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**FEDERAL RESERVE BANK
OF CHICAGO**



**THIRD ANNUAL REPORT
TO THE
FEDERAL RESERVE BOARD**

DECEMBER 31, 1917

OFFICERS AND DIRECTORS

FEDERAL RESERVE BANK OF CHICAGO

DISTRICT NO. 7

DIRECTORS

W. A. HEATH,
CHAIRMAN AND FEDERAL RESERVE AGENT
J. B. FORGAN, CHICAGO, ILLINOIS
M. B. HUTCHISON, OTTUMWA, IOWA
A. H. VOGEL, MILWAUKEE, WISCONSIN
G. M. REYNOLDS, CHICAGO, ILLINOIS

E. L. JOHNSON, WATERLOO, IOWA
JAMES SIMPSON, DEPUTY CHAIRMAN
CHICAGO, ILLINOIS
JOHN W. BLODGETT, GRAND RAPIDS,
MICHIGAN
E. T. MEREDITH, DES MOINES, IOWA

OFFICERS

W. A. HEATH, CHAIRMAN OF THE BOARD
AND FEDERAL RESERVE AGENT

W. F. McLALLEN, ASSISTANT FEDERAL
RESERVE AGENT AND SECRETARY

MARK A. LIES, ASSISTANT FEDERAL
RESERVE AGENT

JAS. B. McDOUGAL, GOVERNOR
C. R. MCKAY, DEPUTY GOVERNOR
B. G. McCLOUD, CASHIER
S. B. CRAMER, ASST. CASHIER
CLARKE WASHBURNE, ASST. CASHIER
F. J. CARR, ASST. CASHIER
DON A. JONES, ASST. CASHIER
F. R. BURGESS, AUDITOR

MEMBER FEDERAL ADVISORY COUNCIL

J. B. FORGAN, CHICAGO, ILLINOIS

COUNSEL

C. L. POWELL, CHICAGO ILLINOIS

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FOREWORD

The Federal Reserve Agent submits an Annual Report to the Federal Reserve Board at the close of each year. This report, however, is not given general circulation until after the larger and more comprehensive report of the Federal Reserve Board has been issued.

The following pages contain the text of the report for the Seventh Federal Reserve District in practically the same form in which it was submitted to the Federal Reserve Board.

The first part of this report is general in its nature and embodies such discussion and forecast as the Agent deemed himself qualified to offer. The second section, or appendix, is statistical and consists of the following Exhibits:

1. A comparative yearly statement for 1916 and 1917 respectively;
2. A statement of earnings and expenses for 1917;
3. A list of member banks in the Seventh Federal Reserve District to whom permits have been granted for the exercise of trust powers;
4. A list of State member banks in the Seventh Federal Reserve District;
5. A statement in detail of the issues of Federal Reserve Notes;
6. A statement of transactions through the Gold Settlement Fund;
7. A list of the principal committees having in charge the first and second Liberty Loan campaigns;
8. A list of Securities Committees and Custodians for the several states in this District;
9. A statement covering subscriptions to the first Liberty Loan;
10. A statement of subscriptions, allotments, and subscribers, by states, to the Second Liberty Loan;
11. A statement covering sales of Treasury Certificates of Indebtedness;
12. A statement of expenses incurred in connection with the First and Second Liberty Loans and Certificates of Indebtedness.

1917

THIRD ANNUAL REPORT TO THE FEDERAL RESERVE BOARD

GENERAL BUSINESS CONDITIONS

The beginning of 1917 found generally satisfactory business conditions in the Seventh Federal Reserve District, with some indications of increasing activity and a plentiful supply of money at low rates. The entrance of the United States into the war constituted a factor which up to that time had not been taken into serious consideration and necessarily brought about a great deal of readjustment.

The promotion of new enterprises was, of course, greatly curtailed and as the year advanced it was increasingly evident that expansion of already existing activities should be carefully guarded, except as necessitated by the demands of the Government in connection with carrying on the conflict.

Some lines of commercial operation have suffered greatly. The distilling business, because of legislation enacted by the last Congress, has greatly diminished. The Seventh Federal Reserve District has felt this for the reason that a large amount of such business was conducted within its bounds, perhaps the largest internal revenue-producing district in the country being located within its limits. Building, construction, and engineering lines have also been very quiet and their operations much reduced.

Those lines of business, however, which have been directly affected through Government contracts for food, clothing, munitions, and other supplies have seen greatly increased activity. Bank clearings have increased and indications are that the current year will show largely increased profits for banking institutions in general, except along the line of investment banking. Legitimate business, except as above noted, has, of course, felt the effects of the war; but it is

becoming increasingly evident that the business public is adjusting itself to the situation and that the people are learning that commerce and trade may, notwithstanding such conditions, be transacted, if not as usual, at least on a sane and conservative basis.

Notwithstanding the fact that some of the greatest industrial centers of this country are located within its borders the District, as a whole, is largely an agricultural one. The rural communities have been the last to appreciate that the country was really and actually in war and to comprehend the seriousness of the situation which confronts the nation.

In the northerly States of the District beans, potatoes, and other vegetables constitute this year a large part of the farm product, and these suffered from early frosts. The wheat crop for the district was probably not more than two-thirds of an average yield. The prices for the above-mentioned articles, however, were so satisfactory that the financial return will probably equal that of the ordinary one hundred per cent. crop. The hay crop was somewhat below normal but prices were good. The oats crop was the largest on record all over the district and prices were more than satisfactory. While the corn crop is rated as the largest on record the quality cannot yet be determined. Much of it is not fully matured owing to unseasonable summer conditions and early frosts. Much of that which is at present unmarketable can, however, by proper handling and treatment be made of commercial value, but a goodly proportion of the crop is available only for stock feeding purposes, and within the last month or two a very strong demand has arisen in the country districts for funds for purchasing cattle and hogs to thus utilize this otherwise useless product. Prices are such, however, that notwithstanding the poor quality of much of the crop the returns will be very satisfactory and all kinds of live stock are selling at high figures.

Whatever the complete returns may demonstrate, the impression is general that money paid out on account of the war is slow in returning to this district; and with the value of our great staple, corn, yet undetermined, it is evident that

a comprehensive forecast of conditions in the district might widely miss the mark. Winning the war is the thing uppermost in our minds, and to that end, and, until it is accomplished, the Seventh District will be found ready, as it has been, to sacrifice to the utmost of its abundance and of its best blood.

OFFICERS AND DIRECTORS

An amendment to the Act was passed during the current year abolishing the office of Deputy Federal Reserve Agent and authorizing the Federal Reserve Agent to appoint one or more assistants. Mr. W. F. McLallen, who held the office of Deputy Federal Reserve Agent, was at once appointed "Assistant Federal Reserve Agent" for the remainder of the calendar year. Toward the close of the year Mr. Mark A. Lies was appointed an additional Assistant Federal Reserve Agent. Mr. McLallen was also designated by the Federal Reserve Board Deputy Chairman of the Board of Directors.

Additional Assistant Cashiers were appointed during the year as follows: Mr. F. J. Carr, Mr. Clarke Washburne and Mr. D. A. Jones.

At the annual election for Directors in December, 1917, Mr. E. L. Johnson was elected to succeed himself for the full three-year term as a Director of Class "A", Group 3, and Mr. M. B. Hutchison was elected to succeed himself for the full three-year term as a Director of Class "B", Group 2.

On December nineteenth the Federal Reserve Board elected Mr. James Simpson of Chicago Class "C" Director for three years and designated him Deputy Chairman for one year.

On December twenty-first the Federal Reserve Board re-designated the present incumbent as Chairman and Federal Reserve Agent of the Federal Reserve Bank of Chicago for a period of one year, dating from January 1st, 1918.

MEETINGS

Directors:

The board of Directors has held twelve regular meetings during the year.

Committees:

First—**Executive:** The Executive Committee is composed of Governor McDougal, Mr. W. F. McLallen, Mr. J. B. Forgan, Mr. G. M. Reynolds and the Federal Reserve Agent. This Committee has held regular meetings once each week, but the great increase of business toward the close of the year has necessitated two regular meetings each week.

Second—**Membership:** This Committee is composed of Governor McDougal, Mr. A. H. Vogel and the Federal Reserve Agent.

Officers:

Early in the year the plan was inaugurated of holding informal meetings of the officers daily before business hours. This plan has been followed throughout the year except as it has been interfered with to some extent through unusual activities in connection with the Liberty Loan campaigns and other emergencies.

MEMBERSHIP

Seven national banks have surrendered their charters during the year, the total reduction of Federal Reserve Bank stock from this source amounting to \$45,400.00.

Twelve new national banks have been organized during the year. Applications for membership from sixty-three State Banks have been approved during the same period. Of these fifty-one have paid in their capital stock and reserve. Three have paid in their capital only. The remaining nine were approved so recently that their payments could not be made before the first of the year.

Fifty-two banks were transferred to this District from the Minneapolis District at the beginning of the year. Membership December 31, 1916, 993; December 1, 1917, 1,100.

The net increase in the stock of the Federal Reserve Bank of Chicago, from all sources, during the year has been \$2,408,150.

A complete list of State Bank members will be found in the appendix.

The prospect for a branch of the Federal Reserve Bank at Detroit, Michigan, has had a stimulating effect on State Bank membership in that City. In November a special session of the Michigan Bankers' Association was held at Lansing, Michigan, at the instance of the Governor of the State, the Bank Commissioner and the President of the Bankers' Association, for the special purpose of arousing interest amongst State Banks concerning membership in the Federal Reserve System. Addresses were made at this session by the above-named officials and also by Mr. Frederick R. Fenton, Federal Reserve Chairman for Michigan, and the results were most gratifying as will be seen by the increased membership from that State.

The appeal of the President of the United States urging State Banks to join the System has not up to this time met with a generous response.

Two or three of the larger State institutions in Chicago, and a few scattering banks throughout the district, came in as a direct result of that appeal. There are, however, approximately 2,000 State Banks in the district which are eligible for membership and less than 100 applications all told have been received up to this time. It is nevertheless evident that greater interest in this subject is being manifested throughout the district than heretofore. Many of the larger State institutions are seriously considering the matter and some of them have signified their intention of applying for membership in the near future.

BANKING QUARTERS

The Federal Reserve Bank of Chicago has very inadequate quarters, both as to working space and vault capacity. At the present time the bank is occupying space in four different buildings in Chicago. The Executive Committee has been instructed to investigate the question of new and adequate quarters for the bank, but there is nothing available in Chicago at the present time and no one seems willing to take the responsibility of constructing an entirely new building until after the war is over.

BRANCHES

The Board of Directors at its regular meeting on November 27 authorized the establishment of a branch of the Federal Reserve Bank of Chicago, to be located in the City of Detroit, Michigan.

The following named have been chosen as Directors of said branch:

Mr. Robert B. Locke, at present Manager of the Detroit Clearing House Association;

Mr. John Ballantyne, President of the Merchants' National Bank, Detroit;

Mr. Charles H. Hodges, President, Detroit Lubricator Co., Detroit;

Mr. Emory W. Clark, President of the First & Old Detroit National Bank;

Mr. Julius H. Haass, President of the Wayne County & Home Savings Bank, Detroit;

Mr. Robert B. Locke will be Manager of the branch.

It is the expectation that this branch will be formally opened for business shortly after the first of the year.

PUBLICITY WORK

The publicity work of the bank during the past year has been conducted through personal interviews, correspondence and attendance by the bank's officers at many bankers' conventions and group meetings. The monthly business reports of the bank have been circulated as Bulletins. A special pamphlet on "Trade Acceptances," has been printed and widely circulated, and Mr. Clarke Washburne, Assistant Cashier, has made a number of informal talks to various trade organizations on that subject.

VISIT OF THE GOVERNOR OF THE BANK OF ENGLAND

On May 8th, Chicago and the Federal Reserve Bank were honored by a visit from Lord Cunliffe, Governor of the Bank of England. He attended one of the regular meetings of the Board of Directors and expressed himself as greatly interested in our methods.

OPERATIONS OF THE FEDERAL RESERVE COLLECTION SYSTEM, JAN. 1, 1917, TO DEC. 31, 1917.

7,532,366 items have been handled during the year as follows:

	Items	Amount	Total Cost	Cost per Item	Cost per \$1,000	Service Charge per Item
Items on banks in Chicago..	1,807,728	\$3,985,878,000	\$ 7,200.00	\$.004	\$.0018	\$.0
Items on banks in District outside of Chicago.....	4,362,436	987,821,000	} 60,885.87	.0125	.0518	} .015
Items on banks in other districts.....	511,438	187,450,000		.0125	.0518	
Government Checks.....	850,764	202,461,000	4,800.00	.0056	.0237	.0
	<u>7,532,366</u>	<u>\$5,363,610,000</u>	<u>\$72,885.87</u>	<u>\$.00967</u>	<u>\$.0136</u>	

The disbursements or expenses of the Transit Department made necessary by and in connection with the handling of items drawn on "banks in district outside of Chicago," and "items on banks on other districts," total \$60,885.87, while the net service charges at one and one-half cents per item assessed against the member banks and other Federal Reserve Banks covering same, total \$62,449.87, a net profit in handling these two classes of Transit items during the year of \$1,564.00.

Adding, however, the cost of handling items on banks in Chicago (\$7,200) and Government checks (\$4,800) it increases the total expenses (\$12,000) to a total of \$72,885.87, or a net cost for the year in handling the above four classifications of \$10,436.

The bank has handled a small amount of collections, drafts, notes, etc., for its customers during the year on a basis of actual cost.

But one non-member bank carrying an account with the Federal Reserve Bank is making use of its collection system.

FEDERAL RESERVE TRANSFER AND EXCHANGE DRAFTS

During the year five banks in this district have ordered a supply of Federal Reserve transfer and exchange drafts. But one of the banks is using the plan.

Twelve member banks in other districts have drawn Federal reserve transfer drafts on this bank. The total transactions have been small.

GOLD SETTLEMENT FUND

A complete statement showing the volume of transactions through this fund on a basis of weekly averages appears in the appendix.

FEDERAL RESERVE NOTES

The Federal Reserve Agent maintains in Chicago constantly a reserve supply of Federal Reserve Notes amounting to \$41,500,000. There is held in the Sub-treasury in Chicago an additional reserve supply of Federal Reserve Notes amounting to \$26,160,000, and in Washington, printed or in process of printing, in round numbers, \$185,000,000, it being the desire of the Board of Directors to keep always in sight a total reserve stock of over \$250,000,000. In addition to the above, there are \$5,000,000 of Federal Reserve Bank Notes printed and held in stock in Washington. Detail of these issues is given in the appendix.

NON-MEMBER BALANCES—CHICAGO CLEARINGS

During the summer a plan was agreed upon whereby all non-member banks belonging to the Chicago Clearing House should open accounts with the Federal Reserve Bank, and Clearing House balances be settled by certified check on the Federal Reserve Bank. This plan became operative September 1st, and seems to have worked to the satisfaction of all concerned. Eleven non-member banks at that time opened accounts with the Federal Reserve Bank. Four of these have since that date entered the Federal Reserve System, leaving seven non-member banks still carrying balances with us. These balances total about \$5,000,000, on the average. One of the non-member banks is using the Federal Reserve Collection System.

PERMITS TO ACCEPT UP TO 100%

During the current year the Federal Reserve Board has granted to The National Bank of the Republic of Chicago, and the Continental and Commercial National Bank of Chicago, the right to accept up to one hundred per cent. of their capital and surplus.

FIDUCIARY POWERS

Permits have been issued during the year to a number of institutions for the exercise of various trust functions which are permitted under the Federal Reserve Act. A detailed list of these permits appears in the appendix.

RESERVES

Fluctuation in reserves during the year is indicated as follows:

Against Deposits:

Gold.....	High	81.5%	on February	2, 1917.
Gold.....	Low	50.9%	on June	20, 1917.
Gold and Lawful Money....	High	83.2%	on February	2, 1917.
Gold and Lawful Money....	Low	52.2%	on June	20, 1917.

Against Federal Reserve Notes:

Gold.....	High	157.0%	on January	2, 1917.
Gold.....	Low	59.5%	on Nov.	23, 1917.

Against Combined Note and Deposit Liability:

Cash Reserve.....	High	85.9%	on February	2, 1917.
Cash Reserve.....	Low	60.6%	on Nov.	23, 1917.

DIVIDENDS AND EARNINGS

During the year dividends amounting, in all, to 12 per cent. (12%) have been paid. All dividends accrued to December 31, 1917, are therefore paid in full. Also payment to the U. S. Treasury of its pro-rata of surplus earnings has been made, amounting to \$215,799.18.

Furniture and fixtures, depreciation on bonds and the cost of Federal Reserve Notes issued to the bank have all been charged off in full. A detailed statement of Profit and Loss appears in the appendix.

LOANS AND REDISCOUNT OPERATIONS

3,747 applications for loans and rediscount approved amounting to \$524,377,167.01 at 3% to 5½% basis from 541 banks as follows:

Illinois.....	156 banks.....	\$287,515,277.88
Indiana.....	88 banks.....	28,124,689.39
Iowa.....	198 banks.....	53,912,233.29
Michigan.....	51 banks.....	92,127,979.10
Wisconsin.....	48 banks.....	62,696,987.35
	541 banks	\$524,377,167.01

Trade Acceptances amounting to \$429,845.19 are included in the above total.

Loans and Rediscounts secured by Liberty Bonds and Treasury Certificates of Indebtedness amounting to a total of \$191,757,389.66 are also included in the above figures.

OPEN MARKET OPERATIONS

Investments

Municipal warrants amounting to \$2,164,488.64, representing the obligations of seven municipalities, all maturing within six months, were purchased during the year at $2\frac{5}{8}\%$ to 4% .

Acceptances

\$66,714,060.14 in Bankers' Acceptances and Foreign Trade Acceptances were purchased during the year at $2\frac{1}{4}\%$ to 4% , all represented by bills drawn in connection with imports or exports; these being acceptances by eighty-nine institutions of known responsibility and purchased in the open market.

U. S. Government Bonds

\$1,461,500 2% Consols and Panamas were purchased and converted during the year.

\$39,524,260 $3\frac{1}{2}\%$ Liberty Loan Bonds were purchased and sold by the bank during the year.

Treasury Certificates of Indebtedness Purchased by the Bank

Date	Amount	Rate
March 31.....	\$ 5,000,000	2 %
April 25.....	785,000	3 %
May 10.....	1,252,000	3 %
August 9.....	1,000,000	$3\frac{1}{2}\%$
August 28.....	1,000,000	$3\frac{1}{2}\%$
September 17.....	2,060,000	$3\frac{1}{2}\%$
September 26.....	5,150,000	4 %
October 18.....	250,000	4 %
	\$ 16,497,000	

The above figures include the bank's own direct subscriptions to the various issues.

FISCAL AGENCY OPERATIONS

FIRST LIBERTY LOAN

When the Secretary of the Treasury offered the first issue of two billion dollars of $3\frac{1}{2}\%$ bonds, a meeting of representatives of prominent banks, trust companies and bond houses was called to consider ways and means for its sale. There

were present at this meeting some fifty or sixty representatives. This body appointed an **Executive Committee**, which committee in turn organized itself into a

Publicity Committee.

The Publicity Committee took charge of the selling campaign and appointed an assistant to the Chairman, a corresponding secretary and a recording secretary. The assistant to the Chairman was the active officer in the conduct of the campaign.

Another important committee appointed was the

Distribution Committee,

which consisted of a Chairman and six other members, one being named for each state in the district and one for the Chicago territory.

These chairmen for the various sections secured the services of several hundred experienced bond salesmen and sent them out all over the District, building up working organizations in every section. These organizations were by counties, cities and towns. The Chairman for Chicago organized a flying squadron of several hundred volunteers and these men made an office-to-office canvass within the "loop district."

Amongst other committees covering District-wide activities were the following: Public speakers, advertising, foreign language papers, posters, insurance companies, churches, moving pictures and Four-Minute men, fraternal societies, public utilities, etc.

The Governors of all five states united in issuing proclamations making one week "Liberty Loan Week".

Partial payment plans were devised for banks and other organizations to carry those subscribers who were not prepared to meet their subscriptions in full.

Secretary McAdoo visited the District during the campaign and spoke in several cities.

The District's quota of bonds was over-subscribed.

SECOND LIBERTY LOAN

This campaign was organized by an executive committee composed of the same members as the former executive and publicity committees and with the same chairman as the old publicity committee. Several additions were made, however, to the membership before the campaign began. An Executive Secretary was chosen and placed in active charge of the campaign.

The active work of the campaign was carried on under the following divisions:

Department of Sales
Department of Publicity
Department of Public Speaking
Woman's Work.

Additional committees covering District-wide activities were appointed as in the first campaign, and the same chairmen served as before for Chicago and the various states. The unit of organization for the second campaign was the county, and this organization was subdivided so as to reach down to the city, the town, the school district, and in some cases the voting precinct. In addition thereto, all of the larger cities formed their own organizations. Volunteer workers from banks, bond houses, stock exchange firms, commercial paper houses, insurance companies, and so on, canvassed the entire District, encouraging local workers and doing pioneer work in indifferent communities.

In each State an Advisory Committee was formed, consisting of the Governor, the State Superintendent of Banks, the President of the State Bankers Association and representatives of labor, religion, agriculture, commerce, industry, State Council of Defense and others.

The District's quota of the four billions of bonds offered was over-subscribed.

The work of the Second Liberty Loan campaign was much better organized and more efficiently conducted than that of the first.

It is a matter of regret that space forbids personal recognition of the many workers and instrumentalities co-operating

toward the success of the two campaigns. They are numbered by the thousands. Their names are on file with the Federal Reserve Bank and the result of their effective labors will not be forgotten. A list of officers and executive committees is given in the appendix.

GOVERNMENT BOND DEPARTMENT

The Federal Reserve Bank organized a Government Bond Department through which the actual accounting for and distribution of Liberty Bonds has been handled. A statement of the expenses of this department appears in the appendix.

In the appendix will also be found an exhibit of the result of both the first and second Liberty Loan campaigns.

TREASURY CERTIFICATES OF INDEBTEDNESS

A table showing the sales of the different issues of these certificates will be found in the appendix.

WAR SAVINGS CERTIFICATES

The Secretary of the Treasury has designated the Federal Reserve Banks as fiscal agents for the distribution of War Savings Certificates and Stamps. The Federal Reserve Banks become the warehouses to which banks, express companies, railways, and other authorized agents go to receive their supplies and to whom they account for the proceeds.

Up to and including December 31 the Federal Reserve Bank of Chicago has accounted for \$915,725.00 par value from the proceeds of these certificates.

DEPOSITORIES FOR PROCEEDS OF LIBERTY BONDS AND TREASURY CERTIFICATES

Many banks throughout the District qualified as depositories under the regulations prescribed by the Treasury Department. In order to accommodate the various sections of the District, securities committees and custodians for collateral were appointed in each state, serving without compensation.

A list of such securities committees and custodians appears in the appendix.

IN CONCLUSION

The Federal Reserve System has already justified the expectation of those who were instrumental in framing the Act and responsible for its enactment. Through it, the reserves of the country have been largely mobilized and much of the free gold brought into its coffers. As a result of its establishment public confidence exists and the integrity of our business fabric has been maintained, although our country has entered upon what is perhaps the most momentous epoch in its history.

In all this, the Federal Reserve Bank of Chicago has borne its part. With all other Federal Reserve Banks, its note issues have largely increased during the year. Much of this increase has been directly against gold, and the greater demands of business have necessitated the remainder.

The Board of Directors of this bank, slow in the beginning to make use of this issue power, have not hesitated to avail themselves of it when the situation demanded, and yet further use of it will be inevitable during the continuance of the war. The problem of differentiating between necessary expansion on the one hand and dangerous inflation on the other is yet to be solved. The wise conservatism which has thus far directed the operation of the Federal Reserve Banks and the administration of the System may be trusted to handle this situation in a satisfactory manner when it is presented for solution.

APPENDIX

EXHIBIT 1

Federal Reserve Bank of Chicago

COMPARATIVE YEARLY STATEMENT

Assets	Dec. 31, 1917	Dec. 31, 1916
Bills discounted—Members.....	\$105,923,175.99	\$ 4,437,460.35
Bills discounted—Bought	9,182,429.93	10,337,161.09
U. S. Bonds and Notes.....	10,384,600.00	10,375,100.00
Investments.....		1,325,760.88
Total.....	\$125,490,205.92	\$ 26,475,482.32
Interest accrued on U. S. Bonds and Notes .. \$	63,695.00	\$ 50,896.48
Premium on U. S. bonds.....		193,311.66
Liberty Loan Bonds—\$10.00 Part. Ctfs.....	163,100.00	
Furniture and Fixtures.....		28,304.53
Cost of Unissued Federal Reserve Notes...		67,957.83
Due from Member Banks—Overdrafts.....	330,615.85	1,723.57
Due from Federal Reserve Banks.....	5,992,720.41	29,913,819.08
Federal Reserve Banks—Transfers Bought.	8,178,412.26	
Transit and Exchanges for C. H.....	19,868,657.09	4,692,553.71
Federal Reserve and National Bank Notes.	10,635,500.00	2,986,185.00
Gold Coin and Gold Certificates.....	32,189,305.00	27,600,625.00
Bank of England, Sterling Gold Account....	7,350,000.00	
Other Lawful Money.....	963,872.27	396,102.95
Gold Settlement Fund.....	58,960,460.00	26,183,000.00
Gold with Federal Reserve Agent.....	130,723,530.00	
5% Redemption Fund.....	646,490.00	200,000.00
Total Cash Reserve.....	\$230,833,657.27	\$ 54,379,727.95
Other Assets.....	349,181.34	
	\$401,905,745.14	\$118,789,962.13
Liabilities		
Capital Paid in.....	\$ 9,091,700.00	\$ 6,683,550.00
Surplus.....	215,799.18	
Profit and Loss.....		61,978.07
Discount on U. S. Bonds.....	77,603.50	
Unearned Discount.....	318,087.33	46,451.23
Unearned Interest—Investments.....		6,051.22
Reserved for Sundry Expenses.....	4,833.62	5,391.08
Difference Account.....	254.61	
Federal Reserve Notes Outstanding.....	190,788,530.00	
Federal Reserve Bank Drafts.....	1,471,347.45	
Liberty Loan—\$10.00 Part. Ctfs. Sold.....	163,100.00	
Uncollected Funds.....	18,183,306.82	
U. S. Government Deposits.....	3,052,436.84	2,045,784.95
Due to Federal Reserve Banks.....	6,165,983.77	14,550,742.93
Due to Member Banks—Reserves.....	169,174,348.05	95,390,012.65
Due to Non-Member Clearing Banks.....	3,198,413.97	
	\$401,905,745.14	\$118,789,962.13
Gold Reserve against net deposit liability..	59.2%	69.8%
Cash Reserve against net deposit liability..	59.7%	70.3%
Gold Reserve against Federal Reserve Notes in circulation.....	72.7%	158.0%

EXHIBIT 2

Federal Reserve Bank of Chicago

EARNINGS AND EXPENSES FOR CALENDAR YEAR 1917
ALSO PROFIT AND LOSS ON DECEMBER 31, 1917

Earnings for 1917.....	\$2,020,714.10	
Net service charges in excess of Transit Department disbursement.....	1,564.00	
Total.....		\$2,022,278.10
Expense of operation of bank proper.....	\$ 320,357.29	
Cost of Federal Reserve currency issued (incl. expressage, insurance, etc.).....	157,510.57	
Cost of Federal Reserve currency unissued, charged off.....	43,001.01	
Miscellaneous charges account note issues.....	2,314.11	
Depreciation on furniture and equipment.....	32,225.53	
Depreciation U. S. Bonds.....	237,118.24	
Total.....		\$ 792,526.75
Net earnings for year.....		1,229,751.35
Profit and loss, January 1, 1917.....		61,978.07
Amount paid by Federal Reserve Bank, Minneapolis, January 30, 1917, to equalize stock of said bank transferred to Federal Reserve Bank, Chicago, capital stock.....		2,127.22
Total.....		\$1,293,856.64
Dividends Paid:		
Date paid, 6/29/17; period covered, 1/1/16 to 6/30/16, inclusive; amount.....	\$205,710.22	
Date paid, 12/28/17; period covered, 7/1/16 to 12/31/17, inclusive; amount.....	654,347.08	
Interest paid on stock surrendered.....	2,200.98	862,258.28
Profit and loss, December 31, 1917.....		431,598.36
Distribution of Profit and Loss:		
One-half of balance 12/31/17 remitted to United States Treasury—Franchise tax paid U. S. Government.....	215,799.18	
One-half of balance transferred to Surplus Fund.....	215,799.18	431,598.36

EXHIBIT 3

Member Banks in Seventh Federal Reserve District to Whom Permits Have
Been Granted for the Exercise of Trust Powers

		<u>Date of Permit</u>
Anderson.....	Indiana.....	Peoples State National Bank. June 8, 1915
Batesville.....	Indiana.....	First National Bank..... Sept. 13, 1916
Battle Creek.....	Michigan...	Central National Bank..... Oct. 6, 1917
Battle Creek.....	Michigan...	Old National Bank..... April 29, 1915
Bay City.....	Michigan...	First National Bank..... April 13, 1915
Beaver Dam.....	Wisconsin...	Old National Bank..... April 29, 1915
Belvidere.....	Illinois.....	Second National Bank..... April 29, 1915
Benton Harbor....	Michigan...	Farmers & Merchants Natl. Bank..... Aug. 18, 1917
Birmingham.....	Michigan...	First National Bank..... Sept. 22, 1917
Bloomington.....	Illinois.....	State National Bank..... Jan. 18, 1916
Boone.....	Iowa.....	First National Bank..... Oct. 9, 1916

			Date of Permit
Boyne City.....	Michigan...	First National Bank.....	June 1, 1915
Brazil.....	Indiana.....	First National Bank.....	Oct. 13, 1916
Brazil.....	Indiana.....	Riddell National Bank.....	April 29, 1915
Brookville.....	Indiana.....	Franklin County Natl. Bank..	Sept. 30, 1915
Brookville.....	Indiana.....	National Brookville Bank....	Aug. 23, 1916
Casey.....	Illinois.....	First National Bank.....	Dec. 30, 1915
Cedar Rapids.....	Iowa.....	Cedar Rapids National Bank..	May 9, 1916
Cedar Rapids.....	Iowa.....	Merchants National Bank....	April 24, 1915
Chicago.....	Illinois.....	National City Bank.....	Aug. 9, 1915
Clarence.....	Iowa.....	First National Bank.....	April 19, 1916
Clinton.....	Iowa.....	City National Bank.....	Nov. 8, 1915
Coon Rapids.....	Iowa.....	First National Bank.....	Dec. 29, 1916
Council Bluffs.....	Iowa.....	City National Bank.....	June 8, 1915
Council Bluffs.....	Iowa.....	First National Bank.....	Mar. 9, 1917
Crawfordsville.....	Indiana.....	Citizens National Bank.....	May 5, 1917
Decatur.....	Illinois.....	Millikin National Bank.....	Jan. 18, 1916
Decorah.....	Iowa.....	National Bank of Decorah....	Sept. 20, 1917
Des Moines.....	Iowa.....	Des Moines National Bank...	July 20, 1916
Dubuque.....	Iowa.....	First National Bank.....	May 5, 1917
Dyer.....	Indiana.....	First National Bank.....	June 8, 1915
Emmetsburg.....	Iowa.....	Emmetsburg National Bank..	May 5, 1917
Flint.....	Michigan:	First National Bank.....	Dec. 26, 1917
Fonda.....	Iowa.....	First National Bank.....	July 26, 1915
Franklin.....	Indiana.....	Franklin National Bank.....	July 26, 1915
Freeport.....	Illinois.....	First National Bank.....	April 26, 1915
Gladbrook.....	Iowa.....	First National Bank.....	Aug. 27, 1917
Grand Rapids.....	Michigan..	Old National Bank.....	April 29, 1915
Greencastle.....	Indiana.....	First National Bank.....	Oct. 9, 1916
Humboldt.....	Iowa.....	First National Bank.....	Jan. 18, 1916
Independence.....	Iowa.....	First National Bank.....	Aug. 26, 1915
Indianola.....	Iowa.....	First National Bank.....	Jan. 18, 1916
Janesville.....	Wisconsin..	First National Bank.....	May 5, 1915
Joliet.....	Illinois.....	First National Bank.....	April 15, 1915
Kanawha.....	Iowa.....	First National Bank.....	Jan. 25, 1917
Kokomo.....	Indiana.....	Citizens National Bank.....	Jan. 26, 1916
Kokomo.....	Indiana.....	Howard National Bank.....	Aug. 26, 1915
Lansing.....	Michigan..	Capital National Bank.....	Aug. 15, 1917
La Porte.....	Indiana.....	First National Bank.....	June 8, 1915
Le Mars.....	Iowa.....	First National Bank.....	July 20, 1916
Liberty.....	Indiana.....	Union County National Bank..	June 4, 1915
Logansport.....	Indiana.....	First National Bank.....	Oct. 13, 1916
Macomb.....	Illinois.....	Union National Bank.....	April 13, 1915
Manchester.....	Iowa.....	First National Bank.....	Dec. 1, 1917
Marengo.....	Iowa.....	First National Bank.....	Oct. 9, 1916
Marion.....	Indiana.....	First National Bank.....	Aug. 26, 1915
Marion.....	Indiana.....	Marion National Bank.....	Feb. 21, 1916
Marseilles.....	Illinois.....	First National Bank.....	April 13, 1915
Mattoon.....	Illinois.....	National Bank of Mattoon....	Dec. 29, 1916
Michigan City.....	Indiana.....	Merchants National Bank....	Oct. 18, 1916
Mishawaka.....	Indiana.....	First National Bank.....	Mar. 7, 1917
Monroe.....	Wisconsin..	First National Bank.....	April 29, 1915
Monrovia.....	Indiana.....	First National Bank.....	Oct. 6, 1917
Montezuma.....	Iowa.....	First National Bank.....	Oct. 9, 1916
Moweaqua.....	Illinois.....	First National Bank.....	Jan. 17, 1916
Muncie.....	Indiana.....	Merchants National Bank....	Mar. 14, 1917
Odebolt.....	Iowa.....	First National Bank.....	Sept. 13, 1915
Oskaloosa.....	Iowa.....	Oskaloosa National Bank....	Jan. 17, 1916
Peterson.....	Iowa.....	First National Bank.....	Aug. 10, 1916
Petoskey.....	Michigan..	First National Bank.....	Dec. 2, 1915

			Date of Permit
Port Huron.....	Michigan...	First National Bank.....	Feb. 23, 1916
Red Oak.....	Iowa.....	First National Bank.....	June 15, 1917
Richmond.....	Indiana.....	First National Bank.....	April 29, 1915
Richmond.....	Indiana.....	Second National Bank.....	April 24, 1915
Rochester.....	Indiana.....	First National Bank.....	Oct. 18, 1916
Rochester.....	Michigan...	First National Bank.....	July 26, 1915
Rockford.....	Illinois.....	Rockford National Bank.....	June 1, 1915
Rockford.....	Illinois.....	Third National Bank.....	April 29, 1915
Rockville.....	Indiana.....	Rockville National Bank.....	June 8, 1915
Rushville.....	Indiana.....	Rush County National Bank..	April 13, 1915
Rushville.....	Indiana.....	Rushville National Bank.....	June 8, 1915
Russiaville.....	Indiana.....	First National Bank.....	April 29, 1915
St. Clair Heights	Michigan...	Michigan National Bank.....	Feb. 21, 1916
Saginaw.....	Michigan...	Second National Bank.....	April 15, 1915
Sheridan.....	Indiana.....	Farmers National Bank.....	April 7, 1916
Sheridan.....	Indiana.....	First National Bank.....	Dec. 27, 1916
Sibley.....	Iowa.....	First National Bank.....	April 13, 1915
Sioux Rapids.....	Iowa.....	First National Bank.....	Mar. 28, 1916
South Bend.....	Indiana.....	First National Bank.....	Feb. 21, 1916
Stanton.....	Iowa.....	First National Bank.....	Aug. 9, 1916
Story City.....	Iowa.....	First National Bank.....	June 8, 1915
Tipton.....	Indiana.....	Citizens National Bank.....	Sept. 13, 1915
Traverse City....	Michigan...	First National Bank.....	Nov. 8, 1915
Valparaiso.....	Indiana.....	Farmers National Bank.....	May 14, 1915
Wabash.....	Indiana.....	Farmers & Merchants Natl. Bank.....	Dec. 2, 1915
Waterloo.....	Iowa.....	Commercial National Bank...	Aug. 9, 1915
Waterloo.....	Iowa.....	Leavitt & Johnson Natl. Bank	Dec. 29, 1916
Waukesha.....	Wisconsin..	National Exchange Bank.....	April 24, 1915
Waverly.....	Iowa.....	First National Bank.....	June 15, 1917
Webster City....	Iowa.....	Farmers National Bank.....	June 8, 1915
Whiteland.....	Indiana.....	Whiteland National Bank....	Nov. 25, 1916
Wilkinson.....	Indiana.....	Farmers National Bank.....	July 1, 1915

National Banks in the State of Illinois are not as yet exercising trust powers. It is understood that the Supreme Court of the State is shortly to pass on a test case now pending, to determine whether the state laws permit the exercise of such powers by national banks.

EXHIBIT 4

STATE MEMBER BANKS

Seventh Federal Reserve District

Illinois

Chicago.....	Austin State Bank.
Chicago.....	*Central Trust Company of Illinois (1914).
Chicago.....	Chicago Savings Bank & Trust Company.
Chicago.....	First Trust & Savings Bank.
Chicago.....	Foreman Bros. Banking Company.
Chicago.....	Harris Trust & Savings Bank.
Chicago.....	Hyde Park State Bank.
Chicago.....	Kaspar State Bank.
Chicago.....	Merchants Loan & Trust Company.
Chicago.....	Noel State Bank.
Chicago.....	Standard Trust & Savings Bank.
Chicago.....	State Bank of Chicago.
Chicago.....	Union Trust Company.
Chicago.....	United State Bank.

Illinois—Continued

Cicero.....	Kirchman State Bank.
Elmhurst.....	*Elmhurst State Bank (1915).
Evanston.....	State Bank of Evanston.
Joliet.....	*Commercial Trust & Savings Bank (1915).
Joliet.....	Joliet Trust & Savings Bank.
Kewanee.....	Union State Savings Bank & Trust Company.
Martinsville.....	†Martinsville State Bank.
Oak Park.....	Suburban Trust & Savings Bank.

Indiana

Elkhart.....	St. Joseph Valley Bank.
Kentland.....	Discount & Deposit State Bank.

Iowa

Cedar Falls.....	Security Trust & Savings Bank.
Clinton.....	Peoples Trust & Savings Bank.
Des Moines.....	Iowa Loan & Trust Company.
Gilman.....	Citizens Savings Bank.
Mason City.....	Commercial Savings Bank.
Ottumwa.....	Ottumwa Savings Bank.
Sioux City.....	*Bankers Loan & Trust Company (1916).
Sutherland.....	†First Savings Bank.
Vail.....	†Farmers State Bank.

Michigan

Albion.....	*Commercial & Savings Bank (1915).
Charlotte.....	Eaton County Savings Bank.
Detroit.....	†American State Bank.
Detroit.....	Central Savings Bank.
Detroit.....	Detroit Savings Bank.
Detroit.....	Dime Savings Bank.
Detroit.....	First State Bank.
Detroit.....	†Peninsular State Bank.
Detroit.....	Peoples State Bank.
Detroit.....	Wayne County & Home Savings Bank.
Flint.....	Citizens Commercial & Savings Bank.
Flint.....	Industrial Savings Bank.
Flint.....	Union Trust & Savings Bank.
Fremont.....	†Old State Bank.
Grand Haven.....	Grand Haven State Bank.
Grand Rapids.....	Grand Rapids Savings Bank.
Grand Rapids.....	Kent State Bank.
Hart.....	†Oceana County Savings Bank.
Highland Park.....	Highland Park State Bank.
Hudson.....	Boies State Savings Bank.
Jackson.....	Central State Bank.
Jackson.....	Union Bank.
Lansing.....	†Lansing State Savings Bank.
Lapeer.....	Lapeer Savings Bank.
Monroe.....	†B. Dansard & Sons State Bank.
Mt. Pleasant.....	Exchange Savings Bank.
Niles.....	Niles City Bank.
Petersburg.....	H. C. McLachlin & Co. State Bank.
Port Huron.....	St. Clair County Savings Bank.
Rochester.....	†Rochester Savings Bank.
Romeo.....	Romeo Savings Bank.
Saugatuck.....	*Fruit Growers State Bank (1915).
St. Clair.....	†Commercial & Savings Bank.

Wisconsin

Clinton.....	Citizens Bank
Madison.....	*Bank of Wisconsin (1914).
Milwaukee.....	†American Exchange Bank.
Milwaukee.....	*Badger State Bank (1915).
Milwaukee.....	Marshall & Ilsley Bank.

*Banks which joined the System before 1917.

†Banks approved; capital paid; reserve not paid.

‡Banks approved; capital and reserve not paid.

Banks Admitted Previous to 1917

Illinois.....	3
Iowa.....	1
Michigan.....	2
Wisconsin.....	2
	8
Total.....	8

Banks Admitted During 1917

Illinois.....	19
Indiana.....	2
Iowa.....	8
Michigan.....	31
Wisconsin.....	3
	63
Total.....	63

Total State Banks in Federal Reserve System.....	71
Applications in process of examination.....	22

EXHIBIT 5**FEDERAL RESERVE NOTES****Notes Outstanding December 31, 1916**

683,839	5's.....	\$ 3,419,195	
67,780	10's.....	677,800	
125,850	20's.....	2,517,000	
3,490	50's.....	174,500	
3,950	100's.....	395,000	\$ 7,183,495

Notes Issued to Bank During Year 1917

3,496,000	5's.....	\$17,480,000	
6,924,000	10's.....	69,240,000	
4,004,000	20's.....	80,080,000	
228,000	50's.....	11,400,000	
104,000	100's.....	10,400,000	\$188,600,000
Total.....			\$195,783,495

Notes Retired During Year 1917

350,829	5's.....	\$ 1,754,145	
147,853	10's.....	1,478,530	
76,212	20's.....	1,524,240	
3,923	50's.....	196,150	
419	100's.....	41,900	\$ 4,994,965

Notes outstanding December 31, 1917..	\$190,788,530
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Notes Outstanding December 31, 1917

3,829,010	5's.....	\$19,145,050	
6,843,927	10's.....	68,439,270	
4,053,638	20's.....	81,072,760	
227,567	50's.....	11,378,350	
107,531	100's.....	10,753,100	\$190,788,530

Total Notes Retired Since Organization

626,990	5's.....	\$ 3,134,950	
156,073	10's.....	1,560,730	
86,362	20's.....	1,727,240	
4,433	50's.....	221,650	
469	100's.....	46,900	\$ 6,691,470

Total Notes Returned to Agent Since Organization

Unfit Notes

128,000	5's.....	\$ 640,000	
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Fit Notes

10	5's.....	\$ 50	
30	20's.....	600	
5	50's.....	250	
1	100's.....	100	\$ 641,000

\$198,121,000

Total Notes Issued and Reissued Since Organization

4,584,010	5's.....	\$22,920,050	
7,000,000	10's.....	70,000,000	
4,140,030	20's.....	82,800,600	
232,005	50's.....	11,600,250	
108,001	100's.....	10,800,100	\$198,121,000

Total Notes on Hand by Agent December 31, 1917

1,236,000	5's.....	\$ 6,180,000	
760,000	10's.....	7,600,000	
716,000	20's.....	14,320,000	
100,000	50's.....	5,000,000	
44,000	100's.....	4,400,000	\$ 37,500,000

EXHIBIT 6

Federal Reserve Bank of Chicago

TRANSACTIONS THROUGH THE GOLD SETTLEMENT
FUND WEEKLY

(000's omitted)

Week Ending 1917	Debits	Credits	Balance
Jan. 3	\$ 36,705	\$ 29,668	\$33,220
10	42,545	43,911	31,854
17	39,225	36,097	34,982
24	38,210	39,688	33,504
31	42,329	36,913	38,920

Transactions Through the Gold Settlement Fund Weekly—Continued

(000's omitted)

Week Ending 1917	Debits	Credits	Balance
Feb. 7	\$40,607	\$42,929	\$36,598
14	38,004	34,554	40,048
21	32,352	39,706	32,694
28	41,375	29,686	44,383
Mar. 7	43,094	40,391	47,086
14	33,111	32,704	47,493
21	36,584	40,207	43,870
28	32,368	41,109	35,129
April 4	33,794	35,466	33,457
11	45,617	42,095	36,979
18	52,304	48,531	40,752
25	46,735	65,540	21,947
May 2	68,944	57,446	33,445
9	59,718	68,082	25,081
16	75,741	70,614	30,208
23	59,791	53,417	36,582
30	58,235	67,661	27,156
June 6	53,944	45,587	35,513
13	60,305	72,705	23,113
20	85,672	85,008	23,777
27	76,628	61,133	39,272
Sub-Total.	\$1,273,937	\$1,260,848	
July 4	87,051	54,661	71,662
11	87,111	84,045	74,728
18	69,563	85,890	58,401
25	105,694	111,159	52,936
Aug. 1	72,032	99,326	25,642
8	80,092	60,819	44,915
15	72,749	77,592	40,072
22	75,508	67,984	47,596
29	79,741	66,681	60,656
Sept. 5	76,009	56,454	80,211
12	94,597	104,320	70,488
19	77,424	92,864	55,048
26	97,064	100,034	52,078
Oct. 3	80,385	98,027	34,436
10	96,884	76,345	54,975
17	92,012	80,947	66,040
24	113,536	107,828	71,748
31	102,053	126,580	47,221
Nov. 7	119,920	107,316	59,825
14	102,504	103,579	58,750
21	173,061	166,149	65,662
28	125,307	125,771	65,198
Dec. 5	107,425	110,780	61,843
12	98,909	101,001	59,751
19	155,930	157,816	57,865
26	124,405	132,109	50,161
Total.	\$3,840,903	\$3,816,925	
Total, 1916.	798,567	774,570	
1917 increase.	3,042,336	3,042,355	

EXHIBIT 7

FIRST LIBERTY LOAN CAMPAIGN

Executive Committee

James B. McDougal (Chairman), Governor Federal Reserve Bank.
Federal Reserve Agent (Chairman Publicity Committee).
E. K. Boisot, President First Trust and Savings Bank.
Howard W. Fenton, Vice-President Harris Trust and Savings Bank.
Arthur Reynolds, Vice-President Continental and Commercial National Bank.
John E. Blunt, Jr., Vice-President Merchants Loan and Trust Co.
Harry L. Stuart, of Halsey, Stuart & Company.
Charles H. Schweppe, of Lee, Higginson & Company.
Solomon A. Smith, President Northern Trust Company.
Secretary—H. C. Burnett.
Corresponding Secretary—Lyman A. Walton.
Assistant to the Chairman—Edward Clifford.

Distribution Committee

W. M. L. Fiske (Chairman), of William A. Read & Company.
Charles W. Folds, of Hathaway, Smith, Folds & Company, Chairman for Chicago.
Joseph A. Rushton, Jr., of Babcock, Rushton & Company, Chairman for Illinois (outside of Chicago).
C. Frederick Childs, of C. F. Childs & Company, Chairman for Indiana.
Frederick R. Fenton, of C. W. McNear & Company, Chairman for Michigan.
William L. Ross, of Keane, Taylor & Company, Chairman for Wisconsin.
Watkin W. Kneath, of Spencer, Trask & Company, Chairman for Iowa.

SECOND LIBERTY LOAN COMMITTEE

Executive Committee

James B. McDougal, Governor Federal Reserve Bank.
Federal Reserve Agent.
E. K. Boisot, President First Trust and Savings Bank.
Howard W. Fenton, Vice-President Harris Trust and Savings Bank.
Arthur Reynolds, Vice-President Continental and Commercial National Bank.
John E. Blunt, Jr., Vice-President Merchants Loan and Trust Co.
Harry L. Stuart, of Halsey, Stuart & Company.
Charles H. Schweppe, of Lee, Higginson & Company.
Solomon A. Smith, President Northern Trust Company.
W. M. L. Fiske, of William A. Read & Company.
John J. Abbott, Vice-President Continental and Commercial Trust and Savings Bank.
Miss Grace Dixon. (Miss Dixon was appointed Chairman for women for the Seventh Federal Reserve District by the National Woman's Organization at Washington.)
Executive Secretary—Albert W. Bullard.

Department Heads

Director of Sales—Harry L. Stuart.
Director of Publicity—Charles H. Schweppe.
Director of Public Speaking—John J. Abbott.
Director for Women—Miss Grace Dixon.

District Chairmen

Charles W. Folds, Chairman for Chicago.
 Joseph A. Rushton, Jr., Chairman for Illinois (outside of Chicago).
 C. Frederick Childs, Chairman for Indiana.
 Frederick R. Fenton, Chairman for Michigan.
 William L. Ross, Chairman for Wisconsin.
 Watkin W. Kneath, Chairman for Iowa.

EXHIBIT 8
SECURITIES COMMITTEES

Illinois—CHICAGO

C. E. Estes, Vice-President, Merchants Loan & Trust Co. (Chairman).
 Burt C. Hardenbrook, Vice-President, First Trust & Savings Bank.
 John F. Craddock, Manager Credit Dept. Continental & Commercial
 National Bank.

Indiana—INDIANAPOLIS

Stoughton A. Fletcher, President, Fletcher-American National Bank
 (Chairman).
 Evans Woollen, President, Fletcher Savings & Trust Co.
 Frank Stalnaker, President, Indiana National Bank.

Iowa—DES MOINES

C. A. Barr, Vice-President, Des Moines National Bank (Chairman).
 J. H. Blair, Vice-President, Iowa National Bank.
 C. T. Cole, Jr., Vice-President, Valley National Bank.

Michigan—DETROIT

John W. Staley, Vice-President, Peoples State Bank (Chairman).
 Emory W. Clark, President, First & Old Detroit National Bank.
 Richard P. Joy, President, National Bank of Commerce.

Wisconsin—MILWAUKEE

E. J. Hughes, Vice-President, First National Bank (Chairman).
 R. W. Baird, Manager Bond Dept. Wisconsin Trust Company.
 J. H. Puelicher, Vice-President, Marshall & Ilsley Bank.

CUSTODIANS

Illinois.....	Northern Trust Company.....	Chicago
	Solomon A. Smith, President	
Indiana	Indiana Trust Company.....	Indianapolis
	J. P. Frenzel, President	
Iowa.....	Central Trust Company.....	Des Moines
	J. S. Rawson, President	
Michigan.....	Detroit Trust Company.....	Detroit
	Ralph Stone, President	
Wisconsin	First Trust Company.....	Milwaukee
	Robert Camp, President	

EXHIBIT 9
FIRST LIBERTY LOAN

Subscriptions by States—Federal Reserve District No. 7

Illinois.....	\$ 197,315,150
Indiana.....	35,323,100
Iowa.....	31,343,850
Michigan.....	62,538,800
Wisconsin.....	30,866,100

Total.....\$ 357,387,000

Allotment by States.....Not available
Allotment for District.....\$ 272,202,100

Number of Subscribers.....Not available
Number of Banks Subscribing.....About 4,000

U. S. Government Liberty Loan Bond Participation Certificates

The Federal Reserve Bank of the Seventh District issued \$1,000,000 of the above Certificates, subscribing for \$1,000,000 of bonds to be used in redemption thereof. The purchaser of five of these certificates was privileged to exchange them for a Fifty-dollar Bond.

EXHIBIT 10
SECOND LIBERTY LOAN

Subscriptions, Allotments and Subscribers, by States
Federal Reserve District No. 7

	Subscriptions	Allotment	Subscribers
Illinois.....	\$ 244,202,800	\$ 206,121,800	451,152
Indiana.....	69,352,700	67,047,100	172,124
Iowa.....	82,859,850	79,857,550	247,167
Michigan.....	106,062,450	95,473,650	323,227
Wisconsin.....	77,694,300	72,809,300	198,551
Filed by individuals and corporations direct with Federal Reserve Bank.....	5,681,250	4,741,450	4,981
	<u>\$ 585,853,350</u>	<u>\$ 526,050,850</u>	<u>1,397,202</u>

Subscriptions by Member and Non-Member Banks, by States

	Member Banks	Non-Member Banks
Illinois.....	\$ 92,927,150	\$ 151,275,650
Indiana.....	35,895,350	33,457,350
Iowa.....	37,018,200	45,841,650
Michigan.....	68,296,750	37,765,700
Wisconsin.....	50,199,750	27,494,550
Filed by individuals and corporations direct with Federal Reserve Bank.....		5,681,250
	<u>\$ 284,337,200</u>	<u>\$ 301,516,150</u>

\$450,473,740 had been paid in on the above allotment of \$526,050,850 up to and including December 31, 1917.

EXHIBIT 12

EXPENSE OF THE FIRST LIBERTY LOAN OF 1917

Incurred up to and including December 31, 1917

	Postage	Telephone and Telegraph	Salaries	Traveling	Printing, Stationery and Minor Supplies	Expressage	Furniture and Equipment	Rent	Misc.	Supper Money Account Overtime Work	Total
Bond Department.....	\$ 10,681.02	\$ 6,995.25	\$ 80,254.73	\$ 616.55	\$ 15,944.72	\$ 385.39	\$ 4,604.58	\$ 651.65	\$ 14,001.32	\$ 2,053.65	\$ 136,188.86
Publicity and Distribution Committees.....	1,564.44	1,538.90	2,337.25	11,327.61	19,378.47	675.33	.....	44.00	10,086.78	6.00	46,958.78
Totals.....	\$ 12,245.46	\$ 8,534.15	\$ 82,591.98	\$ 11,944.16	\$ 35,323.19	\$ 1,060.72	\$ 4,604.58	\$ 695.65	\$ 24,088.10	\$ 2,059.65	\$ 183,147.64

\$ 169,417.34—We have received reimbursement for this amount from the Treasury Department up to and including January 3, 1918.
 13,730.30—Balance due from Treasury Department.

\$ 183,147.64

IN CHICAGO

Average Number of Employees during the First Liberty Loan Campaign

Bond Department.....	125
Publicity and Distribution Committees.....	25
Total.....	<u>150</u>

EXHIBIT 12—Continued

EXPENSE OF THE SECOND LIBERTY LOAN OF 1917

Incurred up to and including December 31, 1917

	Postage	Telephone and Telegraph	Salaries and Overtime	Traveling	Printing, Stationery and Minor Supplies	Expressage	Furniture and Equipment	Rent	Miscellaneous	Sub-Total	Undistributed	Grand Total	
*Bond Department.....	\$ 6,991.59	\$ 500.97	\$ 75,378.05	\$ 11,863.29	\$ 591.75	\$ 10,154.35	\$ 30.00	\$ 4,846.20	\$ 113,341.20	\$ 113,341.20	\$ 113,341.20	\$ 113,341.20	
Executive Committee...	2,746.66	10.00	13,457.88	1,816.53	181.50	238.00	2.00	459.49	19,504.41	19,504.41	19,504.41	19,504.41	
Publicity Committee...	1,345.24	357.41	14,196.87	584.06	44,214.18	289.05	4,933.25	490.00	94,238.42	94,238.42	94,238.42	94,238.42	
Public Speaking Comm.	64.26	48.97	808.10	1,480.89	198.67	3.00	1,774.86	4,378.75	4,378.75	4,378.75	4,378.75	4,378.75	
Women's Committee...	20.06	.....	941.99	300.09	1,405.32	10.00	86.00	305.20	3,068.66	3,068.66	3,068.66	3,068.66
Chicago Committee...	1,532.38	.....	10,605.83	4.20	3,813.92	27.25	1,642.20	2,603.12	20,323.40	20,323.40	20,323.40	20,323.40
Illinois Committee...	99.03	3.45	279.52	101.82	334.78	.....	.....	.....	818.60	818.60	818.60	818.60
Indiana Committee...	18.24	.....	.....	.....	156.45	.....	.....	.....	174.69	174.69	174.69	174.69
Iowa Committee.....	245.36	14.85	741.00	.....	259.81	.....	.....	32.40	1,293.42	1,293.42	1,293.42	1,293.42
Michigan Committee...	520.64	248.57	1,496.67	7,222.25	308.54	.....	.....	86.06	9,882.73	9,882.73	9,882.73	9,882.73
Wisconsin Committee...	471.93	.....	.....	.....	112.58	.....	.....	.....	584.51	584.51	584.51	584.51
	\$14,055.39	\$ 1,184.22	\$ 117,905.91	\$ 9,835.66	\$64,484.07	\$ 1,102.55	\$15,384.10	\$ 5,653.20	\$ 1,478.50	\$36,525.19	\$ 267,608.79	\$54,495.80	\$ 322,104.59

*Bond Department includes Depository Bank Dept., Fiscal Agent Dept., etc., excluding various Liberty Loan Committees. Up to and including January 3, 1918, we have not received reimbursement from the Treasury Department for any of the above expense.

Listed below is the number of Employes in the Service of the Bond Department and various Liberty Loan Committees in Chicago at the present time, also the average number employed during the Second Liberty Loan Campaign

	Present Number (As of Dec. 31, 1917)	Average	Present Number	Average
Bond Department.....	166	188	188	370
Executive Committee.....	14	28	16	66
Publicity {	4	20	.....	10
Publicity {	4	120	.....	10
Publicity {	4	.....	.....	8
Public Speaking.....	.....	4	1	3
Women's Committee.....	.....	10	.....	4
Carried Forward.....	188	370	205	471
Total.....	.....	.....	.....	.....

EXHIBIT 12—Continued

EXPENSE OF VARIOUS ISSUES OF CERTIFICATES OF INDEBTEDNESS

Incurred up to and including December 31, 1917

Applicable to First Liberty Loan of 1917

\$200,000,000	Cert. of Indebtedness (3%)	dated April 25, 1917;	due June 30, 1917	.....	\$ 431.42
200,000,000	Cert. of Indebtedness (3%)	dated May 10, 1917;	due July 17, 1917	.....	703.20
200,000,000	Cert. of Indebtedness (3¼%)	dated May 25, 1917;	due July 30, 1917	.....	236.92
200,000,000	Cert. of Indebtedness (3¼%)	dated June 8, 1917;	due July 30, 1917	.....	61.93
					* \$ 1,433.47

Applicable to Second Liberty Loan of 1917

\$300,000,000	Cert. of Indebtedness (3½%)	dated Aug. 9, 1917;	due Nov. 15, 1917	.....	\$ 299.89
250,000,000	Cert. of Indebtedness (3½%)	dated Aug. 28, 1917;	due Nov. 30, 1917	.....	549.37
300,000,000	Cert. of Indebtedness (3½%)	dated Sept. 17, 1917;	due Dec. 15, 1917	.....	403.98
400,000,000	Cert. of Indebtedness (4%)	dated Sept. 26, 1917;	due Dec. 15, 1917	.....	426.34
300,000,000	Cert. of Indebtedness (4%)	dated Oct. 18, 1917;	due Nov. 22, 1917	.....	330.02
.....	Cert. of Indebtedness (4%)	dated Oct. 24, 1917;	due Dec. 15, 1917	.....	292.99
.....	Cert. of Indebtedness (4%)	dated Nov. 30, 1917;	due June 25, 1918	.....	220.90
					** \$ 2,523.49
	Total.....				\$ 3,956.96

* \$1,433.47—We have received reimbursement from the Treasury Department for this amount.

** 2,523.49—Amount due from Treasury Department as of January 3, 1918.

\$3,956.96

