

# FEDERAL RESERVE BANK OF CHICAGO

79 WEST MONROE STREET

## OFFICERS

JAMES B. McDOUGAL GOVERNOR  
C. R. MCKAY DEPUTY GOVERNOR  
W. F. McLALLEN SECRETARY  
B. G. McCLOUD CASHIER

## DIRECTORS

C. H. BOSWORTH  
CHAIRMAN AND FEDERAL RESERVE AGENT  
J. B. FORGAN, CHICAGO, ILLINOIS  
M. B. HUTCHISON, OTTUMWA, IOWA  
E. L. JOHNSON, WATERLOO, IOWA  
H. B. JOY, DETROIT, MICHIGAN

W. F. McLALLEN  
DEPUTY FEDERAL RESERVE AGENT  
E. T. MEREDITH, DES MOINES, IOWA  
G. M. REYNOLDS, CHICAGO, ILLINOIS  
A. H. VOGEL, MILWAUKEE, WISCONSIN

Bulletin No. 59  
November 29, 1916

TO THE MEMBER BANKS OF DISTRICT NUMBER SEVEN:

With the installment which was due November 16, 1916, the transfer of the minimum amount of member banks' reserves required to be kept in the Federal Reserve Bank under the provisions of the Federal Reserve Act, has been completed. In order to insure the permanent maintenance of at least the minimum requirement, it is necessary to apply the penalty for impairment, which for the present is an interest charge fixed by the Federal Reserve Board at a per annum rate of 2 per cent above the ninety day discount rate in this district, on the amount of the deficiency, but in no case less than 6 per cent.

Therefore, beginning with the month of December, 1916, and each month thereafter until further notice is given, the penalty mentioned will be imposed, and as a basis for determining the deficiency in each case, such of our member banks as appear to be deficient in their reserve balances will be required to make two reports each month (on forms to be supplied), giving the average minimum amount which they are required by law to keep on deposit with this bank; one report to cover the period from the first to the fifteenth, and the other from the sixteenth to the last day of the month. The deficiency, if any is shown, will be figured for each period and the banks assessed monthly.

Respectfully,

JAMES B. McDOUGAL

Governor.