

OPERATION OF

Federal Reserve Bank
of Chicago

1918

FOURTH ANNUAL REPORT
TO THE
FEDERAL RESERVE BOARD



ANNUAL REPORT

of the

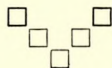
Federal Reserve Agent

of the

Seventh Federal
Reserve District

to the

Federal Reserve Board



COVERING THE CALENDAR YEAR
1918

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OPERATION OF THE FEDERAL RESERVE BANK OF CHICAGO IN 1918

Measured both by performance and by the financial result of operation, the Federal Reserve Bank of Chicago has just closed a remarkable year.

Without the facilities made available through the bank, the burden of war financing would have been a serious handicap to industrial activity for war purposes in a district where resources are largely agricultural and the business turnover is necessarily slow.

The task of obtaining subscriptions to and providing the facilities for the payments for Liberty bonds, in addition to the heavy war taxes in a single year, and at the same time caring for abnormal business requirements, afforded a severe test of the various functions of the Federal Reserve Bank. In its fiscal agency operations in 1918 the Federal Reserve Bank of Chicago distributed 11,096,577 coupon bonds, involving 208,956 registered shipments, through its bond department, while it financed the Treasury through the cash sale and distribution to banks, corporations, and individuals of bonds and certificates of indebtedness to the extent of approximately \$3,000,000,000.

This expansion of facilities, so as to render the greatest possible service to the Treasury, the member banks, and to business in general, necessarily involved a considerable increase in the cost of operation, but despite the increased expenditure, the Federal Reserve Bank of Chicago showed a surplus of \$3,100,000 for the year 1918, after all charges, payment of dividends, and reservation for the statutory franchise tax.

In extending the facilities of the Federal Reserve Bank of Chicago to member banks it has been necessary to expand its note issue. Federal Reserve notes in circulation at the close of the year aggregated \$428,820,000, as compared with \$181,160,000 at the beginning of the year, an increase of \$247,660,000. It is safe to say that Government financial operations were chiefly responsible for this abnormal expansion. On the other hand, comparative statements of the Federal Reserve Bank of Chicago at the beginning and close of 1918 show an increase of approximately \$192,738,000 in its gold stock. On December 31, 1918, the gold available as reserve against Federal Reserve notes in circulation, after setting aside 35 per cent against net deposit liability, was 81.5 per cent. On the same day the total reserve against combined net deposit and note liability was 66.1 per cent. The campaign for the transfer of gold from individual banks to the Federal Reserve Bank accounts for \$53,000,000 of the 1918

increase in the stock of gold. There also has been collected during the year and turned into the Treasury approximately \$12,400,000 in silver and silver certificates. In its fiscal agency operations the Federal Reserve Bank of Chicago not only has had the cooperation of banks and bond distributing organizations, but also the services of individuals identified with these organizations, contributed as a patriotic duty. Such cooperation has contributed greatly to the success of the year's undertakings.

Appreciation of the services and facilities afforded by membership in the Federal Reserve system is indicated by the interest taken by State banks in the Seventh Federal Reserve District. Considerably more than one-half of the total resources of eligible banks operating under State charters are now represented by memberships in the Federal Reserve Bank of Chicago.

The character of the services performed in the year 1918 is clearly depicted in the following resume of the operations of the Federal Reserve Bank of Chicago and in the statistics and charts accompanying this report.

FINANCIAL RESULTS OF OPERATION

Earnings for the year 1918 aggregated \$8,481,747, compared with \$2,020,714 in 1917 and \$665,955 in 1916. From the gross earnings of 1918, however, there should be deducted \$155,672 because of the discontinuance of the service charges in the transit department, the disbursements without income in the second half of the year more than absorbing the income in excess of disbursements covering the first half. This made the total earnings of the bank \$8,326,075, which compares with \$2,022,278 for 1917, the latter figure including a credit from the transit department operations.

The total expenses for the year 1918 aggregated \$1,495,002, compared with \$792,526 in 1917 and \$262,730 in 1916. The net income for the year, however, was \$6,805,081, compared with \$1,229,751 in 1917 and \$403,205 in 1916. The earnings for the year 1918 were equivalent to 60.84 per cent on the paid-in capital as of December 31, 1918.

The balance sheet as of December 31, 1918, shows \$247,091,000 of total earning assets, compared with \$125,490,000 at the close of the previous year and \$26,475,000 at the end of 1916.

The total cash reserve at the close of 1918 was \$423,574,000, compared with \$230,833,000 at the close of 1917 and \$54,379,000 at the close of 1916. The total assets shown were \$779,187,000 at the close of business December 31, 1918, compared with \$401,905,000 at the end of the previous year and \$118,790,000 at the end of 1916. The capital account showed \$11,185,050 in capital paid in and \$3,316,022 in surplus, compared with \$9,091,700 paid-in capital and \$215,799 surplus at the close of 1917, and \$6,683,550 paid-in capital at the close of 1916.

The total Government deposits on December 31, 1918, were \$6,566,000, compared with \$3,052,000 at the close of 1917 and

\$2,045,000 at the close of 1916. The total "due to member banks—reserve" at the close of 1918 aggregated \$230,604,000, against \$169,174,000 at the end of 1917 and \$95,390,000 in 1916. The balance sheet also showed \$450,938,000 of Federal Reserve notes at the end of 1918, compared with \$190,788,000 at the close of the previous year.

The detailed profit-and-loss account and balance sheet will be found in the appendix accompanying this report (Schedules 1 and 3).

TREND OF DEPOSITS

The trend of deposits for the year 1918 has been consistently upward. Reference to net deposit figures compiled as at the close of business each Friday during the year shows that the lowest point touched was about \$116,000,000, while the high point for the year was \$226,000,000. For the first six months deposits averaged about \$152,000,000, while for the last six months the average was about \$196,000,000. This considerable increase is attributed to the increase in the deposit accounts of member banks, necessitating larger reserves, as well as to the growth in our membership through the addition of 217 State banks during the year.

GENERAL BUSINESS CONDITIONS

General business was active at the close of the year, with banking conditions in the Seventh Federal Reserve District sound. Necessarily the volume of business is being somewhat curtailed as war contracts are completed or canceled, but in the readjustment to peace conditions the volume of accumulated business, which during the war it was impossible to care for, has taken up a considerable amount of the slack caused by the let down in war production. Instances of this are found in the automobile industry, in the manufacture of furniture and other articles which war economy and conservation of manufacturing facilities affected. The agricultural situation is promising, the seed going into the ground last fall under favorable conditions, and the wheat acreage in this district is large.

The labor situation in consequence of this readjustment is slowly improving. There is still a shortage of skilled workmen in some lines, but a noticeable improvement in the supply of common labor available, whereas before the signing of the armistice this class of labor was exceedingly scarce. Women are being released from factories and shops where they were engaged in war production, and are returning to their former lines of activity, while a general effort is being made among employers to care for those released from military service by the Government. A striking feature in the general business situation at the close of the year was an apparent desire of all elements to contribute as far as possible to an orderly readjustment to a peace basis. The readjustment of wages to a peace basis is apparently being deferred until commodity prices and other items entering into the cost of living have shown a substantial decline.

The money market, which during the year ruled remarkably steady for a war period, closed the year with rates ranging from $5\frac{1}{2}$ to $6\frac{1}{2}$ per cent, but with 6 per cent quotable as the prevailing rate in most instances.

DISCOUNT OPERATIONS

Throughout the year 1918 the greater portion of the total earning assets of this bank was represented by discounts for member banks involving United States Government war obligations as security in one form or another. On January 2, 1918, the percentage of the "bills discounted" by this bank representing war financing was 25 per cent. Until September 13 there was no segregation on our ledgers of the item "bills discounted" into paper given for the purchase of Government obligations and paper given for commercial or industrial purposes. Figures available after September 13 show that of total "bills discounted" as high as 77 per cent was war paper, while the lowest percentage shown in the subsequent weeks of 1918 was 62 per cent.

For the first half of the year the financial operations of the United States Government in the Seventh Federal Reserve District were not reflected in a particularly striking manner in borrowing from the Federal Reserve Bank of Chicago, "bills discounted" ranging between \$62,000,000 and \$125,000,000, with the average somewhat below \$100,000,000. That "total earning assets" ranged between \$100,000,000 and \$150,000,000 in that period, averaging in the neighborhood of \$125,000,000, was due to the accumulation of acceptances aggregating in amount \$50,000,000 in the early part of April. The amount of acceptances later was allowed to run down to a nominal figure, but acquisition was resumed again later in the year, reaching almost \$100,000,000 in the middle of December.

The middle of the year found practically all banks in the district short of surplus funds, due to the absorption by the successive issues of Liberty bonds, and anticipatory issues of certificates of indebtedness, and the exceedingly large requirements of essential business. This condition made recourse to the Federal Reserve Bank of Chicago imperative, and such recourse was immediately reflected in a growth of the item "bills discounted" from about \$125,000,000 to \$250,000,000 at the end of July. This was maintained with but negligible fluctuations until the peak \$279,308,000 was reached in the early part of November. There followed between the middle and the end of November a sharp decline, amounting to about \$70,000,000, \$183,400,000 being touched before a brief recovery set in. In the first three weeks in December there was a decline to around \$154,000,000, with a subsequent recovery to nearly \$160,000,000. The highest point reached by the item "total earning assets" was recorded at the beginning of November, when the amount touched \$326,944,000.

Investment operations were confined to one purchase, amounting to \$1,000,000 of municipal warrants, on January 23 and sold

on January 28, and to United States securities, which ran along between \$5,000,000 and \$15,000,000, until the last Friday in October, when the total increased to \$47,000,000, receding sharply to \$15,000,000 in the first week in November. This total again increased, and at the end of the year amounted to slightly more than \$20,100,000.

During the year there were 22,864 applications for rediscount approved for 850 banks, as follows:

	Number of banks	Amount
Illinois.....	168	\$1,741,500,084
Indiana.....	125	184,405,140
Iowa.....	333	385,191,839
Michigan.....	128	612,080,430
Wisconsin.....	96	342,672,516
Total.....	850	3,265,850,010

In addition to this, \$222,838,671 in bankers' acceptances were purchased in the open market and from other Federal Reserve Banks, represented by bills drawn in connection with imports or exports or based upon domestic shipments or storage of goods and accepted by institutions of known responsibility. The amount of United States Government bonds, certificates of indebtedness, and notes purchased by the Federal Reserve Bank of Chicago during the year aggregated \$30,276,950, exclusive of bonds and certificates taken under repurchase agreements. The amount of these sold during the year aggregated \$14,342,550. The investment of the Federal Reserve Bank of Chicago in war-rants and bonds of four municipalities with maturities ranging from 60 to 143 days, purchased in the open market and sold, was \$1,000,000.

Naturally, in a war period, with such unprecedented imperative financing as took place in the year just closed, the rediscounting operations of the Federal Reserve banks were very large in volume, and the Federal Reserve Bank of Chicago, operating in a territory the wealth of which is very considerably invested in agricultural and allied pursuits, shared liberally in this class of rediscounting. In the general rediscounting operations, however, paper was carefully scrutinized in order to determine whether it represented essential or nonessential enterprises, and as far as practicable the policy was adhered to of caring for the extensions of credit regarded as essential to the successful prosecution of the war.

TRADE ACCEPTANCES

In the very nature of things the development of the use of trade acceptances in this district has been slow, but some progress has been made during the last year, as is evidenced by a moderate increase in the volume in the hands of banks and the number of concerns which have adopted trade acceptances in their business.

There appears to be an active interest in most lines of business in the subject of trade acceptances, but from the information received from the users of trade acceptances and also those considering their adoption, it would seem that the banks of this district are not actively promoting the use of the trade acceptance by their customers. Probably this is explained by the pressure under which the banks have been working. While they realize the necessity of rendering the reserve money more mobile through the creation of a broader discount market for commercial paper, the banks may not yet have fully appreciated the value of the machinery provided by the Federal Reserve system by which high-grade business paper can be rediscounted throughout the country, nor have business concerns fully realized how the use of trade acceptances and bankers' acceptances commands preferential rates.

BANKERS' ACCEPTANCES

It also has been the policy of the Federal Reserve Bank of Chicago to encourage the development of an open market for bankers' acceptances in this district, but this, too, is very slow in developing. Thus far the chief support of business in bankers' acceptances has come from the Federal Reserve Banks. It is appreciated by the officers of the Federal Reserve Bank of Chicago that acceptances, however, must depend upon a broader market than that afforded by the Federal Reserve Banks if this class of paper is to come into general use as a form of credit and that business is to be expanded. At present there are comparatively few banks in the Seventh Federal Reserve District which regularly buy bankers' acceptances, and these are among the larger institutions. The number doubtless would be much larger were it not for the great volume of United States Government certificates of indebtedness absorbing available funds seeking employment.

Public and private corporations at times having funds for which it is desirable to find temporary employment are showing increasing interest in acceptances. Some already have adopted the policy of investing these funds in a well-assorted list of eligible bankers' acceptances because of their liquidity and the more satisfactory interest return.

The storage and movement of grain, meats, provisions, woolens, and tobacco, which heretofore have been financed largely through acceptances known as "domestic bills," also is stimulating interest among banks in the development of a broad mid-West acceptance market.

The limited amount of surplus funds available for investment in acceptances probably accounts for the slight encouragement which the few brokers offering acceptances here have received from the Middle West banks. Some of the broker and banking houses say they have been unable to make any progress even in the purchase and sale of the acceptances of local concerns from and to local banks.

During the year 1918 seven Chicago banks and one Wisconsin bank applied for powers to accept up to 100 per cent of their combined capital stock and surplus. The approval of these banks last year brought the list of authorized accepting banks up to 11, all of which, with one exception mentioned, were Chicago banks. The list of banks authorized to accept up to 100 per cent of their capital and surplus will be found in the appendix (Schedule 6).

PURCHASE OF ACCEPTANCES

The policy of the Federal Reserve Bank of Chicago in the purchase of acceptances has been to absorb such acceptances as are offered direct by member banks of this district, and also to sell acceptances to banks in this district whenever the member banks inquire for them. It seems necessary, however, in order to develop any considerable volume of business, that an active campaign be made to interest banks and banking houses of this district more generally in the handling of acceptances.

RESERVE POSITION

That in spite of the heaviest demands ever made upon the resources of the Federal Reserve Bank of Chicago it was possible to maintain cash reserves at a figure averaging above 60 per cent for the whole year has been due chiefly to the patriotic response to the appeal for mobilization of gold and gold certificates throughout the district, into the regional bank, as well as to the growth of its deposits through the gratifying increase in the membership of State banks. An intensive campaign in which member and nonmember banks were canvassed and asked to turn in their gold and gold certificates, accepting Federal Reserve notes in exchange therefor, bore fruit, and too much cannot be said for the banks whose spirit of cooperation was so helpful.

During the unprecedented advance in the loan item in the month of July, the consequent upward trend of the deposit and note liability resulted in a decline of cash reserves from about 65 per cent to approximately 45 per cent, the low point for the year. Though deposit and note liability continued to expand to almost \$650,000,000, at the end of the year the ratio of cash reserves had advanced by a consistent upward trend from never below 49 per cent to about 67 per cent. At the close of the year it was slightly in excess of 66 per cent.

GROWTH OF MEMBERSHIP

During the year the Federal Reserve Board approved applications for stock in the Federal Reserve Bank of Chicago from 13 national banks and applications for surrender of stock from 9 national banks. In the appendix (Schedules 7 and 8) will be found the names of the institutions whose stock was surrendered, as well as the disposition made of the applications; also a list of the new national bank members.

The following table contains figures showing the growth in membership of State banks in the Federal Reserve Bank of Chicago:

State bank membership statistics, Federal Reserve Bank of Chicago, by years of admission.

	1914	1915	1916	1917	1918	Total
Illinois.....	1	2	.....	19	35	57
Indiana.....	.....	.....	.....	2	17	19
Iowa.....	.....	.....	1	8	68	77
Michigan.....	.....	2	.....	31	80	113
Wisconsin.....	1	1	.....	3	17	22
Total.....	2	5	1	63	217	288

The increase in State bank membership from 63 in 1917 to 288 in 1918 is very gratifying and has added considerably to the strength of the Chicago Reserve Bank. These institutions on December 31, 1918, held in excess of one-third of the total capital stock in their regional bank. This may be ascribed to the exigencies of the financial situation, which made it necessary for State institutions to enlist help in carrying their share of the Government's war obligations, as well as to an intensive campaign from this office through which their membership was solicited. State bank members admitted in 1918 appear in Schedule 9.

FIDUCIARY POWERS

During the year 25 applications from national banks for power, under section 11 (k) of the Federal Reserve Act were approved, bringing the total number of banks having such powers up to 125. Schedule 10 in the appendix lists the banks granted these powers in 1918.

DEPARTMENT OF BANK EXAMINATIONS

Among the provisions for the Federal Reserve Act are the following:

The Federal Reserve Board shall be authorized and empowered to examine at its discretion the accounts, books, and affairs of each Federal Reserve Bank and of each member bank, and to require such statements and reports as it may deem necessary.

* * * Every Federal Reserve Bank may, with the approval of the Federal Reserve agent or the Federal Reserve Board, provide for special examination of member banks within its district. * * * Special examinations shall be so conducted as to inform the Federal Reserve Bank of the condition of its member banks and of the lines of credit which are being extended by them * * *

As a condition of membership, such banks (State) shall likewise be subject to examinations made at the direction of the Federal Reserve Board or of the Federal Reserve Bank by examiners selected or approved by the Federal Reserve Board. Whenever the directors of Federal Reserve Banks shall approve the examinations made by the State authorities such examinations and the reports thereof may be accepted in lieu of examinations made by examiners selected or approved by the Federal Reserve Board * * *

Early in the present year the Federal Reserve Bank of Chicago organized a department of bank examinations in order to be

prepared to meet the requirements of the act in this particular. During the year some examinations of national banks have been made by this department. A number of State banks applying for membership have been specially examined, and in a large number of instances representatives of this department have visited State banks applying for membership in order to satisfy themselves as to conditions which were not made clear by reports of State examinations submitted.

It has been the endeavor of this department to cultivate friendly relations with the State banking departments in all of the States included in this district, and it is pleasing to note that most cordial relations exist between this department and the various State banking departments. The disposition to be mutually helpful is manifest on both sides.

Examinations of national banks are largely standardized; on the contrary, each State has a method of its own. It is obvious, therefore, that the reports of State examinations, no matter how efficiently conducted, do not in all cases contain all of the essential or detailed information which is deemed necessary by the Federal Reserve Bank or the Federal Reserve Board. The latter body has recently suggested an outline of more complete cooperation between Federal Reserve Banks and the various State banking departments, and the Federal Reserve Bank of Chicago has enlarged its examining force in order that the proposed plan may be more effectively carried out. Under this plan examinations, as a rule, will be conducted as heretofore by the State banking departments; but representatives from the Federal Reserve Bank, so far as practicable, will be present during the progress of such examinations, and it is believed that through such practice closer coordination may be had and more efficient results obtained for the benefit of all those interested. It is gratifying to state that this plan appears to have met with the approval of the banking departments of the various States.

STATE BANK RESERVE

The reserve percentages against deposit liability required by the banking departments of the five States in the Seventh Federal Reserve District differs from those required under the Federal Reserve Act. In the State of Michigan, however, an amendment to the banking law provides that Michigan State bank members of the Federal Reserve system may satisfy reserve requirements of their State departments by complying with percentages obligatory under the Federal Reserve Act. Moreover, in the other States there is a liberal attitude toward member banks in the matter of reserves, providing they maintain a percentage which satisfies the requirements of the Federal Reserve Act.

GOVERNMENT WAR FINANCING

In the very nature of things Government war financing overshadowed all other classes of business in the Federal Reserve Bank of Chicago. The Seventh Federal Reserve District is

composed almost entirely of agricultural territory, and this made the problem of financing its quota of subscription payments for the various issues difficult. It is true the district contains several important manufacturing and commercial centers and that dotted all through the territory are manufacturing cities, but the bulk of the wealth is invested in either agriculture or industries closely allied to agriculture, and hence the income is dependent largely upon that business and the turnover is slow.

Despite this handicap, however, the quota of the third and fourth Liberty loans, aggregating between 14 and 15 per cent of the total offerings, was oversubscribed in each instance, the Treasury being financed in advance of actual payment for the bonds through the absorption of certificates of indebtedness offered to the banks from time to time. The statistics relating to the fiscal agency operations appearing in the appendix of this report indicate the character of the response to the Treasury offering (Schedules 11 to 16).

In obtaining a wide distribution of the certificates of indebtedness the allotment system proved beneficial, because it gave all banks an amount which should equal their subscriptions, and afforded an incentive to bring their subscriptions up to the amount of their quota by stimulating a spirit of competition between banks. The effect of the general and wide distribution under the Government war financing program has been to acquaint many banks, especially the smaller institutions, with the advantages of holding as secondary reserve short-time paper—a development which ordinarily would have been difficult to bring about through voluntary offerings. The educational value of this experience, therefore, is great, and is expected to prove far-reaching in its effect.

The record of subscriptions of all banks in the Seventh Federal Reserve District to the first four series of Treasury certificates indicates a steadily increasing interest in these short-term war obligations. The figures compare as follows:

	Series I	Series II	Series III	Series IV
Allotment.....	\$77,693,000	\$138,597,000	\$325,355,000	\$663,204,000
Number of subscriptions	1,348	3,121	13,792	29,544

At the closing of the subscription lists two-thirds of all the banks in the district were recorded as having subscribed for an amount equal at least to the minimum quota of the anticipation certificates of the fourth Liberty loan assigned them. Allotted subscriptions to certificates of indebtedness in anticipation of loans and in payment of Federal taxes in the Seventh Federal Reserve District aggregated \$1,427,609,500 in 1918, of which \$988,559,000 were certificates in anticipation of the third and fourth loans, and \$132,794,500 were in anticipation of the 1918 taxes. The total also includes \$125,831,000 sold in anticipation of taxes due in 1918 and 1919, and \$180,425,000 in anticipation of the fifth Liberty loan.

DEPOSITS OF TREASURY FUNDS WITH BANKS

During 1918 the number of depositary banks increased from 288 to 1,060. The maximum payment by depositary credit increased from \$96,000,000 on the occasion of the first payment on the second Liberty loan to \$174,000,000 on the October 24 payment of the fourth Liberty loan. The latter amount represents 31 per cent of the total amount paid on that date, the remainder being 27 per cent in cash and 42 per cent paid by certificates of indebtedness. On the December 5 issue of certificates the amount paid by depositary credit was \$65,598,000, or 67½ per cent of the total subscriptions. From January 1 to December 1, 1918, a grand total of \$1,464,093,765 had been deposited to the credit of the Government in depositary banks. The collateral held to secure deposits increased from \$139,000,000 on January 1 to \$257,000,000 on October 30 last.

In conducting the work of this division it has been the endeavor to simplify the forms and operations necessary, and as a result the depositary banks are now handling transactions with the use of fewer forms and in a more direct manner than before and are showing an increasingly cooperative spirit. It has been possible to adjust the work so that within about two hours after receiving a call from Washington for funds, notices of withdrawal are in the mails.

Payments made by banks against calls on war loan deposit accounts are now prompt in practically every instance, and whereas in the first half of 1918 on every payment date there were from 30 to 40 delinquents, the delinquent list now rarely exceeds half a dozen, although the number of depositaries has increased 100 per cent. This has been accomplished through the systematic use of the mails and wires in regard to overdue payments to show the necessity of promptly making funds available for the use of the Treasury on the date set in notices.

There has been the fullest cooperation from State custodians and securities committees and no effort has been spared by custodians to render services promptly or to anticipate any difficulties which might arise through error on the part of depositary banks.

FLOTATION OF LIBERTY LOANS

The accompanying statistics show the character of the undertaking in obtaining subscriptions for and in allotting and delivering to subscribers Liberty bonds in the volume represented by the quota given to the Seventh Federal Reserve District and in the wide distribution of these subscribers. Every effort was made to simplify and standardize all forms used in connection with the Liberty loan subscriptions and payments, with the view of reducing the number of errors made by banks in submitting subscriptions or loan payments. This found its reflection in the decrease in the volume of correspondence compared with the experience with relation to the first and second Liberty loans.

In the distribution of the third and fourth Liberty loans in the Seventh Federal Reserve District, which comprises 58 counties in the northern part of Illinois, 68 counties embracing the northern two-thirds of Indiana, 68 counties embracing all of Michigan excepting the northern peninsula, 45 counties embracing the southern two-thirds of Wisconsin, and 99 counties comprising the entire State of Iowa—a total of 338 counties for the entire district—a comprehensive sales organization was found necessary. This Liberty loan organization, formed under the direction of the Federal Reserve Bank of Chicago, acting as fiscal agent of the Government, consisted of a general committee, composed of representative citizens, two of whom were women, appointed directly by the governor of the Federal Reserve Bank, represented six subdivisions, embracing: (1) Chicago and Cook County, (2) Illinois outside Cook County, (3) Indiana, (4) Iowa, (5) Michigan, (6) Wisconsin. This general committee in turn operated through an executive committee, composed of executives of representative banks and allied interests. This executive committee directed the campaign through the Liberty loan campaign committee, composed of a director, and in the instance of the fourth loan, an assistant director, and a cabinet made up of the sales director of each of the six subdivisions, director of publicity, director of the speakers' bureau, and a secretary-treasurer. In the fourth loan the position of executive secretary was abolished and his duties were combined with that of the treasurer, an arrangement which proved very satisfactory and efficient. So satisfactory has this general organization proved that it is contemplated utilizing it practically in this form in connection with the fifth Liberty loan. (See Schedule 17, appendix.)

In the campaign for subscriptions the Seventh Federal Reserve District Liberty loan committee used largely what is called the "individual quota" system outside of Cook County and Chicago, and had the war continued this system would in time probably have been perfected so as to apply to the Chicago territory. No effort, however, was made to add to the quota allotted, so that the results in subscriptions to the two loans were exceedingly satisfactory.

It is asserted on the basis of statistical information that more people per thousand have bought Liberty bonds in this district than in any other in the country. The Central West has learned to buy bonds. In the first loan the Seventh Federal Reserve District showed 600,000 total subscribers, on the basis of 4 per cent of population computed on the 1910 census. The per cent of quota subscribed on the "basis of official report of application" was 118. The amount of subscriptions equaled \$26.79 per capita, with an average subscription of \$586, whereas in the second loan the total number of subscribers on the "basis of official report of application" was 1,809,497, or 14 per cent of the population, the per cent of quota subscribed being 139, the per capita \$44.63, and the average subscription \$324, while in the

third loan the total number of subscribers on the "basis of official report of application" was 3,535,792, or 27 per cent of population, with a total subscription equivalent to \$46.44 per capita, and 143 per cent of quota subscribed, and an average subscription of \$172. The total subscriptions in the Seventh Federal Reserve District to the third loan were \$608,878,000.

Analysis of the official assignments, subscriptions, and subscribers to the fourth Liberty loan showed total applications in the Seventh Federal Reserve District of 4,241,703, with an average application of \$229. The per cent of quota subscribed was 111; the per capita application amounted to \$73.88. Subscriptions in the Seventh Federal Reserve District to the fourth Liberty loan aggregated \$969,646,600.

Fully 85 per cent of all railroad employees in the Seventh Federal Reserve District were enlisted as purchasers of bonds of the third Liberty loan issue. The average subscription was \$65.48, and the total amount, \$12,826,600, was distributed to 195,876 employees. In the fourth loan the percentage of railroad employees who subscribed for Liberty bonds was in excess of 97, with an average subscription of \$100. The distribution, therefore, was increased between 12 and 15 per cent and the average purchase was increased \$35.

The Liberty loan sales organization embraced 48 organizers and 365 paid employees during the peak of the campaign. To this should be added approximately 300,000 volunteer workers. In the central clearing house in Chicago 400 were employed at the peak of the campaign, while 80 were distributed among the 35 ward stations. The cost of handling this business in the third loan was \$30,000, while in the fourth loan it aggregated about \$40,000. Three hundred and twenty-five were employed in the distribution and publicity department. A maximum of 80,000 pieces was distributed. The maximum volume of applications cleared at Chicago in a single day was 82,000 pieces (subscriptions), involving \$18,000,000.

The various activities of the fiscal agent's department has resulted in a great increase in the number of employees other than in the Liberty loan sales organization. On January 1, 1918, 129 employees were engaged in this department, whereas at the close of the year 1918 the number reached 300.

WAR SAVING CERTIFICATES

The work of the Federal Reserve Bank of Chicago in connection with the sale of war-savings certificates and thrift stamps has been comparatively light. This bank was not called upon to direct that feature of the war financing until the middle of October, so that it was impossible to increase the results of the organization already in existence during 1918. The bank, therefore, has furnished only about one-eighth of the total sales of stamps in this district, the remainder having been put out by the

Post Office Department. Considerable attention, however, has been given to the matter of broadening the scope of the organization for sales of the war-savings certificates and thrift stamps for the purpose of increasing the sale during the coming year.

WAR FINANCE CORPORATION

The Federal Reserve Bank of Chicago has not participated in any of the functions of the War Finance Corporation. This bank was not called upon to act as representative of the corporation in handling applications for loans under the terms of the act, and such applications or inquiries as were directed here were redirected to Washington.

DISTRICT COMMITTEE ON CAPITAL ISSUES

The activities of the district committee on capital issues for the Seventh Federal Reserve District began immediately after the appointment of the main committee. Its membership consisted of 17 (afterwards increased to 19), the majority being from Illinois and residents of Chicago. Each of the other States included in the seventh district, however (Indiana, Iowa, Michigan, and Wisconsin), was most efficiently represented in the committee's membership.

The first meeting of the committee was held on February 2, 1918. An executive committee of five (afterwards increased to seven) was selected by the main committee at Washington, and acting under the plan of procedure recommended for all districts, assumed charge of activities for the district, the remaining members forming an advisory body to be called into consultation as necessity required. Regular sessions of the executive committee were had, usually on Tuesdays and Thursdays, and during the life of the body 75 meetings were held in all. It became apparent at the outset that the volume and importance of matters to be presented for consideration called for systematic procedure. Therefore, a competent and experienced secretary was at once appointed, with power to employ necessary assistants. As a result, each application as received was carefully analyzed, additional information obtained, if needful and possible, and tabulated in very condensed and concrete form for presentation. In this way a very large number of applications was disposed of at each session without delay in any cases where all essential facts were available.

It was the policy of the committee to grant special hearings wherever asked for, and in some cases the committee requested applicants to appear before it. The total number of such hearings was, however, not large. Few appeals from the committee's findings were made, and few of the recommendations of the district committee were overruled by the main committee at Washington. In all, some 600 applications were considered. An exhibit of these, classified and giving figures, appears in the appendix (Schedules 18 and 19). This, however, by no means

represents all the results accomplished, for hundreds of projects, totaling probably very large figures, were deferred merely on oral advice of committee members. It was impossible to keep a proper record of them.

The response of the public generally to the appeal of the committee for cooperation was widespread and very gratifying. The committee was aware, however, that at times its existence was ignored (but not in all cases deliberately) and that in parts of the district the credulous were still being importuned to exchange their cash and Liberty bonds for unauthorized or "wildcat" issues. It was, however, powerless to correct this situation.

FEDERAL RESERVE NOTE ISSUE

Eleswhere in the text of this report there has been furnished a discussion of the issue of Federal Reserve currency by this bank during the year. In the appendix will be found a table and chart covering the trend of the liability on account of Federal Reserve note issue; also a table indicating interdistrict movement of Federal Reserve currency and a table recording the amount of notes issued by the Federal Reserve Bank of Chicago and outstanding December 31, 1918. (See Schedules 20 to 22, Exhibit B, and chart.)

FEDERAL RESERVE BANK NOTE ISSUE

At the close of business December 31, 1918, there were outstanding \$18,525,800 in Federal Reserve bank notes. This currency is at present available in \$1, \$2, \$5, \$10, and \$20 denominations. During the campaign for the withdrawal from circulation of silver certificates it has been the policy of this bank to pay out Federal Reserve bank notes in an amount approximating the amount of incoming silver certificates. The appendix contains a table covering the amount of these notes put in circulation and redeemed during the year. At the close of the year \$19,609,800 in United States securities were on deposit with the United States Treasurer as security for outstanding Federal Reserve bank notes.

POSITION OF COMMERCIAL BANKS

Necessarily the commercial banks of the district not only felt the effects of the demands of the Government upon their resources in the matter of purchasing Government securities, but also they have felt the effect of the high prices of practically all raw materials. Naturally these high prices made it necessary for borrowers to use much more money for the same volume of business than was needed before the war. These two elements have caused the banks generally throughout the district to borrow liberally from the Federal Reserve Bank of Chicago.

The effect of war financing on commercial paper from the standpoint of the banks naturally would be that of subjecting makers to a more careful scrutiny of the credit risk. Credits

extended before the armistice was signed were based primarily upon their essential character to a very considerable extent, whereas after the armistice was signed and war needs relaxed, credits were viewed from the standpoint of ability to get back to a safe and profitable peace basis. The consequence of this shift in viewpoint necessarily has contributed to a most careful examination of credits, which in the war period were regarded as the strongest. Notwithstanding the heavy war demands, the banks in the Seventh Federal Reserve District are believed to be in a relatively strong position and hence able to care for all reasonable demands of general business.

In the performance of the functions for which it is created, the Federal Reserve Bank of Chicago will continue to meet the situations as they arise, extending to deserving member banks its facilities of discounting with a view to aiding them in caring for credit requirements of general business, and at the same time conserving credits to the extent necessary for the furtherance of Government financing yet to be done.

DETROIT BRANCH

The branch bank at Detroit, Mich., authorized by the board of directors at its regular meeting on November 27, 1917, was formally opened for business on March 18, 1918.

The branch immediately began to justify its creation in handling with expedition certain dealings formerly had by Detroit member banks direct with the parent bank. There is effected a saving of a day's time in receiving credit for paper offered for discount, as well as the immediate accessibility of an adequate supply of Federal Reserve currency. Up to the present time the Detroit branch handles checks on banks located in the city of Detroit alone.

By the deposit of currency or the discount of paper Detroit member banks are immediately supplied with Chicago exchange in the form of a credit on the books of the Federal Reserve Bank of Chicago. This business has been handled to the satisfaction of both the Detroit member bankers and the board of directors of the Federal Reserve Bank of Chicago. While the results of the operation of the branch are combined in the profit and loss statement for the head office, an idea of the scope of its operations may be gained from the balance sheet appearing in the appendix (Schedule 2).

INTERNAL ORGANIZATION

M. B. Hutchison, of Ottumwa, Iowa, a class B director, group 2, of the Federal Reserve Bank of Chicago, died August 6. This vacancy was filled by the election of A. R. Erskine, president of the Studebaker Corporation, South Bend, Ind., who will fill the unexpired term ending December 31, 1920. George M. Reynolds, Chicago, class A, group 1, and A. H. Vogel, of Milwaukee, class B, group 3, were reelected for the full three-year

term. William A. Heath was reappointed by the Federal Reserve Board as a class C director for the full three-year term, and designated as Federal Reserve agent and chairman of the board. The board held 12 regular meetings during the year.

The executive committee is composed of James B. McDougal, governor; J. B. Forgan, George M. Reynolds, James Simpson, and the Federal Reserve agent. This committee had two regular meetings each week during the last year. The membership committee is composed of the Federal Reserve agent, James B. McDougal, governor, and A. H. Vogel, a director.

The plan of holding daily informal meetings of the officers of the bank has been followed throughout the year, except where it was interfered with in some instances by unusual activities in connection with the Liberty loan campaigns and other emergencies.

B. G. McCloud was promoted from cashier, the position which he has filled since the organization of the bank, to a newly created position, "assistant to the governor," and S. B. Cramer, an assistant cashier, was elected cashier. This change took place in the closing weeks of 1918. During the year it became advisable to increase the official staff of the bank, and seven additional assistant cashiers were appointed as follows: Kent C. Childs, F. Bateman, J. H. Dillard, A. H. Vogt, O. J. Netterstrom, F. R. Hanrahan, F. A. Lindsten. Mark A. Lies, assistant Federal Reserve agent, having entered the service of the United States Army early in November, 1918, W. H. White, manager of the department of bank examinations, was appointed as assistant Federal Reserve agent to fill the vacancy.

The officers and directors of the Detroit branch, organized early in 1918, consisted of John Ballantyne, Emory W. Clark, Julius H. Haass, Charles H. Hodges, and Robert B. Locke, all of Detroit. The officers of that branch are: Robert B. Locke, manager and chairman of the board; J. G. Baskin, assistant Federal Reserve agent; William M. Cation, cashier; and J. B. Dew, assistant cashier.

FEDERAL RESERVE CLEARING SYSTEM

Operations of the clearing system show a remarkable increase in volume. The daily average in the number of items drawn on banks in Chicago increased approximately 70 per cent, while the daily average of items on banks outside of the Federal Reserve cities increased approximately 137 per cent. The daily average of items drawn on banks on other districts increased approximately 111 per cent. The number of member banks in the district at the close of the year was 1,332, compared with 1,103 at the close of the preceding year and 992 at the close of 1916, whereas the number of nonmember banks on the par list at the end of 1918 was 2,392, compared with 2,240 at the end of 1917 and 1,265 at the close of 1916.

In connection with the clearing operations attention is called to the fact that the direct-sending system has been granted to a number of banks when time can be saved. For instance, under such conditions, if the volume of items warrants it, arrangements may be made with the Federal Reserve Bank of Chicago for direct routing between member banks of this district and other Federal Reserve Banks and their branches. In this way there is a considerable saving in time, but this also results in a decrease in the number of items handled through the clearing system by the Federal Reserve Bank of Chicago. The Federal Reserve Bank of Chicago now settles the clearing balanced not only for Chicago, in accordance with arrangements made more than a year ago, but also for Detroit and Milwaukee. The Detroit balances are settled through the Detroit branch, while the Milwaukee balances are settled through the Federal Reserve Bank of Chicago by telegraphic transfer. The increase in the Government checks approximates 236 per cent. (See Schedules 24 and 25.)

TRANSFER OPERATIONS AND LEASED-WIRE SYSTEM

It having become evident that the encouragement of telegraphic transfers of credit would be advisable, in order to conserve banking reserves and thus strengthen the banking position, this was undertaken early in 1918 by the Federal Reserve Board through a series of steps increasing the cost of mail transfers and reducing the cost to member banks of telegraphic transfers.

At the beginning of 1918, the Federal Reserve Bank of Chicago was purchasing from member banks transfer drafts or exchanges on other Federal Reserve cities and branch cities at the rate of 5 cents per thousand per day discount, which was equivalent to about 2 per cent per annum. Sales were made at the same rate. During January, 1918, the bank purchased mail exchange amounting to \$254,181,000, and sold mail exchange amounting to \$53,635,000. During that period no telegraphic transfers were purchased, but the bank sold \$5,000,000 of telegraphic transfers at par. On April 15 the rates for purchases of mail exchange were increased from 5 cents per thousand per day discount to 10 cents per thousand per day discount, or about $3\frac{1}{2}$ per cent per annum. The selling rate was increased from 5 cents per thousand per day discount to $7\frac{1}{2}$ per cent per thousand per day discount. The bank still continued to receive a large volume of mail exchange for immediate credit, which in April amounted to \$253,656,000.

In order that the reserve position of the bank might be strengthened as far as possible, the rates on purchases of mail exchange were again increased on August 1, so that this volume might be reduced to a minimum. Telegraphic transfers of funds were made without cost, and transactions of this nature were encouraged. The bank's purchasing rate on mail exchange was increased from 10 cents per thousand per day discount to 15 cents

per thousand per day discount, which was equivalent to about $5\frac{1}{2}$ per cent per annum, while the selling price remained the same, $7\frac{1}{2}$ cents per thousand per day discount.

This had the desired effect, as purchased by draft dropped from \$208,000,000 for the month of July to \$77,000,000 for the month of August, while there was a corresponding increase in transfers bought by wire. During July the bank purchased \$84,000,000 telegraphic transfers, while in August the purchases amounted to \$205,000,000. The total of all purchases by draft has steadily decreased, until now it averages less than \$50,000,000 a month, while the banks' telegraphic transfers purchased average \$200,000,000 a month. (See Schedule 23.)

In order to give prompt attention and efficient service to the member banks in telegraphic transfer, and to afford quicker communication between the Treasury and the Federal Reserve Board at Washington and the various Federal Reserve Banks, it was deemed advisable by the Board to install a leased-wire system between the Board and the Federal Reserve Banks. This leased-wire system was put into operation during the week beginning June 3, 1918. Additional wires have since been installed, and now all branch banks are included in the system. Washington and Chicago were made relay points for the East and West respectively. The Federal Reserve Bank of Chicago was given charge of the operations of the system, and the chief telegraph operator is stationed in this office, with a supervising operator at Washington (the other realy office) as an assistant.

Since the installation of the system the volume of business has grown until it has become necessary to make the Chicago-Cleveland-Washington wire a full duplex. An additional wire from Chicago to New York, via Washington, has been added, also one from Chicago to St. Louis, making the total of leased-wire system centering in the Federal Reserve Bank of Chicago in excess of 10,000 miles.

At present 29 operators, including the chief, are employed in the main-line offices, and about 20,000 messages are carried monthly over the system, while 65 per cent of this number are relay.

COLLECTION DEPARTMENT

Under date of July 1, 1917, the Federal Reserve Bank of Chicago advised its member banks that it would receive for collection clearing-house notes and bills and miscellaneous drafts drawn on any point in the United States, subject to a service charge of 10 cents per item in addition to the actual exchange deduction made by the collecting bank. For a time the member banks were very slow to avail themselves of this privilege, and the majority of the items received by the Federal Reserve Bank were drawn on Chicago. The majority of the items drawn outside of Chicago were received from the large Chicago banks,

and in most instances were drawn on Federal Reserve cities. These items could be collected without an exchange deduction.

In the first year of the operation of this collection feature the Federal Reserve Bank of Chicago handled an average of 76 items a day, 49 of which were drawn on Chicago. In order to stimulate interest in this collection system, the Federal Reserve Bank of Chicago on July 1, 1918, suspended the service charge of 10 cents per item, and after that date no charge was made other than to cover the charges made by the collecting bank, except that a charge of 15 cents per item was made for items returned unpaid. The purpose of the charge on returned items was to discourage the use of "dunning drafts," which many banks have found burdensome.

In the six months ending December 31, 1918, during which no service charge per item was made other than those referred to, the Federal Reserve Bank of Chicago handled an average of 362 collection items a day, which were received from banks distributed as follows:

	Items	Per cent		Items	Per cent
Other Federal Reserve Banks.....	156	43	Chicago banks.....	36	10
Member banks located in other Federal Reserve districts.....	50	14	Iowa banks.....	22	6
Indiana banks.....	33	9	Wisconsin banks.....	22	6
Illinois banks (outside of Chicago).....	25	7	Michigan banks.....	18	5

GOLD SETTLEMENT FUND

The importance of the gold settlement fund in developing the rapid transfer of credit, thus enabling elimination of an unnecessarily large float resulting from the slower method of communication by mail, has been clearly demonstrated by the experiences of the Federal Reserve Bank of Chicago in the last year. These experiences, however, except as to volume, do not differ materially from those of other Federal Reserve Banks. The statistics covering the changes which have taken place from time to time in the gold settlement fund as it relates to the Federal Reserve Bank of Chicago are shown in Schedule 26.

FOREIGN ACCOUNTS

In 1918 no new foreign accounts were established by the Federal Reserve Bank of Chicago. A year ago the Federal Reserve Bank had a sterling gold account with the Bank of England aggregating \$7,350,000. In the course of the year this decreased, until on December 31, 1918, it amounted to only \$816,042. It is expected that the export business of the country will increase with the restoration of peace and the free movement of international commerce, and the Federal Reserve Bank of Chicago, in order to enable business interests to take full advan-

tage of the opportunity for developing commerce in foreign fields, is pursuing the policy of assisting in the development of proper banking facilities.

BANKING QUARTERS

During the year it has been necessary, in order to accommodate the various features of the bank's operations, for the Federal Reserve Bank of Chicago practically to double its space in the Rector Building, 79 West Monroe Street. In addition to this, it occupies practically the entire floor of another office building and a very large floor space in a third building to house its fiscal agency operations, besides using vault space in several of the large banks and trust companies in Chicago.

In planning for the future, the directors, at the end of 1918, purchased a site with a street frontage of 165 feet and a depth of 160 feet on La Salle, extending from Quincy Street to Jackson Boulevard. This is probably the most desirable site for the purposes of the Federal Reserve Bank in the city of Chicago, and the ground was acquired at an exceedingly low cost, the purchase price being \$2,936,149. Plans for building operations have not yet been fully developed.

APPENDIX

EXHIBIT A.—*Movement of principal earning assets of the Federal Reserve Bank of Chicago during the calendar year 1918.*

[In thousands of dollars; i. e., 000 omitted.]

	Discounted paper secured by United States war obligations	Other discounted paper	(1+2)	Bills bought in open market	Total bills discounted and bought	Per cent (1÷5)	Total earning assets
	1	2	3	4	5	6	7
Jan. 4.....	25,863	68,249	94,112	8,370	102,482	25.2	113,635
Jan. 11.....	26,032	54,857	80,889	8,578	89,467	29.1	100,504
Jan. 18.....	38,838	67,332	106,170	9,002	115,172	33.7	128,663
Jan. 25.....	41,468	69,456	110,924	8,521	119,445	34.7	133,981
Feb. 1.....	50,704	49,958	100,662	10,039	110,701	45.8	126,473
Feb. 8.....	43,034	34,668	77,702	10,899	88,601	48.6	101,417
Feb. 15.....	46,587	37,254	83,841	14,401	98,242	47.4	110,931
Feb. 21.....	43,025	35,085	78,110	15,927	94,037	45.8	106,465
Mar. 1.....	5,303	30,360	35,663	19,073	54,736	9.7	107,449
Mar. 8.....	8,030	28,189	36,219	19,432	55,651	14.4	99,385
Mar. 15.....	4,357	29,490	33,847	20,649	54,496	8.0	92,682
Mar. 22.....	5,035	29,142	34,177	27,025	61,202	8.2	101,884
Mar. 29.....	6,164	31,673	37,837	27,655	65,492	9.4	115,890
Apr. 5.....	5,957	29,542	35,499	47,024	82,523	7.2	135,718
Apr. 12.....	20,988	25,153	46,141	46,446	92,587	22.7	126,624
Apr. 19.....	33,614	30,103	63,717	48,103	111,820	30.1	128,370
Apr. 26.....	56,496	32,057	88,553	48,002	136,555	41.4	148,741
May 3.....	48,965	34,903	83,868	47,356	131,224	37.3	142,799
May 10.....	38,974	48,908	87,882	45,665	133,547	29.2	144,456
May 17.....	34,390	49,599	83,989	42,627	126,616	27.2	137,116
May 24.....	32,719	48,052	80,771	41,011	121,782	26.9	132,261
May 31.....	34,678	51,596	86,274	30,621	116,895	29.7	127,043
June 7.....	36,318	56,842	93,160	26,151	119,311	30.4	129,427
June 14.....	33,822	60,513	94,335	24,380	118,715	28.5	128,807
June 21.....	40,308	72,608	112,916	21,681	134,597	29.0	144,681
June 28.....	47,452	78,548	126,000	18,414	144,414	32.0	154,466
July 5.....	67,132	85,682	152,814	18,831	171,645	39.1	180,847
July 12.....	77,649	91,790	169,439	19,251	188,690	41.2	197,892
July 19.....	79,893	111,568	191,461	18,368	209,829	38.1	219,031
July 26.....	99,914	138,527	238,441	17,284	255,725	44.3	264,927
Aug. 2.....	109,210	128,575	237,785	8,583	246,368	39.1	252,989
Aug. 9.....	121,416	112,568	233,984	9,549	243,533	49.0	250,153
Aug. 16.....	112,132	90,432	202,564	13,180	215,744	52.0	222,364
Aug. 23.....	126,725	82,904	209,629	14,714	224,343	56.5	230,964
Aug. 30.....	120,153	92,360	212,512	15,740	228,252	52.4	236,513
Sept. 6.....	146,992	97,367	244,359	16,549	260,908	56.3	267,528
Sept. 13.....	151,361	92,360	243,861	16,393	260,254	58.2	266,874
Sept. 20.....	157,717	80,792	238,509	17,211	255,720	61.7	264,341
Sept. 27.....	169,044	72,618	241,662	20,272	261,934	64.5	271,565
Oct. 4.....	187,576	66,974	254,550	34,047	288,597	65.0	298,228
Oct. 10.....	193,575	59,144	252,719	37,063	289,782	66.8	301,403
Oct. 18.....	188,736	64,015	252,751	37,295	290,046	65.1	302,667
Oct. 25.....	152,405	84,367	236,772	37,513	274,285	55.4	322,576
Nov. 1.....	184,276	95,032	279,308	32,515	311,822	59.1	326,944
Nov. 8.....	158,336	81,647	252,213	32,684	284,897	55.8	300,018
Nov. 15.....	143,363	81,647	225,003	32,143	257,148	55.8	272,269
Nov. 22.....	116,878	66,548	183,426	36,015	219,441	53.3	236,563
Nov. 29.....	123,647	60,587	184,234	37,357	221,391	55.6	238,512
Dec. 6.....	113,544	65,515	179,059	97,624	276,683	41.0	293,805
Dec. 13.....	116,904	55,515	172,419	98,137	270,556	43.1	288,266
Dec. 20.....	103,493	50,401	153,894	90,361	244,255	42.4	263,376
Dec. 27.....	106,124	54,668	160,792	75,068	235,860	45.0	255,981

MOVEMENT OF EARNING ASSETS

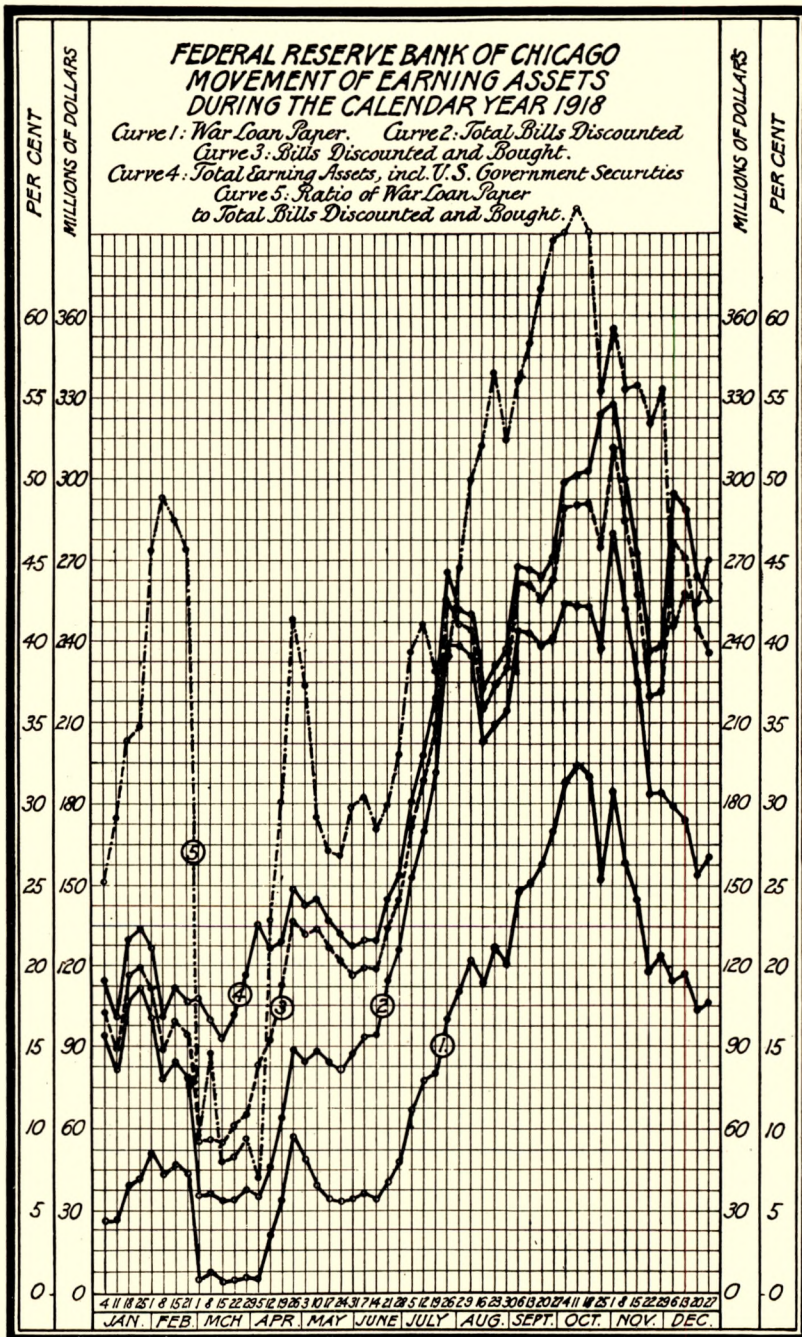
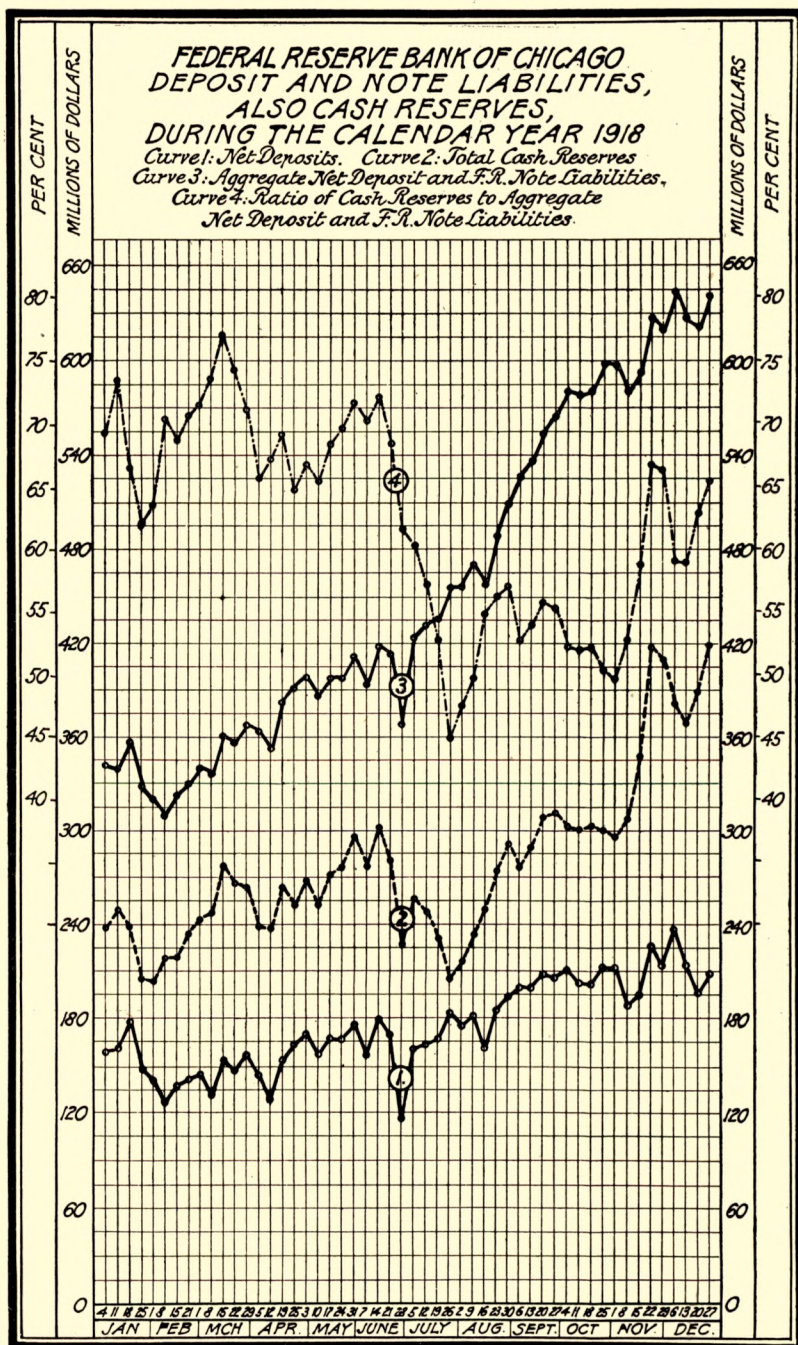


EXHIBIT B.—*Movement of cash reserves, net deposits, Federal Reserve note liabilities, and the reserve percentage of the Federal Reserve Bank of Chicago during the calendar year 1918.*

[In thousands of dollars: i. e., 000 omitted.]

	Total cash reserves	Net deposits	Federal reserve notes in actual circulation	(2+3)	Ratio of cash re- serves to net deposit and Federal Reserve note liabilities combined
	1	2	3	4	5
Jan. 4.....	236,802	159,312	181,798	341,110	69.4
Jan. 11.....	249,523	162,426	178,199	340,625	73.3
Jan. 18.....	238,427	177,494	180,276	357,770	66.6
Jan. 25.....	203,704	147,982	180,165	328,147	62.1
Feb. 1.....	202,411	139,725	179,667	319,392	63.4
Feb. 8.....	219,023	126,420	184,211	310,631	70.5
Feb. 15.....	220,173	135,136	186,355	321,491	68.5
Feb. 21.....	233,702	139,764	190,442	330,206	70.8
Mar. 1.....	243,639	142,788	198,477	341,265	71.4
Mar. 8.....	247,211	131,453	205,084	336,537	73.5
Mar. 15.....	278,034	153,363	207,284	360,647	77.1
Mar. 22.....	265,194	146,042	210,776	356,818	74.3
Mar. 29.....	261,845	155,574	211,770	367,344	71.3
Apr. 5.....	239,273	142,404	221,851	364,255	65.7
Apr. 12.....	236,333	128,756	223,405	352,161	67.1
Apr. 19.....	262,551	152,490	227,620	380,110	69.1
Apr. 26.....	252,423	163,124	227,155	390,279	64.7
May 3.....	266,666	169,015	229,526	398,541	66.9
May 10.....	252,724	155,659	230,506	386,165	65.4
May 17.....	271,463	166,674	230,818	397,492	68.3
May 24.....	276,816	166,336	231,690	398,026	69.5
May 31.....	295,292	175,604	235,163	410,767	71.9
June 7.....	277,117	155,188	238,498	393,686	70.4
June 14.....	302,891	179,941	238,809	418,750	72.3
June 21.....	281,607	168,802	244,152	412,954	68.2
June 28.....	227,365	115,994	252,639	368,633	61.7
July 5.....	256,272	160,483	263,271	423,754	60.5
July 12.....	247,587	163,975	267,879	431,854	57.3
July 19.....	230,246	166,603	268,790	435,393	52.9
July 26.....	204,385	183,779	271,777	455,556	44.9
Aug. 2.....	216,016	175,420	279,752	455,172	47.5
Aug. 9.....	232,457	180,380	287,829	468,209	49.6
Aug. 16.....	249,523	162,095	294,071	456,166	54.7
Aug. 23.....	274,142	185,195	302,269	487,464	56.2
Aug. 30.....	291,129	194,436	314,806	509,242	57.2
Sept. 6.....	277,601	198,604	328,297	526,901	52.7
Sept. 13.....	288,879	199,049	337,548	536,597	53.8
Sept. 20.....	309,424	206,344	347,805	554,149	55.8
Sept. 27.....	311,907	204,397	358,816	563,213	55.4
Oct. 4.....	303,561	211,335	369,597	580,932	52.3
Oct. 10.....	301,089	202,493	375,749	578,242	52.1
Oct. 18.....	303,136	200,828	379,965	580,793	52.2
Oct. 25.....	300,976	212,957	385,037	597,994	50.3
Nov. 1.....	296,369	212,438	384,530	596,968	49.6
Nov. 8.....	307,025	189,121	391,325	580,446	52.9
Nov. 15.....	347,284	195,137	396,231	591,368	58.7
Nov. 22.....	417,729	226,670	398,554	625,224	66.8
Nov. 29.....	409,635	214,491	403,634	618,125	66.3
Dec. 6.....	380,823	235,864	408,642	644,506	59.1
Dec. 13.....	368,943	214,094	411,823	625,917	58.9
Dec. 20.....	389,987	196,022	424,282	620,304	62.9
Dec. 27.....	419,842	208,289	433,775	642,064	65.4

MOVEMENT OF RESERVES AND DEPOSIT AND NOTE LIABILITIES



SCHEDULE 1.—Balance Sheet—Comparative statement of condition of the Federal Reserve Bank of Chicago.

	Dec. 31, 1918	Dec. 31, 1917	Dec. 31, 1916
ASSETS			
Bills discounted, members.....	\$164,088,997.94	\$105,923,175.99	\$ 4,437,460.35
Bills discounted, bought.....	62,880,918.85	9,182,429.93	10,337,161.09
United States bonds and notes.....	20,121,500.00	10,384,600.00	10,375,100.00
Investments.....			1,325,760.88
Total earning assets.....	247,091,416.79	125,490,205.92	26,475,482.32
Real estate (site for new building).....	2,936,149.26		
Interest accrued on United States bonds and notes.....	86,001.33	63,695.00	50,896.48
Premium on United States bonds.....			193,311.66
5 per cent redemption fund against Federal Reserve bank notes.....	829,390.00		
Liberty loan bonds, \$10 participation certificates.....	9,450.00	163,100.00	
Furniture and fixtures.....			28,304.53
Cost of unissued Federal Reserve notes.....			67,957.83
Due from member banks, overdrafts.....	30,941.45	330,615.85	1,723.57
Due from Federal Reserve Banks.....	26,784,494.45	5,992,720.41	29,913,819.08
Federal Reserve Banks, transfers bought.....	6,565,000.00	8,178,412.26	
Transit and exchanges for clearing house.....	41,060,921.89	19,868,657.09	4,692,553.71
Federal Reserve and national bank notes.....	26,819,995.00	10,635,500.00	2,986,185.00
Gold coin and gold certificates.....	23,234,185.00	32,189,305.00	27,600,625.00
Bank of England sterling gold account.....	816,042.43	7,350,000.00	
Other lawful money.....	1,797,544.96	963,872.27	396,102.95
Gold settlement fund.....	106,772,373.57	58,960,460.00	26,183,000.00
Gold with Federal Reserve agent.....	275,803,010.00	130,723,530.00	
Gold redemption fund Federal Reserve notes.....	15,151,205.00	646,490.00	200,000.00
Total cash reserve.....	423,574,360.96	230,833,657.27	54,379,727.95
Other assets.....	1,399,491.71	349,181.34	
Total assets.....	777,187,612.84	401,905,745.14	118,789,962.13
LIABILITIES			
Capital paid in.....	11,185,050.00	9,091,700.00	6,683,550.00
Surplus.....	3,316,022.56	215,799.18	
Profit and loss.....			61,978.07
Reserve for franchise tax.....	3,100,223.38		
Discount on United States bonds.....	89,248.50	77,603.50	
Unearned discount.....	514,586.45	318,087.33	46,451.23
Unearned interest, investments.....			6,051.22
Reserved for sundry expenses.....	19,612.60	4,833.62	5,391.08
Difference account.....	1,784.72	254.61	
Federal Reserve notes outstanding.....	450,938,010.00	190,788,530.00	
Federal Reserve bank notes outstanding.....	18,525,800.00		
Federal Reserve bank transfers sold.....	3,700,116.20	1,471,347.45	
Liberty loan, \$10 participation certificates sold.....	9,450.00	163,100.00	
Uncollected funds.....	32,545,315.02	18,183,306.82	
United States Government deposits.....	6,566,290.10	3,052,436.84	2,045,784.95
Due to Federal Reserve Banks.....	14,743,259.20	6,165,983.77	14,550,742.93
Due to member banks, reserves.....	230,604,383.69	169,174,348.05	95,390,012.65
Due to nonmember clearing banks.....	1,328,460.42	3,198,413.97	
Total liabilities.....	777,187,612.84	401,905,745.14	118,789,962.13

**SCHEDULE 2.—Balance sheet of the Detroit branch, Federal Reserve Bank of Chicago,
as at the close of business Dec. 31, 1918.**

ASSETS.	
Rediscounts.....	\$ 308,928.50
Rediscounts secured by United States securities.....	163,194.00
Collateral notes, United States securities.....	12,640,750.00
Acceptances.....	1,185,041.95
Total discounts and investments.....	14,297,914.45
Transit items, member and nonmember banks.....	4,373.32
Exchanges for clearing house.....	67,939.32
Total transit and exchanges for clearing house.....	72,312.64
Federal Reserve notes on hand.....	8,609,490.00
National Bank notes and notes of other Federal Reserve Banks.....	1,680,300.00
Gold coin and gold certificates.....	260,000.00
Other lawful money.....	595,003.84
Total cash reserve.....	855,003.84
Total assets.....	25,515,020.93
LIABILITIES.	
Unearned discount.....	\$ 16,373.69
Difference account.....	100.90
Cashiers' checks, etc.....	672.63
Due to head office.....	25,497,873.71
Total liabilities.....	25,515,020.93

**SCHEDULE 3.—Profit and loss statement of Federal Reserve Bank of Chicago covering
1918, 1917, and 1916.**

	1918	1917	1916
Earnings for year.....	\$8,481,747	\$2,020,714	\$665,935
Net service charges in excess of transit department dis- bursement.....	1 155,672	1,564	.....
Total earnings.....	8,326,075	2,022,278	665,935
Expense of operation of bank proper.....	1,093,317	317,113	232,370
Other expenses.....	.....	929	246
Cost of Federal Reserve currency issued (including expressage, insurance, etc.).....	375,002	159,824	5,113
Cost of Federal Reserve currency unissued, charged off.....	13,679	43,001	.....
Miscellaneous charges account note issued.....	13,004	2,314	.....
Depreciation on furniture and equipment.....	.....	32,225	25,000
Depreciation on United States bonds.....	.....	237,118	.....
Total expenses.....	1,495,002	792,526	262,730
Earnings for year.....	6,831,073	1,229,751	403,205
Less miscellaneous deductions.....	25,992	.....	.....
Net earnings for year.....	6,805,081	1,229,751	403,205
Profit and loss, Jan. 1.....	.....	61,978	20,091
Amount paid by Federal Reserve Bank, Minneapolis, Jan. 30, 1917, to equalize stock of said bank trans- ferred to Federal Reserve Bank of Chicago, capital stock.....	.....	2,127	.....
Net income.....	6,805,081	1,293,856	423,296
Dividends paid.....	603,602	862,131	360,648
Interest paid on stock surrendered.....	1,033	126	669
Profit and loss, Dec. 31, 1917.....	6,200,446	431,598	61,978

¹ Deduct from earnings. Figure represents cost of operation of transit department in excess of service charges which were discontinued June 15, 1918.

² Dividends paid on June 29, 1917, covered the period from Jan. 1, 1916, to June 30, 1916, inclusive, and amounted to \$205,710. Dividends paid on Dec. 29, 1917, covered the period from July 1, 1916, to Dec. 31, 1917, inclusive, and amounted to \$654,347.

SCHEDULE 4.—Discount rates, Federal Reserve Bank of Chicago, 1918.

	January	February	March	April	May	June	July	August	September	October	November	December
Collateral loans, 15 days or less	4	4	4	4	4	4	4	4	4	4	4	4
Rediscouts:												
16 to 30 days	4½	4½	4½	4½	4¾	4¾	4¾	4¾	4¾	4¾	4¾	4¾
31 to 60 days	4½	4½	4½	4½	4¾	4¾	4¾	4¾	4¾	4¾	4¾	4¾
61 to 90 days	5	5	5	5	5	5	5	5	5	5	5	5
Agricultural paper, 91 days to 6 months	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½	5½
Secured by Government obligations, 1 to 15 days	3½	3½	3½	3½	4	4	4	4	4	4	4	4
Secured by Government obligations, 16 to 90 days	4	4	4	4	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼
Trade acceptances:												
1 to 15 days	3½	3½	3½	3½	4½	4½	4½	4½	4½	4½	4½	4½
16 to 60 days	3½	3½	3½	3½	4½	4½	4½	4½	4½	4½	4½	4½
61 to 90 days	4	4	4	4	4½	4½	4½	4½	4½	4½	4½	4½

¹ Preferential rate of 4 per cent on paper secured by Fourth Liberty loan bonds where banks do not charge rate exceeding 4¼ per cent.

SCHEDULE 5.—Money rates in Chicago, 1918.

	January.		February.		March.		April.		May.		June.	
	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.
Demand money.....	5½	6	5½	6	6	6	6	6	6	6	6	6
Commercial paper.....	5½	6	6	6	6	6	6	6	6	6	6	6
Brokers' 6 months' paper.....	5½	6	6	6	6	6	6	6	6	6	6	6
Year money.....	5½	6	5½	6	5½	6	5½	6	5½	6	5½	6
Acceptances.....			4½		4¼	4½						
Notes secured by certificates of indebtedness.....	5		5		5		5		5		5	

	July.		August.		September.		October.		November.		December.	
	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.
Demand money.....	6	6½	6	6½	6	6½	6	6½	6	6½	6	6½
Commercial paper.....	6	6	6	6	6	6	6	6	6	6	5½	6
Brokers' 6 months' paper.....	6	6½	6	6½	6	6½	6	6½	6	6½	5½	6½
Year money.....	5½	6½	5½	6½	5½	6½	5½	6½	5½	6½	5½	6½
Acceptances.....											4½	4½
Notes secured by certificates of indebtedness.....	5		5		5		5		5		5	

SCHEDULE 6.—Member banks in the Federal Reserve district of Chicago authorized to accept up to 100 per cent of their individual capital and surplus.

Name.	Location.	Ap-proved.
First National Bank.....	Chicago, Ill.....	1915
National Bank of the Republic.....	do.....	1916
Continental & Commercial National Bank.....	do.....	1917
Merchants Loan & Trust Co.....	do.....	1918
National City Bank.....	do.....	1918
Drovers National Bank.....	do.....	1918
Fort Dearborn National Bank.....	do.....	1918
Corn Exchange National Bank.....	do.....	1918
Harris Trust & Savings Bank.....	do.....	1918
Union Trust Co.....	do.....	1918
First National Bank.....	Milwaukee, Wis.....	1918

SCHEDULE 7.—*New national bank members, 1918.*

Name of bank.	Location.	Shares sub- scribed.
First National Bank.....	Hume, Ill.....	20
Minonk National Bank.....	Minonk, Ill.....	17
First National Bank.....	Horicon, Wis.....	24
Do.....	Blanchardville, Wis.....	17
First-Merchants National Bank.....	La Fayette, Ind.....	90
First National Bank.....	Cuba, Ill.....	26
Security National Bank.....	Sheyboygan, Wis.....	300
Citizens National Bank.....	Webb, Iowa.....	30
First National Bank.....	Hinckley, Ill.....	19
Do.....	Gridley, Ill.....	11
Seymour National Bank.....	Seymour, Iowa.....	36
First National Bank.....	Roland, Iowa.....	22
Liberty National Bank.....	Marine City, Mich.....	38

SCHEDULE 8.—*National banks liquidated during 1918.*

Name of bank.	Location.	Disposition.	Shares surren- dered.
Farmers National Bank.....	Virginia, Ill.....	Absorbed by Petefish, Skiles & Co., Virginia, Ill.	50
American National Bank.....	La Fayette, Ind.....	Succeeded by First-Merchants Na- tional Bank, La Fayette, Ind.	83
First National Bank.....	do.....		189
Merchants National Bank.....	do.....		240
State National Bank.....	Bloomington, Ill.....	Succeeded by State Bank of Bloom- ington, Ill.	210
First National Bank.....	Carsonville, Mich.....	Absorbed by State Bank of Carson- ville, Mich.	18
Fond du Lac National Bank.....	Fond du Lac, Wis.....	Merged with First National Bank, Fond du Lac, into First-Fond du Lac National Bank.	150
Farmers National Bank.....	Valparaiso, Ind.....	Converted into Farmers State Bank, Valparaiso, Ind.	60
Fayette National Bank.....	Connersville, Ind.....	Consolidated with Farmers & Mer- chants Trust Co., Connersville, Ind.	84

SCHEDULE 9.—*State bank membership in Federal Reserve Bank of Chicago by
states and cities, with year of admission.*

ILLINOIS

CITY	BANK	ADMITTED
Auburn.....	Auburn State Bank.....	1918
Barrington.....	First State Bank of Barrington.....	1918
Bloomington.....	State Bank of Bloomington.....	1918
Charleston.....	Charleston Trust & Savings Bank.....	1918
Chicago.....	Austin State Bank.....	1917
	Capital State Savings Bank.....	1918
	Central Trust Co. of Illinois.....	1914
	Chicago Savings Bank & Trust Co.....	1917
	Depositors State & Savings Bank.....	1918
	First Trust & Savings Bank.....	1917
	Foreman Bros. Banking Co.....	1917
	Harris Trust & Savings Bank.....	1917
	Home Bank & Trust Co.....	1918
	Hyde Park State Bank.....	1917
	Illinois Trust & Savings Bank.....	1918
	Kaspar State Bank.....	1917
	Madison & Kedzie State Bank.....	1918
	Mechanics & Traders State Bank.....	1918
	Mercantile Trust & Savings Bank.....	1918
	Merchants Loan & Trust Co.....	1917
	Noel State Bank.....	1917
	Northern Trust Co.....	1918
	North Side State Savings Bank.....	1918

SCHEDULE 9.—*State bank membership in Federal Reserve Bank of Chicago by states and cities, with year of admission—Continued.*

ILLINOIS—Continued		
CITY	BANK	ADMITTED
Chicago—Cont.	North-Western Trust & Savings Bank	1918
	Security Bank of Chicago	1918
	Standard Trust & Savings Bank	1917
	State Bank of Chicago	1917
	Union Trust Co.	1917
	United States Bank of Chicago	1917
Cicero	Kirchman State Bank	1917
Des Plaines	Des Plaines Bank	1918
Elizabeth	Elizabeth State Bank	1919
Elmhurst	Elmhurst State Bank	1915
Eureka	Farmers State Bank of Eureka	1918
Evanston	Evanston Trust & Savings Bank	1918
	State Bank of Evanston	1917
Fulton	Whiteside County State Bank	1919
Geneva	State Bank of Geneva	1918
Hinsdale	Hinsdale State Bank	1918
Joliet	Commercial Trust & Savings Bank of Joliet	1915
	Joliet Trust & Savings Bank	1917
Kewanee	Union State Savings Bank & Trust Co.	1917
La Grange	La Grange State Bank	1918
Magnolia	First State Bank of Magnolia	1918
Marshall	Marshall State Bank	1918
Martinsville	Martinsville State Bank	*1917
Matteson	First State Bank of Matteson	1918
Mattoon	Central Ill. Trust & Savings Bank	1918
Moline	Moline Trust & Savings Bank	1918
	Peoples Savings Bank & Trust Co.	1918
	State Savings Bank & Trust Co.	1918
Mount Carroll	Carroll County State Bank	1918
Oak Park	Oak Park Trust & Savings Bank	1918
	Suburban Trust & Savings Bank	1917
Oswego	Oswego State Bank	1918
Shannon	State Bank of Shannon	1918
Springfield	Ridgely-Farmers State Bank	1919
St. Charles	Stewart State Bank	1918
Sycamore	Pierce Trust & Savings Bank	1918
Wenona	First State Bank of Wenona	1918

INDIANA

Angola	Steuben County State Bank	1918
Bargersville	Farmers State Bank	1918
Colfax	Farmers State Bank	1919
Connersville	Farmers & Merchants Trust Co.	1918
Cromwell	Sparta State Bank	1918
Elkhart	St. Joseph Valley Bank	1917
Hillsboro	Hillsboro State Bank	1918
Jamestown	Citizens State Bank	1918
Kentland	Discount & Deposit State Bank	1917
	Kent State Bank	1918
Marion	Grant Trust & Savings Co.	1918
North Liberty	North Liberty State Bank	1918
Peru	Peru Trust Co.	1918
Richmond	Dickinson Trust Co.	1918
Rochester	United States Bank & Trust Co.	1919
South Bend	American Trust Co.	1918
	St. Joseph Loan & Trust Co.	1918
South Whitley	Gandy State Bank	1918
Terre Haute	Terre Haute Trust Co.	1918
Tipton	Farmers Loan & Trust Co.	1918
Winamac	First Trust & Savings Bank	1918

SCHEDULE 9.—*State bank membership in Federal Reserve Bank of Chicago by states and cities, with year of admission—Continued.*

IOWA

CITY	BANK	ADMITTED
Algona.....	County Savings Bank.....	1918
Alta Vista.....	Alta Vista Savings Bank.....	1918
Ames.....	Story County Trust & Savings Bank.....	1918
Avoca.....	Avoca State Bank.....	1918
Audubon.....	Iowa Savings Bank.....	1918
Barnes City.....	Farmers Savings Bank.....	1918
Battle Creek.....	Battle Creek Savings Bank.....	1918
Bellevue.....	Bellevue State Bank.....	1918
Blairsburg.....	State Bank of Blairsburg.....	1918
Brighton.....	Brighton State Bank.....	1918
Britt.....	Commercial State Bank.....	1918
Cedar Falls.....	Iowa State Savings Bank.....	1918
	Security Trust & Savings Bank.....	1917
Chariton.....	State Savings Bank.....	1918
Charter Oak.....	Farmers State Bank.....	1918
Cherokee.....	Cherokee State Bank.....	1918
Clinton.....	Peoples Trust & Savings Bank.....	1917
College Springs.....	† Farquhar Savings Bank.....	1918
Davenport.....	American Commercial Savings Bank.....	1918
Decorah.....	Citizens Savings Bank.....	1918
	Winnesheik County State Bank.....	1918
Des Moines.....	Bankers Trust Co.....	1918
	Central State Bank.....	1918
	First Trust & Savings Bank.....	1919
	Iowa Loan & Trust Co.....	1917
Elberon.....	Farmers State Bank.....	1918
Eldora.....	Citizens Savings Bank.....	1918
Elkader.....	Elkader State Bank.....	1918
Ellsworth.....	Farmers State Bank of Ellsworth.....	1918
	State Bank of Ellsworth.....	1918
Fairbank.....	Fairbank State Bank.....	1918
Fairfield.....	Iowa State Savings Bank.....	1918
Fostoria.....	Citizens Savings Bank.....	1918
Garwin.....	Garwin State Bank.....	1918
Germania.....	Farmers & Drovers State Bank.....	1918
Gilbert.....	Gilbert Savings Bank.....	1918
Gilman.....	Citizens Savings Bank.....	1917
Grant.....	Farmers Savings Bank.....	1919
Humboldt.....	Peoples State Bank.....	1918
Jefferson.....	Jefferson Savings Bank.....	1918
Kellerton.....	Marshalltown State Bank.....	1918
Knoxville.....	Guaranty State Bank.....	1918
Leon.....	Farmers & Traders State Bank.....	1918
Lockridge.....	Lockridge Savings Bank.....	1918
Logan.....	State Savings Bank.....	1918
Lowden.....	Lowden Savings Bank.....	1918
Lytton.....	Farmers Savings Bank.....	1919
Malcom.....	Malcom Savings Bank.....	1918
Mapleton.....	Mapleton Trust & Savings Bank.....	1918
Marshalltown.....	Marshalltown State Bank.....	1918
Mason City.....	Commercial Savings Bank.....	1917
Mediapolis.....	Commercial State Bank.....	1918
Missouri Valley.....	State Savings Bank.....	1918
Mondamin.....	Mondamin Savings Bank.....	1918
Monticello.....	Lovell State Bank.....	1918
	Monticello State Bank.....	1918
Mount Ayr.....	Mount Ayr State Bank.....	1918
New Hampton.....	State Bank of New Hampton.....	1918

SCHEDULE 9.—*State bank membership in Federal Reserve Bank of Chicago by states and cities, with year of admission—Continued.*

IOWA—Continued

CITY	BANK	ADMITTED
Newton.....	Citizens State Bank.....	1918
	Jasper County Savings Bank.....	1918
Ogden.....	City State Bank.....	1918
Osage.....	Home Trust & Savings Bank.....	1918
Ottumwa.....	Ottumwa Savings Bank.....	1917
Perry.....	Peoples Trust & Savings Bank.....	1918
Remsen.....	Farmers Savings Bank.....	1918
Riceville.....	Riceville State Bank.....	1918
Roland.....	Farmers Savings Bank.....	1918
Royal.....	Home State Bank.....	1918
Sac City.....	Farmers Savings Bank.....	1918
	Sac County State Bank.....	1918
Sioux City.....	Bankers Loan & Trust Co.....	1916
Sioux Center.....	Sioux Center State Bank.....	1918
Sutherland.....	First Savings Bank.....	**1917
Terril.....	Terril Savings Bank.....	1918
Thompson.....	State Bank of Thompson.....	1918
Tipton.....	Farmers & Merchants Savings Bank.....	1918
Ute.....	State Savings Bank.....	1918
Vail.....	Farmers State Bank.....	*1917
Wapello.....	Wapello State Savings Bank.....	1918
Waterloo.....	Waterloo Bank Trust Co.....	1918

MICHIGAN

Adrian.....	Adrian State Savings Bank.....	1918
	Commercial Savings Bank.....	1918
	Lenawee County Savings Bank.....	1918
Albion.....	Albion State Bank.....	1918
	Commercial & Savings Bank.....	1915
Alpena.....	Alpena County Savings Bank.....	1918
Ann Arbor.....	Farmers & Mechanics Bank.....	1918
	State Savings Bank.....	1918
Armada.....	Armada State Bank.....	1919
	Farmers State Bank.....	1918
Bay City.....	Bay City Bank.....	1918
	Farmers State Savings Bank.....	1918
	Peoples Commercial & Savings Bank.....	1918
Benton Harbor.....	Benton Harbor State Bank.....	1918
Big Rapids.....	Big Rapids Savings Bank.....	1918
	Citizens State Bank.....	1918
Carson City.....	Farmers & Merchants State Bank.....	1918
Cassopolis.....	Cass County State Bank.....	1918
Charlotte.....	Eaton County Savings Bank.....	1917
Chelsea.....	Farmers & Merchants Bank.....	1918
	Kempf Commercial Savings Bank.....	1919
Coloma.....	State Bank of Coloma.....	1918
Coopersville.....	Peoples Savings Bank.....	1918
Davison.....	Davison State Bank.....	1918
Dearborn.....	Dearborn State Bank.....	1918
Detroit.....	American State Bank.....	*1917
	Bank of Detroit.....	1918
	Central Savings Bank.....	1917
	Detroit Savings Bank.....	1917
	Dime Savings Bank.....	1917
	First State Bank of Detroit.....	1917
	Peninsular State Bank.....	**1917
	Peoples State Bank.....	1917
	United Savings Bank of Detroit.....	1918
	Wayne County & Home Savings Bank.....	1917

SCHEDULE 9.—*State bank membership in Federal Reserve Bank of Chicago by states and cities, with year of admission—Continued.*

MICHIGAN—Continued

CITY	BANK	ADMITTED
Edmore.....	Edmore State Bank.....	1918
Elk Rapids.....	Elk Rapids State Bank.....	1918
Farmington.....	Farmington State Savings Bank.....	1918
Fenton.....	Commercial Savings Bank.....	1918
	Fenton State Savings Bank.....	1918
Flint.....	Citizens Commercial & Savings Bank.....	1917
	Genesee County Savings Bank.....	1918
	Industrial Savings Bank.....	1917
	Union Trust & Savings Bank.....	1917
Flushing.....	Peoples State Bank.....	1918
Frankenmuth.....	Frankenmuth State Bank.....	1918
Fremont.....	Fremont State Bank.....	1918
	Old State Bank.....	*1917
Grand Haven.....	Grand Haven State Bank.....	1917
	Peoples Savings Bank.....	1918
Grand Rapids.....	City Trust & Savings Bank.....	1918
	Commercial Savings Bank.....	1918
	Grand Rapids Savings Bank.....	1917
	Kent State Bank.....	1917
	Peoples Savings Bank.....	1919
Greenville.....	Commercial State Savings Bank.....	1918
Hart.....	Oceana County Savings Bank.....	*1917
Highland Park.....	Highland Park State Bank.....	1917
Hillsdale.....	Hillsdale Savings Bank.....	1918
Holland.....	First State Bank.....	1918
	Holland City State Bank.....	1918
Hudson.....	Boies State Savings Bank.....	1917
	Thompson Savings Bank.....	1918
Imlay City.....	Lapeer County Bank.....	1918
	Peoples State Bank of Imlay City.....	1918
Ionia.....	State Savings Bank.....	1918
Jackson.....	Central State Bank.....	1917
	Jackson State Savings Bank.....	1918
	† Union Bank.....	1917
Jonesville.....	Grosvenor Savings Bank.....	1918
Lakeview.....	Commercial State Savings Bank.....	1918
	Farmers & Merchants State Bank.....	1918
Lansing.....	Lansing State Savings Bank.....	*1917
Lapeer.....	Lapeer Savings Bank.....	1917
Lenox.....	Macomb County Savings Bank.....	1919
Lowell.....	City State Bank.....	1918
Ludington.....	Ludington State Bank.....	1918
Manchester.....	Peoples Bank.....	1918
	Union Savings Bank.....	1918
Manistee.....	Manistee County Savings Bank.....	1918
Marcellus.....	G. W. Jones Exchange Bank.....	1918
Marshall.....	Commercial Savings Bank.....	1918
Milan.....	Milan State Savings Bank.....	1917
Milford.....	First State Bank.....	1918
Monroe.....	B. Dansard & Sons State Bank of Monroe.....	1917
Morenci.....	Wakefield State Bank.....	1918
Mount Pleasant.....	Exchange Savings Bank.....	1917
	Isabella County State Bank.....	1918
Mount Clemens.....	Ullrich Savings Bank.....	1918
Nashville.....	Farmers & Merchants Bank.....	1918
Niles.....	Niles City Bank.....	1917
Onsted.....	Onsted State Bank.....	1918
Otsego.....	Citizens State Savings Bank.....	1918
Paw Paw.....	Paw Paw Savings Bank.....	1918

SCHEDULE 9.—*State bank membership in Federal Reserve Bank of Chicago by states and cities, with year of admission—Continued.*

MICHIGAN—Continued

CITY	BANK	ADMITTED
Petersburg.....	H. C. McLachlin & Co. State Bank.....	1917
Petoskey.....	First State Bank of Petoskey.....	1918
Pontiac.....	American Savings Bank.....	1918
	First Commercial Bank.....	1919
	Pontiac Savings Bank.....	1918
Port Huron.....	Federal Commercial & Savings Bank.....	1917
Redford.....	Redford State Savings Bank.....	1918
Rochester.....	Rochester Savings Bank.....	*1917
Rogers City.....	Presque Isle County Savings Bank.....	1918
Romeo.....	Romeo Savings Bank.....	1917
Royal Oak.....	First Commercial State Bank.....	1918
	Royal Oak Savings Bank.....	1918
St. Clair.....	Commercial & Savings Bank.....	*1917
Saginaw.....	Bank of Saginaw.....	1918
Saline.....	Saline Savings Bank.....	1918
Saugatuck.....	Fruit Growers State Bank.....	1915
South Haven.....	Citizens State Bank.....	1918
Suttons Bay.....	Leelanau County Savings Bank.....	1918
Tecumseh.....	Lilley State Bank.....	1918
	Tecumseh State Savings Bank.....	1918
Traverse City.....	Traverse City State Bank.....	1918
Warren.....	State Savings Bank of Warren.....	1918
Washington.....	Washington Savings Bank.....	1918
Wayne.....	Wayne Savings Bank.....	1919
Williamston.....	Williamston State Bank.....	1918

WISCONSIN

Baraboo.....	Bank of Baraboo.....	1918
Burlington.....	Bank of Burlington.....	1918
Clinton.....	Citizens Bank.....	1917
Delavan.....	Citizens Union Bank of Delavan.....	1919
Green Lake.....	Green Lake State Bank.....	1918
Kenosha.....	Merchants & Savings Bank.....	1918
Madison.....	Bank of Wisconsin.....	1914
Milwaukee.....	American Exchange Bank.....	*1917
	Badger State Bank.....	1915
	Marshall & Ilsley Bank.....	1917
	Second Ward Savings Bank.....	1918
Mineral Point.....	Iowa County Bank.....	1918
Mosinee.....	State Bank of Mosinee.....	1918
Oakfield.....	Bank of Oakfield.....	1918
Platteville.....	State Bank of Platteville.....	1918
Plymouth.....	Plymouth Exchange Bank.....	1918
	State Bank of Plymouth.....	1918
Sheboygan.....	Bank of Sheboygan.....	1918
	Citizens State Bank.....	1918
Sturgeon Bay.....	Bank of Sturgeon Bay.....	1918
Waupun.....	State Bank of Waupun.....	1918
Wausau.....	Marathon County Bank.....	1918
Winneconne.....	Union Bank of Winneconne.....	1918

*Capital and reserve paid in following year.

**Reserve paid in following year.

†Nationalized in February, 1919.

SCHEDULE 10.—Member banks authorized and approved in 1918 to exercise fiduciary powers.

Bank.	Location.	Bank.	Location.
First National Bank.....	Dana, Ind.	First National Exchange Bank.....	Port Huron, Mich.
Farmers' National Bank.....	Edinburg, Ind.	First National Bank.....	New Castle, Ind.
Citizens' National Bank.....	Royal, Iowa.	Do.....	New Carlisle, Ind.
National Bank of Decatur.....	Decatur, Ill.	Do.....	Marshalltown, Iowa
First National Bank.....	Everly, Iowa.	Do.....	Hillsdale, Mich.
Do.....	Chillicothe, Ill.	Do.....	Dublin, Ind.
Commercial National Bank.....	Appleton, Wis.	American National Bank.....	Arlington, Iowa.
First National Bank.....	Kewanee, Ill.	First National Bank of Englewood.....	Chicago, Ill.
Union National Bank.....	Macomb, Ill.	City National Bank.....	Kankakee, Ill.
First National Bank.....	Monticello, Ill.	La Salle National Bank.....	La Salle, Ill.
Commercial National Bank.....	Fond du Lac, Wis.	First National Bank.....	Winamac, Ind.
First National Bank.....	Cherokee, Iowa.		
Citizens' National Bank.....	Appleton, Wis.		
Home National Bank.....	Thornton, Ind.		

SCHEDULE 11.—Certificates of Indebtedness.

ANTICIPATING THIRD LIBERTY LOAN.

Date of issue.	Total issue.	Allotted to Chicago district.	Rate of interest.	Date of maturity.	Subscribers.
			<i>Per cent.</i>		
Jan. 22, 1918.....	\$400,000,000	\$30,359,000	4	Apr. 22, 1918	910
Feb. 8, 1918.....	500,000,000	42,352,000	4	May 9, 1918	2,193
Feb. 27, 1918.....	500,000,000	59,168,000	4½	May 28, 1918	2,856
Mar. 20, 1918.....	543,032,000	64,414,000	4½	June 18, 1918	3,115
Apr. 10, 1918.....	551,226,500	65,850,000	4½	July 9, 1918	2,662
Apr. 22, 1918.....	517,026,000	63,212,000	4½	July 18, 1918	2,056
Total.....	3,011,284,500	325,355,000			

ANTICIPATING TAXES, 1918.

Nov. 30, 1917.....	\$691,872,000	\$30,139,500	4	June 25, 1918	89
Jan. 2, 1918.....	491,822,500	48,054,500	4	do.....	230
Feb. 15, 1918.....	74,100,000	15,709,000	4	do.....	238
Mar. 15, 1918.....	110,962,000	13,286,500	4	do.....	183
Apr. 15, 1918.....	71,880,000	15,742,000	4	do.....	155
May 15, 1918.....	183,767,000	40,002,500	4	do.....	155
Total.....	1,624,403,500	162,934,000			

ANTICIPATING FOURTH LIBERTY LOAN.

June 25, 1918.....	\$838,553,500	\$131,481,500	4½	Oct. 24, 1918	4,084
July 9, 1918.....	759,438,000	101,203,000	4½	Nov. 7, 1918	4,258
July 23, 1918.....	584,750,500	83,310,500	4½	Nov. 21, 1918	4,240
Aug. 6, 1918.....	575,706,500	87,292,500	4½	Dec. 5, 1918	4,187
Sept. 3, 1918.....	639,493,000	88,279,000	4½	Jan. 2, 1919	3,904
Sept. 17, 1918.....	625,216,500	88,878,500	4½	Jan. 16, 1919	3,858
Oct. 1, 1918.....	641,069,000	82,759,000	4½	Jan. 30, 1919	3,641
Total.....	4,664,227,000	663,204,000			

ANTICIPATING TAXES, 1919.

Aug. 20, 1918.....	\$157,550,500	\$22,003,000	4	July 15, 1919	363
Nov. 7, 1918.....	794,172,500	103,828,000	4½	Mar. 15, 1919	1,082
Total.....	951,723,000	125,831,000			

ANTICIPATING FIFTH LIBERTY LOAN.

Dec. 5, 1918.....	\$613,438,000	\$97,235,500	4½	May 6, 1919	3,795
Dec. 19, 1918.....	572,494,000	83,189,500	4½	May 20, 1919	3,656
Total.....	1,185,932,000	180,425,000			

SCHEDULE 12.—*Depository bank division statistics.*

SECOND LIBERTY LOAN.

Payment dates.	Amount paid by credit war loan deposit account.
Nov. 15, 1917.....	96,081,844
Dec. 15, 1917.....	74,541,061
Jan. 15, 1918.....	43,212,229
Total.....	213,835,134

Number of depository banks, 288. ..

CERTIFICATES OF INDEBTEDNESS.

[Issued in anticipation of third Liberty loan.]

Jan. 22, 1918.....	\$17,899,126
Feb. 8, 1918.....	23,516,276
Feb. 27, 1918.....	36,224,616
Mar. 20, 1918.....	39,114,281
Apr. 10, 1918.....	44,461,836
Apr. 22, 1918.....	39,138,754
Total.....	200,354,889

Number of depository banks, 375, Feb. 8; and 580, Apr. 10.

CERTIFICATES OF INDEBTEDNESS.

[Issued in anticipation of taxes.]

Due June 25, 1918.....	\$97,324,184
Due July 15, 1919.....	14,736,162
Due Mar. 15, 1919.....	65,363,052
Total.....	177,423,398

THIRD LIBERTY LOAN.

Payment dates	Amount paid by credit war loan deposit account.
May 9, 1918.....	\$114,306,519
May 28, 1918.....	37,635,209
July 18, 1918.....	44,111,982
Aug. 15, 1918.....	33,591,970
Total.....	229,645,680

Number of depository banks, 603.

CERTIFICATES OF INDEBTEDNESS.

[Issued in anticipation of fourth Liberty loan.]

June 25, 1918.....	\$73,205,054
July 9, 1918.....	65,193,195
July 23, 1918.....	54,546,570
Aug. 6, 1918.....	60,621,087
Sept. 3, 1918.....	60,338,177
Sept. 17, 1918.....	62,256,957
Oct. 1, 1918.....	55,503,385
Total.....	431,664,425

Number of depository banks, 721.

REDEPOSIT OF INCOME AND EXCESS-PROFITS TAXES.

June 25, 1918.....	\$96,494,624
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Number of depository banks participating, 225.

SCHEDULE 12.—*Depository bank division statistics—Continued.*

FOURTH LIBERTY LOAN PAYMENTS.

Oct. 24, 1918.....	\$174,631,079
Nov. 21, 1918.....	71,188,268
Total.....	245,819,347

ANTICIPATION OF FIFTH LIBERTY LOAN.

Dec. 5, 1918.....	\$65,597,671
Number of depository banks, 1,060.	

COLLATERAL HELD BY CUSTODIANS.

Jan. 1, 1918.....	\$139,133,633
Apr. 14, 1918.....	149,496,020
July 1, 1918.....	237,165,171
Dec. 15, 1918.....	177,980,779

SCHEDULE 13.—*Classification of Liberty loan subscriptions in 1918.*

	Third Liberty loan classification	Fourth Liberty loan classification
Illinois:		
National banks.....	\$ 96,394,350	\$131,915,650
State banks and trust companies.....	138,886,050	274,777,500
Private banks.....	10,977,450	16,565,800
Total.....	246,257,850	423,258,950
Indiana:		
National banks.....	33,391,400	54,524,350
State banks and trust companies.....	32,926,050	54,025,100
Private banks.....	4,413,400	7,107,850
Total.....	70,730,850	115,657,300
Iowa:		
National banks.....	33,330,650	50,164,800
State banks and trust companies.....	69,869,650	94,483,300
Private banks.....	13,959,750	13,199,450
Total.....	117,160,050	157,847,550
Michigan:		
National banks.....	28,470,900	50,812,100
State banks and trust companies.....	65,338,850	107,454,400
Private banks.....	4,154,400	5,946,550
Total.....	97,964,150	164,213,050
Wisconsin:		
National banks.....	35,082,050	51,488,700
State banks and trust companies.....	39,858,450	55,404,450
Total.....	74,940,500	106,893,150
Individuals and corporations.....	1,825,200	1,339,000
Grand total.....	608,878,600	969,209,000

SCHEDULE 14.—*Statistics in connection with third Liberty loan.*

Group	Subscriptions ranging from—	Number of subscribers	Amount
One.....	\$50 to \$10,000.....	3,476,765	\$468,469,950
Two.....	\$10,050 to \$50,000.....	2,061	56,378,000
Three.....	\$50,050 to \$100,000.....	295	26,719,150
Four.....	\$100,050 to \$200,000.....	102	16,154,600
Five.....	\$200,050 and up.....	92	41,156,900
Total.....		3,479,315	608,878,600

SCHEDULE 14.—Statistics in connection with third Liberty loan—Continued.

State	Quota of subscribers	Number of subscriptions	Quota of subscriptions	Subscriptions	Per cent of subscriptions to quota
Cook County, Ill.....	571,686	892,190	\$126,180,000	\$167,503,050	132.62
Outside Cook County.....	423,791	525,051	52,800,000	80,123,350	151.74
Total, Illinois.....	995,477	1,417,241	178,980,000	247,626,400	138.70
Indiana.....	445,468	404,191	53,770,000	70,822,450	131.71
Iowa.....	444,954	660,942	71,050,000	117,211,450	164.97
Michigan.....	544,346	569,370	75,600,000	98,033,050	130.07
Wisconsin.....	400,589	427,371	45,600,000	75,185,250	164.88
Total.....	2,830,834	3,479,315	425,000,000	608,878,600	143.23

Denomination	Number of pieces	Amount
\$50.....	1,405,310	\$120,265,500
\$100.....	2,402,127	140,212,700
\$500.....	148,771	74,385,500
\$1,000.....	143,474	143,474,000
\$5,000.....	5,839	29,195,000
\$10,000.....	3,498	34,980,000
Total.....	4,109,019	*\$542,512,700

¹ The difference between this figure and the total subscriptions is represented by registered bonds.

SCHEDULE 15.—Statistics in connection with fourth Liberty loan.

Group	Subscriptions ranging from—	Number of subscribers	Amount
One.....	\$50 to \$10,000.....	4,292,990	\$720,786,300
Two.....	\$10,050 to \$50,000.....	6,420	106,008,700
Three.....	\$50,050 to \$100,000.....	576	42,172,700
Four.....	\$100,050 to \$200,000.....	144	20,791,200
Five.....	\$200,050 and up.....	182	79,450,100
Total.....		4,300,312	969,209,000

State	Number of subscriptions	Quota of subscriptions	Subscriptions	Per cent of subscriptions to quota
Cook County, Ill.....		\$252,300,000	\$298,739,350	118.40
Outside Cook County.....		113,100,000	124,255,300	109.86
Total, Illinois.....	1,866,064	365,400,000	422,994,650	115.76
Indiana.....	588,194	108,750,000	116,081,100	106.74
Iowa.....	587,773	147,900,000	158,155,400	106.93
Michigan.....	821,799	147,900,000	164,784,200	111.41
Wisconsin.....	436,482	100,050,000	107,193,650	107.14
Total.....	4,300,312	870,000,000	969,209,000	111.40

ESTIMATE OF COUPON BONDS REQUIRED.

Denomination	Number of pieces	Amount
Fifty dollars.....	3,195,298	\$159,764,900
One hundred dollars.....	2,026,986	202,698,600
Five hundred dollars.....	229,707	114,853,500
One thousand dollars.....	224,382	224,382,000
Five thousand dollars.....	10,637	53,185,000
Ten thousand dollars.....	6,433	64,330,000
Total.....	5,693,443	* 819,214,000

* The difference between this figure and the total subscriptions is represented by registered bonds.

SCHEDULE 16.—*Total amount and number of subscribers to the fourth Liberty loan in cities with population of 25,000 and over.*

ILLINOIS

City	Population	Number of subscriptions	Amount of subscriptions
Aurora.....	34,204	10,199	\$ 1,998,700
Bloomington.....	27,258	6,591	1,539,850
Chicago.....	*2,497,722	1,000,711	288,211,750
Danville.....	32,261	6,611	1,700,150
Decatur.....	39,631	8,829	2,637,250
Elgin.....	28,203	7,553	1,636,850
Evanston.....	28,591	12,896	2,344,000
Joliet.....	38,010	18,127	3,147,100
Moline.....	27,451	16,704	2,552,000
Oak Park.....	26,654	9,395	1,672,350
Peoria.....	71,458	31,228	5,423,900
Rockford.....	55,185	19,325	4,673,900
Rock Island.....	28,926	13,616	2,622,350
Springfield.....	61,120	13,408	4,851,100
Total.....		1,175,193	325,011,250

INDIANA

East Chicago.....	28,743	13,073	\$2,101,700
Fort Wayne.....	76,183	33,650	7,028,700
Gary.....	65,000	28,882	2,918,100
Hammond.....	26,171	12,582	1,524,250
Indianapolis.....	271,708	94,368	23,811,850
Muncie.....	35,085	10,979	2,015,550
South Bend.....	68,946	20,092	4,259,900
Terre Haute.....	66,083	18,951	5,230,800
Total.....		232,577	48,890,850

IOWA.

Burlington.....	25,030	5,451	\$1,364,700
Cedar Rapids.....	37,308	19,137	3,224,400
Clinton.....	27,386	3,890	1,031,850
Council Bluffs.....	31,484	5,528	1,835,400
Davenport.....	48,811	23,307	4,876,600
Des Moines.....	101,598	22,321	7,610,200
Dubuque.....	39,873	10,063	2,258,100
Sioux City.....	57,078	16,057	3,931,300
Waterloo.....	35,559	9,789	2,145,000
Total.....		115,543	28,277,550

MICHIGAN.

Battle Creek.....	29,480	12,488	\$3,430,200
Bay City.....	47,942	12,930	3,226,900
Detroit.....	571,784	209,632	73,842,050
Flint.....	80,000	34,955	4,733,350
Grand Rapids.....	128,291	47,913	11,943,050
Hamtramck.....	25,000	3,737	278,300
Highland Park.....	25,000	7,023	4,755,350
Jackson.....	35,363	18,729	2,207,850
Kalamazoo.....	48,886	11,989	2,425,100
Lansing.....	40,498	15,390	2,111,200
Muskegon.....	26,100	15,306	2,118,650
Saginaw.....	55,642	15,310	4,896,000
Total.....		405,402	115,968,000

*School census, Chicago.

SCHEDULE 16.—*Total amount and number of subscribers to the fourth Liberty loan in cities with population of 25,000 and over—Continued.*

WISCONSIN.

City	Population	Number of subscriptions	Amount of subscriptions
Green Bay.....	29,353	9,146	\$1,672,550
Kenosha.....	31,576	15,094	3,446,550
Madison.....	30,699	13,780	3,168,200
Milwaukee.....	436,535	69,047	34,139,950
Oshkosh.....	36,065	7,008	2,088,200
Racine.....	46,486	19,514	3,663,800
Sheboygan.....	28,559	7,151	1,633,950
Total.....		140,740	49,815,200

SCHEDULE 17.—*Seventh Federal Reserve Liberty Loan Organization.*

EXECUTIVE COMMITTEE.

Chairman, F. O. Wetmore, Chicago.
 Vice-chairman, C. H. Schweppe, Chicago.
 Secretary, Eugene M. Stevens, Chicago.
 H. L. Stuart, Chicago.
 J. B. McDougal, governor, Federal Reserve Bank, Chicago.
 W. A. Heath, chairman, Federal Reserve Bank, Chicago.
 John E. Blunt, Jr., Chicago.
 Howard W. Fenton, Chicago.
 W. M. L. Fiske, Chicago.
 Miss Grace Dixon, Chicago.
 Arthur W. Reynolds, Chicago.
 Watkin W. Kneath, Chicago.
 Solomon A. Smith, Chicago.
 John Jay Abbott, Chicago.
 M. A. Traylor, Chicago.
 E. K. Boisot, Chicago.
 O. T. Reeves, Chicago.
 Frank O. Lowden, governor of Illinois, Springfield, Ill.
 F. W. Merrick, commissioner of banking, Lansing, Mich.
 Ashton Clemens, Des Moines, Iowa.
 Henry W. Bennett, Indianapolis, Ind.
 Fred Vogel, Jr., Milwaukee, Wis.
 George Woodruff, Joliet, Ill.

CAMPAIGN COMMITTEE.

Director of campaign, C. H. Schweppe.
 Assistant director of campaign, James L. Martin.
 Secretary and treasurer, Frederick Merritt.
 Director of publicity, B. F. McCutcheon.
 Director of speakers' bureau, Henry P. Chandler.
 Director for women, Miss Grace Dixon.
 Director of foreign language division, F. J. Streyckmans.
 Director of sales for Chicago and Cook County, Charles W. Folds.

Director of sales for Illinois, Heman Gifford.
 Director of sales for Indiana, Will H. Wade.
 Director of sales for Iowa, C. H. McNider.
 Director of sales for Michigan, F. R. Fenton.
 Director of sales for Wisconsin, E. J. Kearney.
 Chairman finance committee, Howard W. Fenton.
 Chairman bank committee, John E. Blunt, Jr.
 Ex-officio, J. B. McDougal, governor Federal Reserve Bank of Chicago.

WOMEN'S ORGANIZATION.

Chairman for women, Miss Grace Dixon, Chicago.
 Chairman women's committee for Chicago and Cook County, Mrs. Bertha D. Baur, Chicago.
 Chairman women's committee for Illinois, Mrs. Howard T. Willson, Springfield.
 Chairman women's committee for Indiana, Mrs. F. H. McCulloch, Fort Wayne.
 Chairman women's committee for Iowa, Mrs. Wilbur W. Marsh, Waterloo.
 Chairman women's committee for Michigan, Mrs. D. D. Ashbaugh, Detroit.
 Chairman women's committee for Wisconsin, Mrs. John W. Mariner, Milwaukee.

SCHEDULE 18.—*District committee on capital issues.*

Chairman, W. A. Heath, Chicago.
 Vice-chairman, J. B. McDougal, Chicago.
 Executive committee:
 Rufus C. Dawes, Chicago.
 E. D. Hulbert, Chicago.
 Joy Morton, Chicago.
 James Simpson, Chicago.
 Frank O. Wetmore, Chicago.
 Secretary, Lyman A. Walton.
 E. J. Buffington, Chicago.
 Simon Casady, Des Moines
 Emory W. Clark, Detroit.
 B. A. Eckhart, Chicago.
 Louis A. Ferguson, Chicago.
 S. A. Fletcher, Indianapolis.
 Oliver C. Fuller, Milwaukee.
 Chauncey Keep, Chicago.
 John J. Mitchell, Chicago.
 John J. O'Brien, Chicago.
 George M. Reynolds, Chicago.
 B. E. Sunny, Chicago.
 E. K. Boisot, Chicago.
 D. R. McLennan, Chicago.

SCHEDULE 19.—Summary of the activities of the district committee on capital issues to Dec. 31, 1918.

Applications—			Num- ber	Amount
1. Passed on by Chicago committee only.....			101	*\$5,126,892
	Amount	Per cent		
Approved.....	\$4,145,392	81.36		
Disapproved.....	949,500	18.64		
Total.....	¹ 5,094,892	100.00		
2. Considered by Chicago, but not acted on by Washing- ton for various reasons.....			11	\$7,306,380
3. Acted on by both Chicago and Washington com- mittees.....			369	475,076,435
Analyzing items 2 and 3, recommended by Chicago committee for—			380	†482,382,815
	Amount	Per cent		
Approval.....	\$391,246,633	85.03		
Disapproval.....	68,860,400	14.97		
Total.....	² 460,107,033	100.00		
4. Acted on by Washington without recommendation from Chicago.....			35	\$22,017,500
Total.....			516	509,527,207
Classification of total:				
	Num- ber	Amount	Per cent	
Public utility.....	39	\$42,638,650	8.35	
Industrial.....	334	420,446,852	82.51	
Municipal.....	107	41,799,705	8.23	
Bank applications.....	36	4,632,000	.91	
Total.....	516	509,527,207	100.00	
This total is divided—				
Stocks.....		\$286,130,902		
Bonds.....		115,880,805		
Notes.....		107,515,500		
5. Acted on by Washington without reference to Chicago committee.....			24	24,814,700
6. Considered by Chicago committee as to personnel only—properties located in other districts.....			45	37,228,392
7. Not considered—applications cover amounts not considered at various times per rulings of Washington committee.....			25	2,343,525
8. Withdrawn or canceled.....			24	12,562,435
9. Not acted on by either Washington or Chicago committees.....			7	1,670,000
Total of all applications originating in Seventh Federal Reserve District.....			641	588,146,259

*Discrepancy between these amounts accounted for by difference between face of application and amount passed on.

†Discrepancy between these amounts accounted for by difference between face of application and amount passed on.

NOTE.—A great number of applications were modified or abandoned after conferences or correspondence with the officers of the district committee; therefore, the statement submitted does not completely reflect the work of the committee. No memorandum was kept of these consultations or the amounts involved, but much of the time of the chairman and the secretary was devoted to them.

SCHEDULE 20.—*Federal Reserve notes of the Federal Reserve Bank of Chicago received from other Federal Reserve Banks for redemption or credit, and notes of other Federal Reserve Banks returned by the Federal Reserve Bank of Chicago for redemption or credit.*

	Received				Returned			
	1914-15	1916	1917	1918	1914-15	1916	1917	1918
Boston.....	\$22,925	\$24,000	\$347,800	\$2,247,800	\$7,400	\$96,500	\$218,500	\$1,209,500
New York.....	77,955	140,410	1,760,420	14,071,550	212,200	1,615,500	3,425,000	10,923,000
Philadelphia.....	11,995	16,970	406,000	3,237,500	11,540	124,000	357,500	1,931,500
Cleveland.....	2,000	17,190	420,040	3,294,050	51,280	572,000	939,500	6,654,000
Richmond.....	265	2,600	128,610	2,765,850	54,735	328,000	332,000	1,553,000
Atlanta.....	1,870	8,795	224,550	2,493,075	66,925	603,000	747,500	2,013,000
St. Louis.....	41,040	49,950	1,050,350	12,486,965	38,155	545,500	1,205,000	5,146,000
Minneapolis.....	5,970	53,380	219,500	4,261,800	252,795	2,286,500	3,418,000	7,347,000
Kansas City.....	950	2,895	142,150	1,285,100	192,770	1,496,500	2,776,500	8,578,500
Dallas.....	1,065	4,795	128,835	1,722,150	148,680	930,500	974,000	1,816,000
San Francisco.....	8,900	9,380	301,010	1,842,315	40,895	391,500	875,000	4,285,100
Total.....	174,935	330,365	5,129,265	49,708,155	1,077,375	8,989,500	15,268,500	51,456,600

SCHEDULE 21.—*Federal Reserve Bank notes, Dec. 31, 1918.*

	Denominations					Total
	\$1	\$2	\$5	\$10	\$20	
Total notes received from Comptroller of the Currency.....	\$7,884,000	\$2,096,000	\$5,300,000	\$2,623,760	\$865,600	\$18,769,360
Total notes returned to Comptroller of the Currency for destruction.....	57,450	7,800	124,650	47,560	6,100	243,560
Total notes in circulation and on hand.....	7,826,550	2,088,200	5,175,350	2,576,200	859,500	18,525,800

SCHEDULE 22.—*Federal Reserve notes.*

	Notes outstanding Dec. 31, 1917	Notes issued to bank during 1918	Notes redeemed during 1918	Notes outstanding Dec. 31, 1918
Fives.....	\$19,145,050	\$59,480,000	\$9,174,290	\$69,450,760
Tens.....	68,439,270	89,840,000	17,591,020	140,688,250
Twenties.....	81,072,760	124,320,000	13,847,260	191,545,500
Fifties.....	11,378,350	19,400,000	2,340,950	28,437,400
Hundreds.....	10,753,100	10,400,000	337,000	20,816,100
Total.....	190,788,530	303,440,000	43,290,520	450,938,010

SCHEDULE 23.—*Transfers bought and sold 1918.*

	Bought by draft	Bought by wire	Sold by draft	Sold by wire
January.....	\$254,181,000	.....	\$53,635,000	\$5,000,000
February.....	257,840,000	.....	62,425,000	4,000,000
March.....	255,355,000	.....	65,270,000	6,100,000
April.....	253,656,000	\$23,000,000	43,850,000	3,750,000
May.....	157,233,000	10,220,000	43,040,000	.....
June.....	189,610,000	85,690,000	29,933,000	12,850,000
July.....	208,120,000	84,275,000	22,590,000	12,665,000
August.....	76,967,000	205,215,000	13,655,000	12,035,000
September.....	59,244,000	164,677,000	12,065,000	11,690,000
October.....	76,395,000	202,096,000	7,635,000	22,134,000
November.....	47,989,000	200,671,000	10,765,000	5,401,000
December.....	53,049,000	323,119,000	12,806,000	25,035,000
Total.....	1,889,639,000	1,298,963,000	377,669,000	120,660,000

SCHEDULE 24.—*Operation of the Federal Reserve clearing system; daily average number of checks handled monthly and during the calendar year 1918.*

	Items drawn on banks in Federal Reserve city	Amount	Items drawn on banks in seventh district outside Federal Reserve city	Amount	Items drawn on banks in other districts	Amount
January.....	7,072	\$17,596,000	17,663	\$3,748,000	1,549	\$605,000
February.....	8,638	17,816,000	20,147	4,290,000	2,714	665,000
March.....	9,113	20,802,000	23,343	5,977,000	1,911	1,233,000
April.....	9,119	21,600,000	23,954	5,416,000	2,099	776,000
May.....	8,540	22,463,000	23,988	6,095,000	2,167	750,000
June.....	9,158	23,540,000	28,215	7,823,000	2,854	812,000
July.....	9,961	22,696,000	39,203	8,435,000	4,446	1,038,000
August.....	9,623	20,339,000	40,898	8,891,000	4,086	1,090,000
September.....	10,475	23,645,000	46,284	10,610,000	4,811	1,150,000
October.....	13,318	27,458,000	48,163	11,350,000	5,300	1,244,000
November.....	12,990	25,553,000	49,914	8,800,000	5,610	1,278,000
December.....	14,102	26,424,000	50,570	7,520,000	5,606	1,070,000
Daily average, 1918	10,176	22,494,000	34,362	7,413,000	3,596	976,000
Total, 1918.....	3,047,109	6,748,151,000	10,289,902	2,225,581,000	1,073,410	292,992,000
Total, 1917.....	1,807,728	3,985,878,000	4,362,436	987,821,000	511,438	187,450,000
Total, 1916.....	950,596	1,549,148,000	2,722,827	616,111,000	778,959	873,758,000

	Total, exclusive of item drawn on Treas- urer United States	Amount	Items handled by both parent bank and branch	Amount	Items drawn on Treas- urer United States	Amount	Num- ber mem- ber banks in dis- trict	Non- mem- ber banks on par list
January.....	26,284	\$21,949,000	.....	.....	5,896	\$1,987,000	1,109	2,235
February.....	31,499	22,771,000	.....	.....	6,412	1,678,000	1,128	2,229
March.....	34,366	28,012,000	784	\$575,000	5,257	2,041,000	1,137	2,223
April.....	35,173	27,792,000	164	315,000	7,523	2,301,000	1,151	2,260
May.....	34,694	29,310,000	179	422,000	7,840	2,874,000	1,156	2,284
June.....	40,227	32,175,000	485	1,525,000	7,782	3,669,000	1,164	2,278
July.....	53,610	32,169,000	280	306,000	9,616	4,109,000	1,174	2,296
August.....	54,608	30,319,000	249	259,000	8,367	4,463,000	1,192	2,344
September.....	61,570	35,405,000	269	215,000	12,269	5,164,000	1,253	2,409
October.....	66,781	40,052,000	362	356,000	14,034	5,514,000	1,285	2,337
November.....	68,514	35,632,000	335	242,000	11,486	5,848,000	1,321	2,274
December.....	70,279	35,014,000	325	233,000	15,879	5,546,000	1,326	2,383
Daily average, 1918.....	48,134	30,833,000	286	370,000	9,363	3,766,000	.....	.....
Total, 1918.....	14,410,421	9,266,724,000	76,476	105,000,000	2,801,637	1,128,269,000	1,332	2,392
Total, 1917.....	6,681,602	5,161,149,000	.....	.....	850,764	202,461,000	1,103	2,240
Total, 1916.....	4,452,382	3,039,017,000	.....	.....	713,003	74,740,000	992	1,265

SCHEDULE 25.—Clearing operations, Detroit branch.

	Number	Amount
Drawn on banks located in Detroit:		
Mar. 18 to Apr. 15.....	24,700	\$27,080,400
Apr. 16 to May 15.....	28,054	35,198,445
May 16 to June 15.....	36,166	42,957,938
June 16 to July 15.....	52,806	56,570,452
July 16 to Aug. 15.....	50,700	44,939,662
Aug. 16 to Sept. 15.....	62,374	46,139,704
Sept. 16 to Oct. 15.....	63,232	49,726,622
Oct. 16 to Nov. 15.....	88,738	55,617,941
Nov. 16 to 30.....	40,508	28,547,394
Dec. 1 to 31.....	83,837	59,899,151
General average per month.....	55,906	47,018,717
Average daily number of items handled on Detroit:		
April.....	950	1,042,000
May.....	1,079	1,354,000
June.....	1,391	1,652,000
July.....	2,031	2,176,000
August.....	1,950	1,728,000
September.....	1,976	1,797,000
October.....	2,399	1,775,000
November.....	3,413	2,139,000
December.....	3,117	2,196,000
Drawn on the Treasurer of the United States:		
Sept. 23 to Oct. 15.....	20,325	21,430,655
Oct. 16 to Nov. 15.....	25,896	30,897,528
Nov. 16 to 30.....	16,146	18,795,302
Dec. 1 to 31.....	39,394	44,436,710
General average per month.....	29,074	33,071,198

SCHEDULE 26.—Gold settlement fund operations, Jan. 1, 1918, to Dec. 31, 1918.

Bank	Amount received in settlement of accounts due from other Federal Reserve Banks	Amount paid in settlement of amounts due to other Federal Reserve Banks	Gain through settlements	Loss through settlements	Transfers	
					Debits	Credits
Boston.....	\$337,860,000	\$249,539,000	\$88,321,000		\$7,000,000	\$694,000
New York.....	2,779,820,000	1,650,226,000	1,129,594,000		438,000,000	1,014,000,000
Philadelphia.....	385,846,000	361,268,000	24,578,000		6,000,000	13,000,000
Cleveland.....	621,410,000	850,809,000		229,399,000	18,000,000	
Richmond.....	111,850,000	105,050,000	6,800,000			14,100,000
Atlanta.....	116,277,000	118,187,000		1,910,000	74,054,000	58,955,000
St. Louis.....	788,411,000	709,856,000	78,555,000		8,960,000	
Minneapolis.....	465,234,000	582,202,000		117,058,000	6,000,000	
Kansas City.....	462,114,000	766,350,000		304,236,000	22,000,000	4,000,000
Dallas.....	115,333,000	95,588,000	19,745,000		9,671,000	23,500,000
San Francisco.....	219,806,000	265,103,000		45,297,000	5,000,000	
Total.....	6,403,961,000	5,754,268,000	1,347,859,000	697,900,000	594,685,000	1,128,249,000
Excess.....			649,693,000			533,564,000
Gain through settlement.....						\$649,693,000
Net loss through transfers.....						533,564,000
Net gain through transfers and settlement.....						116,129,000

SUPPLEMENTAL SCHEDULE.—*Seventh Federal Reserve District Banking Resources as of December 31, 1918, with classification of Member and Non-member Banks as of February 18, 1919.*

RESOURCES OF MEMBERS, FEDERAL RESERVE BANK OF CHICAGO

	National	State	Total	Percent Members Resources to Total	
				State	All
Cook County—					
Chicago.....	\$ 937,676,277	\$ 667,892,958	\$1,605,569,235	70.93	85.23
Outside Chicago.....	8,643,049	12,521,074	21,164,123	34.05	45.61
Total Cook County.....	\$ 946,319,326	\$ 680,414,032	\$1,626,733,358	69.55	84.28
Illinois—					
Outside Cook County.....	\$ 316,459,846	\$ 34,925,226	\$ 351,425,072	11.79	52.43
Total Illinois.....	\$1,262,779,172	\$ 715,379,258	\$1,978,158,430	56.12	76.06
Indiana.....	299,340,071	32,955,035	332,295,106	9.70	49.30
Iowa.....	367,751,558	86,924,173	454,675,731	14.12	43.38
Michigan.....	274,579,166	498,800,628	773,379,794	68.39	75.18
Wisconsin.....	267,230,475	82,084,645	349,315,120	26.29	60.28
Total.....	\$2,471,680,442	\$1,416,143,739	\$3,887,824,181	43.29	65.55

RESOURCES OF NON-MEMBER BANKS

	State	Private	Total
Cook County—			
Chicago.....	\$ 273,655,145	\$ 4,571,434	\$ 278,226,579
Outside Chicago.....	24,248,849	987,250	25,236,099
Cook County Total.....	\$ 297,903,994	\$ 5,558,684	\$ 303,462,678
Illinois—			
Outside Cook County.....	\$ 261,312,963	\$ 57,616,795	\$ 318,929,758
Total Illinois.....	\$ 559,216,957	\$ 63,175,479	\$ 622,392,436
Indiana.....	306,776,399	35,017,558	341,793,957
Iowa.....	528,805,035	64,625,894	593,430,929
Michigan.....	230,596,347	24,697,635	255,293,982
Wisconsin.....	230,146,399		230,146,399
Total.....	\$1,855,541,137	\$ 187,516,566	\$2,043,057,703

CONSOLIDATED STATEMENT—MEMBER AND NON-MEMBER BANKS

	National	State	Private	Total	Percent of Total
Cook County—					
Chicago.....	\$ 937,676,277	\$ 941,548,103	\$ 4,571,434	\$1,883,795,814	31.77
Outside Chicago.....	8,643,049	36,769,923	987,250	46,400,222	.78
Cook County Total.....	\$ 946,319,326	\$ 978,318,026	\$ 5,558,684	\$1,930,196,036	32.55
Illinois—					
Outside Cook County.....	316,459,846	296,278,189	57,616,795	670,354,830	11.30
Total Illinois.....	\$1,262,779,172	\$1,274,596,215	\$ 63,175,479	\$2,600,550,866	56.15
Indiana.....	299,340,071	339,731,434	35,017,558	674,089,063	11.37
Iowa.....	367,751,558	615,729,208	64,625,894	1,048,106,660	17.67
Michigan.....	274,579,166	729,396,975	24,697,635	1,028,673,776	17.34
Wisconsin.....	267,230,475	312,231,044		579,461,519	9.77
Total.....	\$2,471,680,442	\$3,271,684,876	\$ 187,516,566	\$5,930,881,884	100.00

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