.71 \\
& 1.64
\end{aligned}
$$

\] \& \[

$$
\begin{aligned}
& 388,000 \\
& 356,900 \\
& 452,700 \\
& 51,900 \\
& 561,400 \\
& 51,400
\end{aligned}
$$
\] <br>

\hline
\end{tabular}





 e/ The number of units and dollar volume ussd in detsrmininz these rates sxcluds data for puerto Rico.


Table 15 - Selected income and expense items and ratios - years ended

$$
\text { December } 31,1940 \text {, and June } 30,1944 \text { and } 1948 \text { through } 1953
$$

(Comparisons of Corporation data for the years 1948 through 1953 with 1940 and 1944 are not too valid since the Corporation has been in the process of liquidating its loans since July 1, 1947.)
Income from loan operations (interest on loans and real estate sales paper, miscellaneous interest, and loan fees) in 1953 of $\$ 1.3$ million was 26 percent less than in 1952. The per annum rate of income from loan operations* was 4.99 percent in 1952 and in 1953.
Income from investments (income from all investments, including CFFL bonds and FLB notes receivable). The Corporation has had no income from this source since 1948.
Cost of borrowed funds (all costs relating to FFMC bonds plus other interest expense). All of the amounts shown for 1953, 1952, and 1951 and practically all for 1950 and 1949 represent other interest expense, primarily interest on future payment funds of borrowers.
Operating expenses in 1953 of $\$ 916,000$ were 16 percent less than in 1952. The per annum rate of operating expenses* was 3.63 percent in 1953 as compared with 3.17 percent in 1952.

Net earnings before provision for losses (income from loan operations and from investments, less cost of borrowed funds
and operating expenses, plus net mineral income and in 1944, profit on sale of securities) in 1953 of $\$ 1.5$ million were 15 percent less than in 1952, reflecting the decrease in Income from loan operations. Mineral income in 1953 was about the same as in 1952. The per anmum rate of net earnings before losses* was 6.00 percent in 1953 as compared with 5.17 percent in 1952. The 1953 earnings represent a rate of return on the Corporation's total net worth of 5.69 percent.

Final net earnings (after provision for losses or adjustment of such provision) were $\$ 1.5$ million in 1953. Beginning in 1944 and through 1952 net earnings were increased each year by downward adjustments of the Corporation's reserve for losses resulting from reduced reserve requirements due to the liquidation of loans. In 1952 the Corporation changed its reserve for losses from a valuation reserve to a surplus reserve, and in that year returned $\$ 4.9$ million to earnings.

Dividends paid to U. S. Treasury during 1953 amounted to \$9 million and increases the total of such payments to $\$ 122$ million.

* Based upon the average unpaid balance of loans and real estate sales paper outstanding.

| FEDERAL PARM YORTEAOE CORPORMTIOM <br> Trble 15 - Selected income and expense iteme and ratioe $1940,1944,1948$ through 1953 a/ |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Yoar | Incoma from loan operatione |  | Income from inveatmente |  | Coat of borrowedfunde |  | Oporating expanaes |  | Hot earninge bofore provialion for 108e日e |  |  | Pinal not sarningo |  |  | $\left\|\begin{array}{c} \text { Dividende } \\ \text { pald to } \\ \text { o. } \\ \text { s. Trea eury } \end{array}\right\|$ | $\begin{gathered} \text { Memorandus } \\ \hline \text { Avorago Dalance } \\ \text { of mortgage } \\ \text { loane and real } \\ \text { ootate orles } \\ \text { paper } \\ \text { outotanding } \end{gathered}$ |
|  | Amount | $\begin{gathered} \text { Por } \\ \text { annum } \\ \text { rate } \\ \text { D/ } \end{gathered}$ | Asount | $\begin{gathered} \text { Por } \\ \text { annum } \\ \text { rate } \\ \text { by } \end{gathered}$ | Amount | $\begin{aligned} & \text { Por } \\ & \text { annum } \\ & \text { rato } \\ & \text { b/ } \end{aligned}$ | Amount | $\begin{aligned} & \text { Par } \\ & \text { annum } \\ & \text { rate } \\ & \text { b/ } \end{aligned}$ | Amount | $\underset{\substack{\text { Por } \\ \text { annum }}}{ }$ rate b | Rate or total net worth | Amount | $\begin{gathered} \text { Por } \\ \text { Rnnum } \\ \text { rate } \\ \text { by } \end{gathered}$ | Rate of on total net worth |  |  |
|  | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) | (16) |
| ${ }_{1}^{1940} 19 .$. | \$35.780,353 | ${ }_{5}^{5.26}$ | \$29,388,122 | ${ }^{4.32}$ | \$37,892,783 | 5.57 | \$9,864,126 | 1.45 | \$17.411,297 | 2.56 | 7.88 | \$3.154.260 | 0.46 | 1.43 | - | \$680,350,594 |
| $1946 . .$. | 21,697,546 | 5.13 |  | 3.98 0.19 | 24,661.403 130.276 | 5.73 | 7.777.563 | ${ }_{2}^{1.81}$ | 8,212, 364 | ${ }_{3}^{1.91}$ | 7.23 | 42,129,559 | 9.78 | 37.08 |  | 430,374.592 |
| $1949 . .$. | 4,038.1.194 | 4.98 | 5 | $\bigcirc$ | 133:641 | 0.07 | - $1,87,106$ | 2.13 2.31 | $3,474,446$ <br> $2,22,324$ | 3.13 2.74 | 3.01 2.71 2 | 17.53536, 669 | 15.78 9.49 | 15.17 9.37 | \$68,000,000 | $\begin{array}{r}111,149,302 \\ 81 \\ \hline 049,387\end{array}$ |
| 1955.... | 3,298.944 | 4.99 5.00 | - | - | 37.453 26.753 | 0.06 0.06 | - $\begin{aligned} & 1,603,731 \\ & 1,250,828 \\ & 1\end{aligned}$ | 2.63 2.72 | 1,537,333 1,157073 1 | 2. 2.5 | 2.77 2.67 | $3,3680,038$ $2,654,224$ | 5.93 | 6.08 | +17,000,000 | 60,906 0.214 |
| 1952... | 1,722, ${ }^{1}$ | 4.99 | - | - | 18,242 | ${ }^{0} 0.05$ | 1,086,972 | ${ }_{3.17}^{2.72}$ | $1,157,073$ $1.772,379$ | 2.52 5.17 | 2.67 5.21 | 2,654,224 | 5.78 | 6.12 19.65 | $14,000,000$ $14,000,000$ |  |
| 1953... | 1,259.976 | 4.99 | . | . | 13,280 | 0.05 | -915.776 | 3.63 | 1.514.733 | 6.000 | 5.69 | 1,514733 | +6.00 | 5.69 | $9.000,000$ | 25,250.533 |





[^0]:    * Farm Credit Administration data for 1940 exclude man-years and expenses applicable to functions in that year not performed by the Farm Credit Administration in 1953, except that employees of the chief reviewing appraisers' offices and their expenses have not been eliminated from 1940 data.

[^1]:    Net gain or loss from operations (operating income less operating expenses). In 1953 the corporations showed a net loss

[^2]:    * Based upon the average daily balance of loans, discounts, and notes receivable outstanding (column 15).

[^3]:    , 1940 calendar year; othar yearo risol ended June 30

[^4]:    * Interest on loans, investments under CCC programs, loans to other banks for cooperatives and notes receivable, other interest, compensation for services under CCC programs, compensation income on participations sold, and appraisal and loan service fees, less compensation expense on participation loans. System amounts exclude income on interbank transactions. ** Based upon average amount of net credit outstanding (column 15).

[^5]:    *Based upon the average unpaid balance of loans and real estate sales paper outstanding.

