

OPERATION OF
FEDERAL
RESERVE BANK
OF CHICAGO

1924

SEVENTH FEDERAL RESERVE
DISTRICT



TENTH ANNUAL
REPORT TO
THE FEDERAL RESERVE
BOARD



**FEDERAL RESERVE BANK
OF CHICAGO**

CHICAGO, January 15, 1925

SIR:

In compliance with your letter of December 18, 1924, I have the honor to submit herewith the tenth annual report of the Federal Reserve Bank of Chicago, covering the year 1924.

Respectfully,

W. A. HEATH,

Chairman and Federal Reserve Agent.

HON. D. R. CRISSINGER,

Governor, Federal Reserve Board,

Washington, D. C.

FEDERAL RESERVE BANK OF CHICAGO

Comparative Statement of Condition

IN THOUSANDS OF DOLLARS

RESOURCES	Dec. 31, 1924	Dec. 31, 1923	Dec. 30, 1922
Gold with Federal reserve agent.....	165,909	384,917	410,108
Gold redemption fund with United States Treasury.....	2,498	4,196	2,199
Gold held exclusively against Federal reserve notes.....	168,407	389,113	412,307
Gold settlement fund with Federal Reserve Board.....	110,989	106,900	77,261
Gold and gold certificates held by bank.....	87,980	49,091	50,981
Total gold reserves.....	367,376	545,104	540,549
Reserves other than gold.....	15,576	8,286	21,704
Total reserves	382,952	553,390	562,253
Non-reserve cash	9,266	7,500	*
Bills discounted:			
Secured by United States Government obligations.....	19,379	48,866	24,875
Other bills discounted.....	18,445	46,468	48,996
Total bills discounted.....	37,824	95,334	73,871
Bills bought in open market.....	33,882	42,437	14,565
United States Government securities:			
Bonds	19,494	4,425	4,426
Treasury notes	46,556	4,868	# 10,855
Certificates of indebtedness.....	14,320	1,464	47,552
Total United States Government securities.....	80,370	10,757	62,833
Foreign Loans on gold.....	894	.....	.....
Total Earning Assets.....	152,970	148,528	151,269
5 per cent redemption fund—Federal Reserve Bank notes			665
Uncollected items	81,588	66,451	98,525
Bank premises	8,099	8,264	8,288
All other resources.....	1,556	240	702
Total resources	636,431	784,373	821,702
LIABILITIES			
Federal reserve notes in actual circulation.....	196,529	406,901	420,506
Deposits:			
Member bank—reserve account.....	312,395	268,212	282,901
Government	6,173	2,745	1,294
Other deposits	1,616	1,052	2,659
Total deposits	320,184	272,009	286,854
Deferred availability items.....	72,786	58,611	68,248
Capital paid in.....	15,172	15,179	14,772
Surplus	30,425	30,426	30,398
All other liabilities	1,335	1,247	924
Total liabilities	636,431	784,373	821,702
Ratio of total reserves to deposit and Federal reserve note liabilities combined.....	74.1%	81.5%	79.5%
Contingent liability on bills purchased for foreign correspondents	6,360	2,640	4,093

*Not shown separately prior to 1923.

Including Victory notes.

OPERATION OF THE FEDERAL RESERVE BANK OF CHICAGO IN 1924

OPERATIONS of the Federal Reserve Bank of Chicago during 1924 have been influenced by the improved position of member banks in the district, a development enabling them to meet a large proportion of the demand for accommodation from their customers with lessened recourse to the Federal Reserve bank.

Business and industry in the Seventh district have been on a generally lower level than during the preceding year; toward the close, however, better sentiment on all sides gave rise to a slight acceleration of enterprise in many lines. Agriculture in the greater part of the district received a severe blow in the poor corn crop, a loss partially offset by better yields and prices for other grains and crops, but nevertheless constituting a distinct handicap to agricultural recovery. Because of favorable market conditions for hogs and carry-over of some crops from the preceding year, however, many banks were enabled to pay off their indebtedness entirely and others to make substantial reductions. During the final weeks of the year liquidation of agricultural credits was less rapid, the result of heavy shipments of light-weight hogs early in the fall due to lack of feed, as well as of the inferior corn crop as shown by the final figures.

Departments of the Federal Reserve Bank of Chicago as a whole have functioned during the year with reduced personnel in response to generally lessened requirements, with no loss of efficiency in those departments where increased volume of operations was shown over that of the preceding year.

Financial Results of Operations—The decreased volume of Federal Reserve credit employed by member banks during 1924 is shown by the total of bills discounted on December 31, amounting to \$37,823,746 as against \$95,334,183 on the corresponding date of the preceding year. Total bills on hand at the close of 1924 aggregated \$71,705,351 compared with \$137,771,447 on December 31, 1923. Total cash reserves dropped from \$553,389,771 to \$382,951,550 between these dates. Deposits expanded throughout the year, the total of \$320,183,677 on December 31, 1924, comparing with \$272,009,222 a year ago.

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Earnings and Expenses

EARNINGS	1924	1923	1922
Discounted bills	\$2,044,407	\$3,872,139	\$3,862,291
Purchased bills	705,723	1,420,395	547,339
United States securities	2,121,708	1,049,666	2,081,340
Deficient reserve penalties	39,910	37,573	49,761
Miscellaneous	290,421	131,586	208,132
Total earnings	\$5,202,169	\$6,511,359	\$6,748,863
CURRENT EXPENSES			
Salaries:			
Bank officers	\$ 347,478	\$ 332,875	\$ 367,156
Clerical staff	1,818,716	1,947,951	1,907,058
Special officers and watchmen	102,906	108,696	155,333
All other	271,471	344,363	236,665
Governors' conferences	383	711	309
Federal reserve agents' conferences	302	363	348
Federal Advisory Council	914	1,007	992
Directors' meetings	8,441	9,094	8,221
# Traveling expenses	26,222	31,780	42,083
Assessments for Federal Reserve Board expenses	91,183	97,426	98,307
Legal fees	4,711	.....	1,387
Insurance (other than on currency and security shipments)	39,714	38,601	67,400
Insurance on currency and security shipments	58,859	56,083	48,424
Taxes on banking house	230,166	230,455	.....
Light, heat, and power	41,240	49,602	.....
Repairs and alterations, banking house	17,941	88,308	.....
Rent	48,142	42,176	205,729
Office and other supplies	76,924	144,239	83,090
Printing and stationery	81,128	112,922	109,172
Telephone	26,675	30,164	31,328
Telegraph	59,305	62,125	62,168
Postage	213,546	207,994	245,014
Expressage	50,584	55,244	.....
Federal Reserve Currency:			
Original cost, including shipping charges	225,985	210,993	95,378
Cost of redemption, including shipping charges	36,556	57,752	82,631
Taxes on Federal reserve bank-note circulation .....	.....	2,006	33,425
All other expenses	66,944	110,094	198,439
Total current expenses	\$3,946,436	\$4,373,024	\$4,080,057
PROFIT AND LOSS ACCOUNT			
Earnings	\$5,202,169	\$6,511,359	\$6,748,863
Current expenses	3,946,436	4,373,024	4,080,057
Current net earnings	\$1,255,733	\$2,138,335	\$2,668,806
Additions to current net earnings:			
Withdrawn from reserve for—			
Depreciation on United States bonds	\$	\$ 29,946	\$ 57,641
Probable losses .....	.....	.....	427,465
All other	40,679	11,957	86,913
Total additions	\$ 40,679	\$ 41,903	\$ 572,019
Deduction from current net earnings:			
Depreciation allowances on bank premises	\$ 165,197	\$ 451,044	\$1,400,000
Reserve for probable losses	181,674	363,586	.....
Reserve for depreciation on United States bonds	12,822	.....	.....
Furniture and equipment	11,818	166,662	238,923
All other	15,778	20,591	196,687
Total deductions	\$ 387,289	\$1,001,883	\$1,835,610
Net deductions from current net earnings	\$ 346,610	\$ 959,980	\$1,263,591
Net earnings available for dividends, surplus, and franchise tax	\$ 909,123	\$1,178,355	\$1,405,215
Dividends paid	\$ 909,123	\$ 904,371	\$ 876,203
Transferred to surplus account .....	.....	27,398	* -657,389
Franchise tax paid United States Government .....	.....	246,586	*1,186,301

Other than those connected with governors' and agents' conferences and meetings of directors and of the advisory council.

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

FEDERAL RESERVE BANK OF CHICAGO

The movement of the principal items of resources and liabilities from 1920 to 1924, inclusive, is shown in the charts on page 8.

After deduction from earnings for depreciation and other contingencies, dividends to the amount of \$909,122.86 were paid, covering the period from January 1 to December 31, 1924. No payment of franchise tax was made, nor any transfer to surplus. Net earnings in 1923 were \$1,178,354.82.

Discount Operations in 1924—The loan and discount operations of the Federal Reserve Bank of Chicago during the year 1924 reflect a continual liquidation in commercial, industrial, and agricultural lines. Easier conditions in commerce and industry resulted in an increase of deposits in member banks and a slackening of demand for loans from the Federal Reserve bank which enabled the banks in the larger centers to eliminate entirely their borrowings. The easing tendency in the money market was reflected in June by the reduction of our rediscount rate from 4½ to 4 per cent.

Detailed statistics are shown in the Annual Report of the Federal Reserve Board. Loans which aggregated \$104,800,000 on January 2, the high point of the year, on December 31 showed an aggregate of \$37,824,000, and on October 15 had stood at \$27,103,000, the low point in 1924.

Member banks to the number of 922 were accommodated in 1924, as against 973 the preceding year. The aggregate of loans in 1924 was \$1,035,261,000, whereas in 1923 the corresponding figure had been \$2,508,082,000.

Collateral and Safekeeping Operations—The amount of securities held as collateral showed a declining trend in 1924, the figure of \$90,734,000 on January 2 comparing with \$75,854,000 on December 31. The low point of the year was shown on October 15 with \$65,444,000 and the high on January 3 when securities held as collateral aggregated \$97,283,000.

Member banks numbering 646 or 45 per cent of the membership of the district utilized the safekeeping services of the bank in 1924. The peak of the volume of securities entrusted for safekeeping was shown on November 25, with a figure of \$140,140,000 and the low point on March 26, with \$99,397,000.

Investments—The year 1924 showed less activity in the Investment Department than 1923, also a considerably reduced operating cost.

Holdings of bankers' acceptances fluctuated from a high point of \$41,504,943 on January 9 to a low point of \$1,259,750 on August 13, rising in the later months of the year, the balance on hand December 31 amounting to \$33,882,605. Acceptances purchased during the year amounted to \$164,045,000, as against \$265,360,000 the previous year, those bought under repurchase agreement aggregating \$27,039,000 for

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Comparative Volume of Operations in Principal Departments 1924, 1923, and 1922

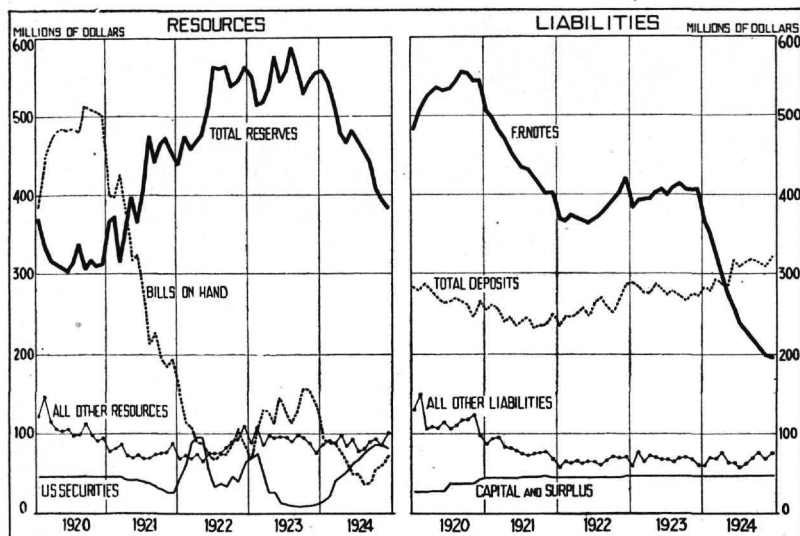
NUMBER OF PIECES HANDLED	1924	1923	1922
Bills discounted:			
Applications	19,391	21,196	29,349
Notes discounted	92,140	94,971	140,994
Bills purchased in open market for own account	10,135	20,241	20,326
Currency received and counted.....	282,779,000	268,485,000	200,648,000
Coin received and counted.....	208,091,000	206,613,000	165,914,000
Checks handled	97,084,000	88,649,000	78,509,000
Collection items handled:			
United States Government coupons paid.....	8,063,000	10,459,000	13,898,000
All other	489,000	442,000	378,000
United States securities—issues, redemptions, and exchanges by Fiscal Agency department	2,634,000	# 22,041,000	**4,054,000
Transfers of funds.....	263,000	246,000	214,000
Envelopes received and dispatched.....	5,279,000	7,460,000	*6,148,000
AMOUNTS HANDLED			
Bills discounted	\$1,035,261,000	\$2,508,082,000	\$1,581,004,000
Bills purchased in open market for own account	164,045,000	265,360,000	253,464,000
Currency received and counted.....	1,564,021,000	1,501,901,000	1,172,217,000
Coin received and counted.....	29,234,000	28,843,000	15,694,000
Checks handled	23,280,863,000	23,074,243,000	14,661,227,000
Collection items handled:			
United States Government coupons paid.....	82,348,000	89,818,000	89,443,000
All other	618,147,000	763,273,000	605,026,000
United States securities—issues, redemptions, and exchanges by Fiscal Agency department	831,013,000	1,116,402,000	1,934,493,000
Transfers of funds.....	18,833,433,000	15,588,668,000	13,904,999,000

*Partly estimated.

Large increase due to redemption of war savings securities which matured January 1, 1923.

**In this figure, war savings and thrift stamps were counted according to the number of certificates to which attached, as the number of stamps is not available.

MOVEMENT OF RESOURCES AND LIABILITIES FEDERAL RESERVE BANK OF CHICAGO—1920 TO 1924, INCLUSIVE



FEDERAL RESERVE BANK OF CHICAGO

the year just closed, a decrease of \$37,314,000 from operations in 1923; sales under repurchase agreement naturally showed a corresponding falling off in amount. Transactions, including bills taken under repurchase agreement, indicate that the number of acceptances handled in 1924 amounted to 10,135 pieces, as against 20,241 for 1923.

Holdings of United States securities (including those held under agreement) reached a high point of \$87,680,300 on November 13, having risen to this figure from a low point of \$10,313,700 on January 2. At the close of the year these holdings were \$80,370,000. There was a considerable decrease in the number of transactions based on repurchase agreements, and also in the number of Certificates of Indebtedness and Treasury Notes bought and sold. However, there were 1,621 more transactions involving the purchase and sale of bonds than in the previous twelve months.

Low money rates outside of the Federal Reserve bank account for the decrease in transactions under agreement and the low rates available on Certificates and Notes made them unattractive to small purchasers, as evidenced by the numerical decrease in transactions handled, with a material increase in the dollar amount.

COMPARATIVE TABLE OF GOVERNMENT SECURITY TRANSACTIONS 1924,
1923, AND 1922—AMOUNTS IN THOUSANDS OF DOLLARS

	1924		1923		1922	
	Number of Trans- actions	Amount	Number of Trans- actions	Amount	Number of Trans- actions	Amount
Certificates of Indebtedness and Treasury Notes:						
Market Purchases.....	264	173,615	1,006	76,505	684	171,252
Market Sales.....	462	92,309	813	73,033	523	88,345
Bought with Agreement						
.....	410	52,293	2,142	198,472	2,342	243,996
Sold under Agreement						
.....	401	56,292	2,250	211,317	1,867	237,697
U. S. Bonds:						
Bought	2,989	61,015	3,356	43,015	1,938	92,693
Sold	11,698	37,845	9,710	23,840	20,940	83,002
Totals	16,224	473,369	19,277	626,232	28,294	916,985

NOTE.—Includes transactions for the account of member and other banks, but excludes temporary Treasury Certificates purchased from the Treasury Department.

Deposit and Federal Reserve Note Liabilities; Reserve Position—As a consequence of the policy of paying out gold notes, the volume of Federal Reserve notes in circulation during 1924, showed a steady decline, the figure of \$404,255,000 shown on January 2 constituting the high point for the entire year, and December 31, with \$196,529,000, marking the low point. The weekly changes in Federal Reserve note circulation are shown in the Annual Report of the Federal Reserve Board. Total deposits were on a generally higher level than in 1923. The date of highest total deposits in 1924 was September 10 when \$331,918,000 was shown. At the beginning of the year, January 2, they aggregated \$291,118,000 and \$320,184,000 on December 31.

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After the middle of February, as was the case in 1923, total cash reserves showed a downward trend, the \$382,952,000 on December 31 comparing with \$560,791,000 on January 2. The peak, or \$573,345,000, occurred on February 13.

The reserve ratio fluctuated considerably in 1924, touching a high of 88.8 on February 6 and 13 compared with 80.6 at the opening of the year. Following the peak, the trend was downward the remainder of the year, save for a slight upward movement in the summer months. On December 31 the ratio stood at 74.1 per cent.

Membership—Five state banks in the Seventh district, Farmers Savings Bank, Palmer, Iowa; Home State Bank for Savings, Grand Rapids, Michigan; State Savings Bank, Marlette, Michigan; Citizens Savings Bank, Mt. Clemens, Michigan; and Citizens State Savings Bank, New Baltimore, Michigan, were admitted to the System in 1924 and sixteen withdrew. Four of these left the System on six months' notice, seven were closed, two were absorbed by national banks, one was consolidated with a national bank, one was absorbed by a member state bank, and one was converted to a national bank; this resulted in a net loss of eleven state bank members in the district during 1924. Twelve national banks, including the state bank member converted into a national bank, were admitted, and seventeen withdrew, three by closing, and the others by absorption, consolidation or succession, so that national bank membership in the district was reduced by five during the year.

Comparative statistics of membership at the close of 1922, 1923, and 1924, are given:

	December 31, 1924			December 31, 1923			December 31, 1922		
	Nat'l	State	Total	Nat'l	State	Total	Nat'l	State	Total
Illinois	331	67	398	336	68	404	333	73	406
Indiana	189	18	207	191	19	210	192	20	212
Iowa	346	100	446	348	107	455	351	108	459
Michigan	83	154	237	82	153	235	81	153	234
Wisconsin	110	21	131	107	24	131	107	25	132
Totals	1,059	360	1,419	1,064	371	1,435	1,064	379	1,443

Twelve national banks as follows were authorized and approved by the Federal Reserve Board to exercise fiduciary powers:

- Austin National Bank, Chicago, Ill.
- Lincoln National Bank, Fort Wayne, Ind.
- First Merchants National Bank, LaFayette, Ind.
- Lowell National Bank, Lowell, Ind.
- First National Bank, Montezuma, Ind.
- First National Bank, Noblesville, Ind.
- Farmers National Bank, Remington, Ind.
- American National Bank, Rushville, Ind.
- McKeen National Bank, Terre Haute, Ind.
- Commercial National Bank, Charles City, Ia.
- First National Bank, Oelwein, Ia.
- First National Bank, Ann Arbor, Mich.

FEDERAL RESERVE BANK OF CHICAGO

One national bank member was authorized and approved by the Federal Reserve Board to accept 100 per cent of its combined capital and surplus under Section 13 of the Federal Reserve Act.

Bank Examinations and Relations—The work of the Department of Bank Examination continued in 1924 as in former years. Special analysis of conditions of banks was made based on comparative figures tabulated for a period of years, and information collected in connection therewith has proved to be of special interest and value. The work of the field force of examiners was confined largely to co-operative credit examinations made in conjunction with the supervising authority. The co-operation of the Chief National Bank Examiner and the several State Banking Departments, where special conditions had to be met, has been highly satisfactory.

Continuing the policy of preceding years, representatives of the Bank Relations Department in 1924 made 2,181 visits to member and 1,114 to non-member banks for the purpose of establishing a closer contact between them and the Federal Reserve bank.

A special feature of the work was the Federal Reserve System exhibit during the convention of the American Bankers' Association in Chicago, September 29 to October 3, at which time approximately 2,000 bankers visited the bank.

Fiscal Agency Functions—While the fiscal agency work performed for the United States Treasury has diminished very materially during the past twelve months, this bank has continued to take an active part in Government financing. During the year it distributed \$127,841,000 of Treasury Certificates of Indebtedness and \$85,563,300 of Treasury Bonds of 1944-54. In the performance of its fiscal agency functions, there were surrendered to the bank during 1924 for exchange, conversion, and redemption, Government securities amounting to \$615,072,224 as represented by 2,571,248 pieces. Against these surrenders there were delivered 254,112 pieces aggregating \$481,319,460 pieces.

The banks and brokers dealing in United States Treasury Certificates of Indebtedness and short-term notes continue to find the telegraphic transfer of these securities through the Office of the Commissioner of Public Debt a great convenience, and during the year past, the bank accepted for telegraphic transfer \$271,488,500 and delivered \$239,203,400 of Government securities against receipts by other Federal Reserve banks.

The work for the War Finance Corporation is practically completed. While no new loans were made, 114 renewals were effected aggregating \$2,339,645, and substitutions of collateral amounted to \$10,031,160.

Notwithstanding the fact that the sale of Treasury Savings Certificates was restricted during the early part of the year and discontinued entirely on June 30 sales through this bank amounted to \$2,536,125. War Savings, Thrift, and Treasury Savings Stamps to the number of 1,435,082 were redeemed during the year aggregating \$6,297,190.

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Gold Settlement Fund—The volume of balances settled through the Gold Settlement Fund expanded in 1924. Receipts from other Federal Reserve banks totaled \$14,189,215,000, a gain of \$1,260,742,000 over the corresponding figure for 1923. Payments to other Federal Reserve banks aggregated \$14,365,047,000 compared with \$12,936,848,000 the preceding year. A net loss of \$175,832,000, therefore, accrued from transactions between this district and other Federal Reserve districts, as against a net loss of \$8,375,000 in 1923. The weekly figures of these transactions are shown in the Annual Report of the Federal Reserve Board.

The Gold Settlement Fund increased from \$106,900,072 on December 31, 1923, to \$110,988,942 at the close of 1924, as the result of these transactions and a large volume of deposits.

Clearings and Collections—The total number of checks handled by the head office and the Detroit Branch combined during the year 1924, shows an increase of 9.5 per cent over the year 1923. The number of items on Chicago and Detroit banks increased 16.5 per cent, those on banks outside of Chicago and Detroit 10.2 per cent, and Government checks 2.1 per cent.

The total number of items handled during the year 1924 by both offices was 97,084,000, amounting to \$23,280,863,000. The total number of items handled during the year 1923, by both offices, was 88,649,000, amounting to \$23,074,243,000.

The past year has shown a very satisfactory increase in the efficiency of the Check Department of this bank. There was a reduction at the head office of twenty-eight persons or 7 per cent in the daily average number of employees from 1923 and the total number of items handled increased 8.1 per cent over the total number of items handled during the year 1923.

A total of 489,474 non-cash collection items were handled in 1924 by the bank, including the Detroit Branch, with an aggregate value of \$618,147,000, a gain in number of items of 10.7 per cent over the 1923 figures, which showed 442,271 items with an aggregate value of \$763,272,927. In 1924 the parent bank handled 408,241 items with a total value of \$519,428,657, and the Detroit Branch 81,233, with a total value of \$98,718,668.

There were also protested notes, drafts, and checks to the number of 7,129 by the Chicago office and 6,918 by the Detroit Branch.

A total of \$14,157,668,000 was transferred over the leased wires in 1924, covering 139,280 transactions, and all other transfers aggregated \$4,675,765,000, involving 123,496, resulting in a total of 262,776 compared with

FEDERAL RESERVE BANK OF CHICAGO

246,453 in 1923. The aggregate of \$18,833,433,000 transferred in 1924 compares with \$15,588,668,000 the preceding year.

Cash and Currency Operations—As in previous years, Cash and Currency operations continued to increase, 1924 showing the largest receipts and disbursements of cash, notwithstanding the fact that there was a reduction of \$207,726,125 in the net circulation of Federal Reserve notes outstanding, from a high of \$404,254,800 on January 2 to \$196,528,675 on December 31. This reduction was due principally to the paying out of \$704,320,000 in gold certificates, as compared with only \$59,193,000 in 1923. Currency received amounted to \$1,569,248,000 as compared with \$1,489,811,000 for the preceding year. Payments amounted to \$1,040,423,000, as against \$999,471,000 in 1923. Shipments of currency and coin to and from country banks numbered 88,870 compared with 84,571 during 1923.

Internal Organization—George M. Reynolds, Class A Director, and August H. Vogel, Class B Director, whose terms expired at the end of 1924, were re-elected. William A. Heath, Class C Director, whose term also expired at the end of 1924, was re-appointed by the Federal Reserve Board.

The Directors for the year 1925 will consist of the following:

CLASS A—Elbert L. Johnson, Waterloo, Iowa; Charles H. McNider, Mason City, Iowa; George M. Reynolds, Chicago, Illinois.

CLASS B—Stanford T. Crapo, Detroit, Michigan; Robert Mueller, Decatur, Illinois; August H. Vogel, Milwaukee, Wisconsin.

CLASS C—Frank C. Ball, Muncie, Indiana; James Simpson, Chicago, Illinois; William A. Heath, Evanston, Illinois.

The Federal Reserve Board again designated William A. Heath as Chairman of the Board of Directors and Federal Reserve Agent for 1925, and James Simpson was designated as Deputy Chairman.

The Executive Committee for 1924 consisted of James B. McDougal, Governor, William A. Heath, Federal Reserve Agent, Charles H. McNider, George M. Reynolds, James Simpson, and August H. Vogel.

The Membership Committee was composed of William A. Heath, Federal Reserve Agent, James B. McDougal, Governor, and August H. Vogel.

These Committees will serve the Board of Directors in 1925 as constituted during the past year.

There were two resignations in the official staff during 1924: Walter A. Hanson, Manager, Accounting Department, resigned in October, and Charles G. Rutledge, Acting Assistant Federal Reserve Agent, in December. No appointments were made to fill these vacancies.

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Following is a comparison of the total number of employees exclusive of officers at the head office:

December 31, 1923.....	1,569
December 31, 1924.....	<u>1,246</u>
Reduction	323

The Detroit Branch Board of Directors for the year 1925 will consist of the following: N. P. Hull, Lansing, Michigan; Charles H. Hodges, Detroit, Michigan; Julius Haass, Detroit, Michigan; John W. Staley, Detroit, Michigan; W. R. Cation, Detroit, Michigan; Harry H. Bassett, Flint, Michigan; and George B. Morley, Saginaw, Michigan. There was no change in the official staff of the Detroit Branch during the year 1924.

Following is a comparison of the total number of employees exclusive of officers at the Detroit Branch:

December 31, 1923.....	170
December 31, 1924.....	<u>156</u>
Reduction	14

Operations at Detroit Branch—Operations at the Detroit Branch in 1924 reflected continued improvement in credit conditions in the Branch territory. Aggregate of loans for 1924 was less than half that of 1923, with but 25 per cent decrease in the volume of items handled and about the same number of banks accommodated. Gross earnings in 1924 approximated \$300,000 less than in the preceding year as a result of smaller holdings of bills discounted bearing a lower rate; net earnings showed nearly \$135,000 deficit. All departments of the Branch, with the exception of the Discount Department, showed an increase in volume over 1923.



FEDERAL RESERVE BANK OF CHICAGO

FEDERAL RESERVE BANK OF CHICAGO DIRECTORS AND OFFICERS FOR 1925

CLASS A—DIRECTORS
George M. Reynolds, Chicago, Illinois
Elbert L. Johnson, Waterloo, Iowa
Charles H. McNider, Mason City,
Iowa

CLASS B—DIRECTORS
August H. Vogel, Milwaukee, Wis-
consin

Robert Mueller, Decatur, Illinois
Stanford T. Crapo, Detroit, Michigan

CLASS C—DIRECTORS
William A. Heath, Evanston, Illinois
James Simpson, Chicago, Illinois
Frank C. Ball, Muncie, Indiana

OFFICERS
William A. Heath, Chairman and
Federal Reserve Agent
James Simpson, Deputy Chairman
Walter F. McLallen, Secretary

DIVISION OF ISSUE
Walter F. McLallen, Assistant Fed-
eral Reserve Agent

DIVISION OF EXAMINATIONS
William H. White, Assistant Federal
Reserve Agent, Manager

DIVISION OF BANK RELATIONS
Everett L. Harris, Manager

**DIVISION OF RESEARCH AND
STATISTICS**

Frank M. Huston, Manager
DIVISION OF AUDIT

Francis R. Burgess, Auditor
Walter A. Hopkins, Assistant Audi-
tor

COUNSEL
Charles L. Powell
MEMBER FEDERAL ADVISORY COUNCIL
Frank O. Wetmore, Chicago, Illinois

DETROIT BRANCH

DIRECTORS
George B. Morley Julius Haass
Charles H. Hodges N. P. Hull
Harry H. Bassett John W. Staley
William R. Cation

OFFICERS
John G. Baskin, Assistant Federal
Reserve Agent
George T. Jarvis, Assistant Auditor
William R. Cation, Manager
John B. Dew, Cashier
Herbert H. Gardner, Assistant Cashier
Harlan J. Chalfont, Assistant Cashier
Henry M. Butzel, Assistant Counsel

DEPARTMENTS OF OPERATION

James B. McDougal, Governor
John H. Blair, Deputy Governor
Charles R. McKay, Deputy Governor

LOANS AND CREDITS
Kent C. Childs, Controller of Loans
and Credits
Allen R. LeRoy, Manager, Loans
Ralph H. Buss, Manager, Loans and
Discount Department
Eugene A. Delaney, Manager, Credit
Department
Joseph C. Callahan, Manager, Mem-
ber Bank Accounts Department

INVESTMENTS
Clarke Washburne, Controller of In-
vestments
Alba W. Dazey, Manager, Investment
Department

CASH AND CUSTODIES
Otto J. Netterstrom, Controller of
Cash and Custodies
Jesse G. Roberts, Manager, Cash
Department
Robert E. Coulter, Manager, Cash
Custody Department
Fred Bateman, Manager, Securities
Department

COLLECTIONS
William C. Bachman, Controller of
Collections
Irving Fischer, Manager, Check De-
partment
Louis G. Pavey, Manager, Collection
Department

ADMINISTRATION
James H. Dillard, Controller of Ad-
ministration
Robert J. Hargreaves, Manager, Per-
sonnel Department
Louis G. Meyer, Manager, Service
Department
Frank A. Lindsten, Manager, Dis-
bursing Department
Richard C. Huelsman, Manager,
Planning Department

FISCAL AGENCY
Don A. Jones, Controller of Fiscal
Agency Functions
John H. Rumbaugh, Manager, Gov-
ernment Bond Department