

FEDERAL RESERVE BANK OF CHICAGO

PRESIDENT'S REPORT TO DIRECTORS

ACTIVITIES

FOR THE YEAR 1945

PRESIDENT'S REPORT TO DIRECTORS

ACTIVITIES OF THE HEAD OFFICE AND DETROIT BRANCH
During the Year 1945

COMPARATIVE STATEMENT OF EARNINGS AND EXPENSES
Years 1945-1944

COMPARATIVE STATEMENT OF CONDITION
December 31, 1945 -December 31, 1944

and

STATEMENT OF EARNINGS AND EXPENSES - DISPOSITION OF NET EARNINGS
Years 1914-1945 Inclusive

PROSECUTOR'S REPORT TO DIRECTOR

ACTIVITIES OF THE BUREAU OF INVESTIGATION AND DETECTIVE BRANCH
During the year 1943

COMPARATIVE STATEMENT OF EARNINGS AND EXPENSES
Years 1942-1943

COMPARATIVE STATEMENT OF EXPENDITURE
Fiscal Year 1943-1944

and

STATEMENT OF EARNINGS AND EXPENSES - DEPARTMENT OF JUSTICE
Years 1942-1943

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ACCOUNTING
DEPARTMENT:

Bookkeeping Division functioned 2,614,000 entries during the year 1945 to the accounts of our member banks. This compared with 2,503,000 entries during the year 1944 and reflected an increase of 4.4% which, for the most part, was due to the handling of transactions involving United States financing and redemptions of Savings Bonds. Approximately 90% of our total membership continued to maintain active accounts throughout the year.

Federal Reserve Books Division effected 1,885,000 entries during the year 1945 in maintaining accounts with other Federal Reserve Banks and Branches and with our Detroit Branch. This compared with 1,920,000 entries effected during 1944 and represented a decrease of 1.8% over that year. In addition to the functioning of entries, the investigation and adjustment of errors in cash letters sent direct to other districts by our member banks constituted a substantial part of the work of the division.

General Books Division functioned 358,000 entries during the year 1945. This compared with 377,000 during the year 1944, and represented a decrease of 5%, which was due principally to a new procedure adopted September 1, 1945, in connection with the entering of deposits in the account of the Treasurer of the United States.

BANK EXAMINATION
DEPARTMENT:

Record of Examinations

	<u>Number of Banks</u>
Regular - State member banks - Joint with State Examiners	431
Regular - State member banks - Independent	1
Membership - Joint with State Examiners	8
Membership - Independent	12
Follow-up investigations - Independent	<u>2</u>
Total	<u>454</u>
Trust Departments - State member banks -	
Joint with State examiners	116
Trust Departments - Independent	2
Trust Departments - Membership - Joint with State examiners	4
Trust Departments - Membership - Independent	<u>2</u>
Total	<u>124</u>

BANK EXAMINATION
DEPARTMENT:
(Continued)

With the exception of the 13 Indiana banks listed below, all State member banks and their trust departments were examined at least once during the calendar year of 1945.

<u>Town</u>	<u>Name</u>
Bremen	Bremen State Bank
Cambridge City	The Wayne Trust Company
Clay City	Farmers and Merchants Bank
Columbia City	Citizens State Bank
Columbus	Irwin-Union Trust Company
Connersville	The Central State Bank
Connersville	Fayette Bank and Trust Company
Greensburg	Union Trust Company
Kokomo	Union Bank and Trust Company
Marshall	Citizens State Bank
South Bend	First Bank and Trust Company of South Bend
Veedersburg	The Veedersburg State Bank
Warren	Exchange Bank

We had the assurance of the Director of Financial Institutions for the State of Indiana that he would join us in examinations of all State member banks, but because of lack of help he was unable to complete the schedule. Mr. McCord asked that we defer examinations of the banks mentioned until immediately following January 1, 1946, which under authority from Mr. Paulger we agreed to do.

Applications for State Bank Membership
Acted upon or in Process

Applications approved - Admitted to membership	18
Applications approved - Incomplete	4
Applications withdrawn	5
Applications pending Washington	0
Applications pending in Chicago on December 31, 1945	0
	<u>27</u>

Changes in State Bank Membership during the Year

Number of State member banks as of December 31, 1944	433
New State members	18
Reductions	<u>5</u>
Number of State member banks as of December 31, 1945	<u>446</u>

BANK EXAMINATION
DEPARTMENT:
(Continued)

Reductions - 5

Urbana	Illinois	Busey's State Bank
Converted into Busey First National Bank, effective September 1, 1945.		
Angola	Indiana	The Steuben County State Bank
Converted into First National Bank of Angola, effective August 1, 1945.		
Hammond	Indiana	Mercantile Bank
Converted into Mercantile National Bank of Hammond, effective November 1, 1945.		
Ligonier	Indiana	American State Bank
A voluntary withdrawal, effective June 11, 1945.		
Lohrville	Iowa	The Commercial Savings Bank
A voluntary liquidation.		
Absorbed by Lohrville Savings Bank, nonmember, on January 2, 1945.		

New State Members - 18

Illinois

Chestnut	Bank of Chestnut
Chicago	Devon-North Town State Bank
Geneseo	Central Trust & Savings Bank of Geneseo
Libertyville	First State Bank of Libertyville
Mazon	Mazon State Bank
West Chicago	State Trust and Savings Bank

Indiana

Friendship	The Friendship State Bank
Knox	Farmers Bank and Trust Company
Ligonier	American State Bank
Middletown	Farmer's State Bank

Iowa

Elkader	The Central State Bank & Trust Company
Rock Rapids	Lyon County State Bank
Webster City	First State Bank

Michigan

Sturgis	The Citizens State Bank
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BANK EXAMINATION
DEPARTMENT:
(Continued)

New State Members

Wisconsin

Goodman	Citizens Bank of Goodman
Luxemburg	Bank of Luxemburg
Milwaukee	Lincoln State Bank
Milwaukee	Wisconsin State Bank of Milwaukee

NATIONAL BANKS

Total number of National banks as of December 31, 1944	538
Additions during the year	16
Reductions during the year	<u>4</u>
Total number of National banks as of December 31, 1945	<u>550</u>

Additions - 16

Chicago	Illinois	Commercial National Bank of Chicago A primary organization.
Chicago	Illinois	Marquette National Bank A primary organization.
Lansing	Illinois	First National Bank of Lansing A primary organization.
Leland	Illinois	Leland National Bank A primary organization.
Marseilles	Illinois	Union National Bank of Marseilles A primary organization.
North Chicago	Illinois	National Bank of North Chicago A primary organization.
Rock Falls	Illinois	Rock Falls National Bank A primary organization.
Rockford	Illinois	Central National Bank of Rockford A primary organization.
Rockford	Illinois	City National Bank of Rockford A primary organization.

BANK EXAMINATION

DEPARTMENT:

(Continued)

NATIONAL BANKS

Additions

Urbana	Illinois	Busey First National Bank A conversion of Busey's State Bank, Urbana (member).
Angola	Indiana	First National Bank of Angola A conversion of The Steuben County State Bank, Angola (member).
Hammond	Indiana	Mercantile National Bank of Hammond A conversion of Mercantile Bank, Hammond (member).
Kokomo	Indiana	First National Bank A primary organization.
Ferndale	Michigan	Ferndale National Bank A primary organization. (Detroit territory)
Sturgis	Michigan	First National Bank A primary organization.
Kenosha	Wisconsin	Kenosha National Bank A primary organization.

Reductions - 4

Chicago	Illinois	Continental National Bank and Trust Company of Chicago Consolidated with Continental Illinois National Bank and Trust Company of Chicago. Not a refund.
Cicero	Indiana	The Citizens National Bank of Cicero A voluntary liquidation. Succeeded by Hamilton County Bank, Cicero, Indiana, (nonmember).
Belle Plaine	Iowa	The Citizens National Bank at Belle Plaine A voluntary liquidation. Succeeded by The Citizens State Bank at Belle Plaine, Belle Plaine, Iowa, (nonmember).
De Witt	Iowa	The First National Bank of De Witt A voluntary liquidation. Not succeeded by any other banking association.

BANK AND
PUBLIC RELATIONS
DEPARTMENT:

The bank and public relations program was broadened in scope during 1945 by enlarged objectives and expanded activities. After the Bank and Public Relations Department was formally organized in April, special emphasis was given to matters of administration and procedure in anticipation of an increased bank relations staff and active participation by our officers in our bank and public relations program.

During the year representatives from the Bank made 566 bank relations calls on member banks and 268 on nonmember banks. Officers and employees of the Head Office made 128 formal public addresses in 1945, of which 117 were made by representatives of the Research and Bank and Public Relations Departments. Bankers' group meetings held during the year, numbering 24, were attended by representatives of the Bank.

The Bank and Public Relations Department engaged in several special bank relations projects. Meetings were held in connection with the adoption of the new check routing symbols. About 100 bankers were interviewed in connection with the request by the Board concerning the credit needs of small business enterprise during the reconversion period and the extent to which these credit needs can and will be met by commercial banks. The banks in the Seventh District which are members of the Bankers Association for Foreign Trade were interviewed as a part of the export credit survey conducted upon the request of the Senate Committee on Small Business. The Department is studying the relationship between bank earnings and salaries paid in member banks in Illinois classified by deposit size groups in cooperation with the Committee on Personnel of the Illinois Bankers Association.

BINDERY AND
OLD RECORDS DIVISION:

The number of books bound decreased slightly from 15,730 in 1944 to 15,500 in 1945.

The acquisition of 16,280 square feet of space at 326 South Wells Street on January 1, 1945, materially relieved our warehousing problem involving records, supplies, surplus furniture, building material and equipment, and made possible the release, without penalty, of the 7,191 square feet of rented space at 523 South Plymouth Court which later events had proved would not be needed before the lease on it expired in April 1947. With the use of bank owned trucks the move of 3800 case spaces of records and material was

BINDERY AND
OLD RECORDS DIVISION:
(Continued)

accomplished from the Plymouth Court to the Wells Street space. In addition, 8300 cases of records were moved from the bank and 1000 cases from the Annex at 120 South LaSalle Street to the Wells Street warehouse. Due to the net increase in storage capacity, at present 78% of our warehouse space is occupied compared with 91% in December of 1944, leaving comfortable room for anticipated expansion. Early appraisal of the effects of the recommendations contained in the Report of the Committee on Destruction of Records dated May 24, 1945, indicates a possible saving, by accelerated destruction, of 4000 case spaces of old records storage.

BUILDING DEPARTMENT:

During the year arrangements were made for the first significant reduction in outside rented space, from 139,698 square feet to 94,132 square feet. The largest contribution to this rented space reduction, which will become effective early in 1946, was the acquisition of a large floor, 30,000 square feet, in the Insurance Exchange Building which offers greater economy for any large uniform operation but is especially adapted to the new Treasury business machine method of handling Savings Bond redemptions. Quarters in the 120 South LaSalle Building had mushroomed from an initial 30,000 square feet devoted to the Bond Department Redemption Division to close to 70,000 square feet, with the resulting unavoidable scattering of related divisions among widely separated floors. The availability of the second floor, south, of the Insurance Exchange Building was a fortunate circumstance which will result in lower operating cost even though the market square foot rent has risen along with other well-located loop office space in the past year.

We now hold approximately 50,000 square feet in the Insurance Exchange Building on leases which guarantee tenure to May 1, 1948, at which time we may have recovered from a tenant a practically identical amount of space in this building, and at the same time these leases provide escape for us upon six months' prior notice beginning at the end of the eighteenth month of their terms.

Remaining in the 120 South LaSalle Building, after the moves back to the home building and the Insurance Exchange Building, will be roughly 15,000 square feet of office space occupied by the Army

BUILDING DEPARTMENT:
(Continued)

Bond Custodianship and the Withheld Tax Department, and the large vault in the basement.

During the year no significant alterations were made and, with only a trickle of building supplies like floor covering and sound reduction available due to restriction or ordinary scarcity, only a small amount of this kind of work has been completed. However, our postwar program involving substantial renovation over a period of years was entered upon with the decision of our Board of Directors immediately to let a contract for the air conditioning of the 5th, 6th, 7th, 12th, and 14th floors of this building. At the end of the year it appeared that it would be but a few days before the successful bidder would be awarded the contract. The completion of the air conditioning, that is of the 8th, 9th, 10th, and 13th floors, will follow somewhat later. Foundation work for the conditioning of the entire building will be included in the work immediately contemplated.

The Edison Company has begun a survey of our electrical equipment, looking to conversion of the building's electrical current from direct to alternating which is expected to take place within the next six months. The Edison Company, under its policy of citywide conversion to alternating current production, has timed their inclusion of this building in that plan with our need for alternating current now that we will be investing so much money in new motors for the air conditioning. Under the Utility Commission's orders the Edison Company must reimburse owners for the remaining useful life of their electrical equipment, according to definitely established rules. As Edison's survey has not been completed, we have no close idea of what the cost to us may be.

Preparation for the installation of the new doors on vault No. 4 in the third basement early in 1946 is reported under Currency Operations and is referred to here only to complete the record of work with which the building organization has something to do.

We tabulate below occupied quarters, owned and rented, as at the end of 1945, with parenthetical figures indicating the changes to be effected early in 1946:

BUILDING DEPARTMENT:
(Continued)

<u>Owned</u>	<u>Square Feet Rentable Area</u>	
230 South LaSalle Street	243,963*	
<u>Rented</u>		
166 West Jackson Boulevard	6,000	
120 South LaSalle Street	83,086	(14,829)**
175 West Jackson Boulevard (Insurance Exchange Building, South)	20,945	(50,834)**
725 South Wells Street (warehouse)	6,000	
523 South Plymouth Court (warehouse)	7,191	(-0-)**
326 South Wells Street (warehouse)	16,278	
Security Trust Building, Indianapolis, Indiana	198	
Total	383,661	(338,102)**

* The Federal Reserve Bank Building contains 307,138 square feet, the difference, 63,175 square feet, being rented on term leases to four tenants.

** Space in square feet to be occupied early in 1946.

CAFETERIA:

There were 658,664 meals served in our cafeteria and dining rooms during 1945, against 687,031 in 1944. This was a daily average of 2,221 in 1945, against 2,298 for the year 1944. Included in these figures are light lunches served in the late afternoon and evening, which numbered 511 daily during 1945, against 519 for 1944. The average check for the regular noon meals served in the cafeteria ran 23.8 cents during the year 1945 against 23.3 cents during the year 1944.

Total cafeteria receipts were \$144,735.64 in 1945, against \$145,379.01 in 1944. Meals provided at the expense of the bank totaled 7,664, of which 2,338 were served to business guests of our officers, and 5,326 were served to bank employees on the occasions of complimentary Thanksgiving and Christmas luncheons, and in connection with the sponsor program.

This past year presented many problems involving the severe wartime restrictions and scarcities.

CAFETERIA:

(Continued)

However, we were able to continue to serve a special cafeteria luncheon, which included meat, potatoes, bread, butter, dessert, and beverage, for 25 cents. This year we absorbed \$43,081.71, or 22.9%, of the expense, against \$38,868.20, or 21.1%, in 1944. At the end of the year our percentage of expense absorbed was gaining at a much greater rate than this 1.8% by which the whole year 1945 exceeded 1944.

CASH DEPARTMENT:

The dollar value of currency paid out during the year 1945 amounted to \$2,439,528,000 as compared with \$2,428,013,000 during the year 1944 - an increase of 1%.

The number of pieces of currency paid out during the year 1945 amounted to 416,040,926 as compared with 405,949,900 during 1944 - an increase of 2%.

The dollar value of currency received and counted during the year 1945 amounted to \$2,288,066,259 as compared with \$2,030,278,372 during 1944 - an increase of 13%.

The number of pieces of currency received and counted during the year 1945 amounted to 407,436,858 as compared with 393,812,450 during 1944 - an increase of 3%.

The dollar value of coin paid out during the year 1945 amounted to \$50,187,440 as compared with \$50,553,062 during 1944 - a decrease of 1%.

The number of pieces of coin paid out during the year 1945 amounted to 623,182,449 as compared with 641,472,086 during 1944 - a decrease of 3%.

The dollar value of coin received and counted during the year 1945 amounted to \$38,355,971 as compared with \$36,043,315 during 1944 - an increase of 6%.

The number of pieces of coin received and counted during the year 1945 amounted to 365,658,181 as compared with 323,457,622 during 1944 - an increase of 13%.

The dollar value of coin received from the Mint during the year 1945 was \$13,000,000 as compared with \$16,250,000 during 1944 - a decrease of 20%.

CASH DEPARTMENT:
(Continued)

The number of pieces of coin received from the Mint during the year 1945 amounted to 260,000,000 as compared with 340,000,000 during 1944 - a decrease of 24%.

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Additional vault facilities are required because of the increased currency and coin activities. At the time the vault was built, one section was not completed and required only the installation of a main entrance door, an emergency door, and lowering platform. Contracts were let in 1945 and the installation is now being completed. This section of the vault will increase the capacity by one-third.

CHECK DEPARTMENT:

This department handled 39,544,093 City Checks during the year 1945, with a dollar value amounting to \$35,925,822,000, which is an increase of 4.82% in City Checks handled and 7.17% in the dollar value of City Checks handled compared with the year 1944.

The number of Country Checks handled was 140,058,461, with a dollar value of \$21,829,193,000, which is an increase of 5.59% in Country Checks handled and 7.65% in the dollar value of Country Checks handled, compared with the year 1944.

47,616,923 Government Checks were handled, with a dollar value of \$13,389,841,000, which is an increase of 25.26% in Government Checks handled and a decrease of 13.15% in the dollar value of Government Checks handled compared with the year 1944.

Total number of checks handled for the year 1944 was 227,219,477, with a dollar value of \$71,144,856,000, which is an increase of 9.04% in total checks handled and 2.78% in dollar value of total checks handled compared with the year 1944.

CODES AND
TELEGRAMS DIVISION:

During 1945, 1,050,246 telegrams were handled through the Chicago relay office of the Federal Reserve Leased Wires System (the Chicago "Turret") as against a total of 1,014,738 for the year 1944 - an increase for 1945 of 3.5% over 1944.

CODES AND
TELEGRAMS DIVISION:
(Continued)

During 1945, 156,765 telegrams were handled by the Codes and Telegrams Division of the Federal Reserve Bank of Chicago, as against a total of 163,388 for the year 1944 - a decrease of 4.1% from 1944.

COLLECTION DEPARTMENT:

The number of City items handled during the year 1945 was 37,115, compared with 41,210 during 1944 - a decrease of 9.94%.

The number of Country items handled during the year 1945 was 220,732, compared with 220,646 during the year 1944 - an increase of .04%.

The number of Coupon and Security transactions handled during the year 1945 was 130,634, compared with 138,299 during the year 1944 - a decrease of 5.54%.

CONSUMER CREDIT
DEPARTMENT:

A spot check of the books and records of 3,513 Registrants (vendors for the most part) during 1945 was made in order to determine the extent of compliance of the Registrants' transactions with the provisions of Regulation W. In addition, approximately 7,500 inquiries concerning the Regulation (through correspondence, telephone, and personal interview) were answered and 1,352 new licenses issued.

Three hundred and twenty towns and cities in the district were visited by an investigator at least once (23 for the first time) during the year. Out of the 3,513 investigations conducted, 1,362 disclosed a total of 5,103 violations. The investigators filed detailed reports of their review of 292,898 credit transactions.

In twenty cases the investigations showed that the Registrants were apparently willfully violating the Regulation and in seventeen instances conferences were held with the Registrants (six at the Head Office and eleven at the Detroit Branch).

In response to requests by various organizations, six talks on the Regulation for the purpose of

CONSUMER CREDIT
DEPARTMENT:
(Continued.)

clarifying problems and answering any questions that might be raised were conducted by the Consumer Credit Department (four by the Head Office and two by the Detroit Branch). Under the authority contained in Section 12(m) of the Regulation, the bank granted permission to five department stores and two clothing stores to adopt systems of billing their charge accounts in cycles.

Following a conference at the Head Office on July 10, 1945 attended by two representatives of the Board of Governors, one Registrant in the Detroit area consented to the entry of a court decree restraining it from violations of Regulation W which decree was entered on July 20, 1945 in the District Court of the United States for the Eastern District of Michigan, Southern Division.

The continuation of an apparently willful practice of violating the Regulation by another Detroit area Registrant resulted in a formal hearing which was held at the Detroit Branch on November 9, 1945 before a Hearing Commissioner, appointed by the Board of Governors.

The investigative activity continued to disclose a trend from credit to cash sales and that the Registrants, for the most part, desire that the Regulation be continued at least in some form.

Circular Letters and Amendments mailed

Amendment No. 15 - Mailed 2/6/45	8,685
Amendment No. 16 - Mailed 5/28/45	37,585
Amendment No. 17 - Mailed 7/30/45	13,171
Amendment No. 18 - Mailed 9/26/45	36,951
Amendment No. 19 - Mailed 11/21/45	32,091

Press Release Re: Suspension of Licenses -
Safeway Finance Co. & Local Finance Co.,
St. Louis, Missouri - Mailed 3/15/45

884

Statement for the Press Re: Consumers
Home Equipment Co. Consent Injunction -
Mailed 7/20/45

300

Statement Re: Consumers Home Equipment Co.
Consent Injunction - Mailed 7/20/45

779 130,446

Number of Registrants as of 12/31/45

35,281

CONSUMER CREDIT
DEPARTMENT:
(Continued)

Number of Registration Statements Received	1,267
Number of Registration Statements Cancelled	1,060

DISBURSING
DEPARTMENT:

The activities of this department remained at about the same level as in 1944. Expense items covering bank operations, for a total of \$5,654,592.35, were functioned during the year, as compared with \$5,904,737.37 for the previous year - a decrease of 4.2%. Fiscal Agency expense charges functioned, including the prepayment of emergency expenses incurred by the State War Finance Committees in this district on account of War Loan Drives and payments made to Qualified Agents for cashing United States Savings Bonds, for which monthly vouchers were submitted to 30 Governmental agencies or subsidiaries, totaled \$7,265,488.38, as compared with \$5,197,341.26 for the previous year - an increase of 39.8%.

DISCOUNT AND
CREDIT DEPARTMENTS:

Advances to Member Banks

Member bank borrowings during the year 1945 increased somewhat over previous years. During the year the Head Office made 357 advances to member banks aggregating \$429,002,000, all of which were secured by United States Government obligations. The primary purpose of the borrowings was to replenish reserve accounts. The maximum member bank borrowings outstanding as of any one day was \$21,950,000 on March 31, 1945, to assist banks in meeting their deposit withdrawals over the April 1 tax date. Otherwise, the amount of borrowings as of any one day was relatively small and a negligible factor in the amount of outstanding Federal Reserve credit.

Guarantees under Regulation V.

With the cessation of hostilities following V-J Day, there was a marked decline in the activities relating to the issuance of guarantees on behalf of the War Department, the Navy Department, and the United States Maritime Commission. During the year 1945, 238 guarantees were approved and issued, having an aggregate amount of

DISCOUNT AND
CREDIT DEPARTMENTS:
(Continued)

\$244,328,750. While it had been expected that a substantial volume of applications would be received in connection with termination guarantees following cessation of hostilities, the demand for such assistance was relatively small. Out of the total of 238 guarantees issued during the year 1945, 123 were termination guarantees, in an aggregate amount of \$82,810,000.

Only one financing institution exercised its right to request the Guarantor to purchase the guaranteed portion of the loan during the year. This was in the case of Littelfuse, Inc., a company which encountered financial difficulties. The First National Bank of Chicago requested that the War Department purchase 90% of the outstanding loan. The purchase was made on September 28, 1945, and amounted to \$256,918.31. This loan is being given close attention and it is believed that the company will in due time liquidate the indebtedness without loss to the War Department.

Since the inception of the V loan program in March 1942, 1682 guarantees have been issued through the Head Office in an aggregate amount of \$1,461,484,000. Of that number 7 encountered difficulties which resulted in the exercise of the rights under the guarantee agreements by the financing institutions. Over the four-year period the 7 purchases of loans made on behalf of the War Department aggregated \$1,423,878. These purchased loans on the whole have liquidated very satisfactorily and it appears will in all instances be paid in full with the exception of the loan of Boardman Manufacturing Company, on which a loss of \$13,551 has been sustained, and the Goshen Veneer Company, on which a loss of approximately \$120,000 is anticipated by the Guarantor.

Guarantee fees collected during the year for credit to the Guarantors aggregated \$1,600,972.88, and commitment fees collected aggregated \$238,134.34, making total guarantee and commitment fees collected \$1,839,107.22. Our expenses incident to handling the Regulation V activities aggregated \$144,044.

FEDERAL RESERVE
NOTE ISSUE DEPARTMENT:

Federal Reserve Notes received from Washington by the Federal Reserve Agent amounted to \$538,000,000 during the year 1945 - a decrease of 64.89% compared with the amount received in the year 1944.

Federal Reserve Notes issued to the Federal Reserve Bank of Chicago, by the Federal Reserve Agent during the year 1945 amounted to \$985,750,000 - a decrease of 10.27% compared with the amount issued in the year 1944.

CAPITAL STOCK

	<u>Paid-In Capital</u>	<u>No. of Members</u>
December 31, 1945	\$21,073,650	996
December 31, 1944	<u>19,598,700</u>	<u>971</u>
Increase	<u>\$ 1,474,950</u>	<u>25</u>
New members		31
Memberships terminated		6
Number of Adjustments in stock holdings due to increases in capital and surplus		815
Number of adjustments due to decreases in capital and surplus		9

FILES DIVISION:

In the General Files, material received from both bank and fiscal agency operations at the main bank building totaled 1,600,000 pieces, which were collected and received, indexed, sorted, and filed as compared with 1,800,000 pieces for the previous year. Calls for individual items at the service desk by auditors and checkers dropped from an average of 130 requests daily in 1944 to 88 in 1945. The decrease, both in pieces received and the number of service calls, is due to change in fiscal agency operations.

FOREIGN FUNDS
CONTROL DIVISION:

The following are details of fiscal agency operations for the Treasury Department handled by the Foreign Funds Control Division during 1945:

FOREIGN FUNDS
CONTROL DIVISION:
(Continued)

License applications received	5,485
License applications forwarded to Washington	712
License applications acted on by the Federal Reserve Bank of Chicago	4,773
Reports on Form TFR-300 of all foreign- owned property subject to the jurisdiction of the United States, received	63
Reports on Form TFR-300 forwarded to Washington	63
Reports on Form TFR-500, relating to property in foreign countries in which on May 31, 1943, persons subject to the jurisdiction of the United States had an interest, received	64
Reports on Form TFR-500 forwarded to Washington	64

	<u>Number of Mailings</u>	<u>Mailing List</u>	<u>Total Pieces</u>
Public Documents	24	3,200	160,000
The Proclaimed List of certain Blocked Nationals	11	3,250	35,750
Special Blocked Nationals	31	34 (87 pieces)	2,958
*Miscellaneous	11	3,200	<u>38,950</u>
			<u>237,658</u>

* Includes 3 mailings of Instructions re TCR-1 Currency
Reports - 4,450 pieces in each mailing.

In addition 53,400 TCR-1 reports were mailed with
the above mentioned Instructions and all requests
for additional copies were filled by mailing and
by delivery at the window.

GOVERNMENT BOND
DEPARTMENT:

Operations for the year indicate an increase in the
number of savings bonds received for redemption,
whereas a decrease is noted under the volume of
savings bonds and other marketable securities is-

GOVERNMENT BOND
DEPARTMENT:
(Continued)

sued against sales. During the year only two War Loans Drives were handled, whereas during 1944 there were three War Loan Drives.

The dollar value of subscriptions and applications to the Seventh and Victory Loan Drives in 1945, exclusive of purchases by commercial banks for their own accounts under deposit formula, are as follows:

	<u>Sales</u>	<u>Quota</u>
Seventh War Loan Drive	\$3,758,600,000	\$2,162,000,000
Victory Loan Drive	<u>2,938,200,000</u>	<u>1,588,000,000</u>
Totals	\$6,696,800,000	\$3,750,000,000

(Figures above represent sales covering the entire states of the district, and are not merely the figures for the Seventh District.)

Comparative figures for the year 1945 with 1944 for the operations listed below are exclusive of operations by our Detroit Branch.

New Issues

Exclusive of Series E Sales by Agents

	<u>1945</u>	<u>1944</u>	<u>Percentage of Change</u>
Number of Subscription and application forms received	755,000	993,000	-23.9
Number of Subscribers involved	1,138,000	1,540,500	-26.1
Amount of Subscriptions and applications received	\$28,868,150,000	\$27,875,765,000	+ .3
Amount of Subscriptions and applications allotted	\$17,112,000,000	\$17,928,514,000	- .4

Series E Savings Bonds
Sales by Issuing Agents

Number of Pieces	24,792,000	31,414,000	-21.0
Maturity Value	\$ 1,463,700,000	\$ 1,751,271,000	-16.4
Number of Qualified Issuing Agents (Dec. 31)	4,259	4,550	- 6.4

GOVERNMENT BOND
DEPARTMENT:
(Continued)

U. S. Savings Bonds Redeemed
All Series

Paying Agents commenced functioning October 1, 1944

	<u>1945</u>	<u>1944</u>	<u>Percentage of Change</u>
<u>Number of Pieces</u>			
By Paying Agents	23,071,000	5,200,000	+343.6
By F.R.B.	<u>564,000</u>	<u>10,679,000</u>	- 94.7
Total Pieces	23,635,000	15,879,000	+ 48.8
 \$25. pieces (included in above)	18,508,000	13,282,000	+ 39.3
 <u>Redemption Value</u>			
By Paying Agents	\$676,765,000	\$140,186,000	+382.7
By F.R.B.	<u>74,965,000</u>	<u>330,553,000</u>	- 77.3
Total Redemption Value	\$751,730,000	\$470,739,000	+ 59.6
 Number of qualified Paying Agents	2,265	2,110	+ 7.3

Other Bonds/Notes/Certificates/
Bills - Redeemed

Number of Pieces	838,000	562,000	+ 49.1
Maturity Value	\$10,450,000,000	\$10,776,888,000	- 3.0

U. S. and Other Governmental Agency
Coupons Redeemed

Number of Pieces	2,054,000	2,086,000	- 1.5
Dollar Value	\$107,884,000	\$87,447,000	+ 23.3

Denominational Exchanges
Marketable Issues

Pieces Received	154,000	96,000	+ 60.4
Pieces Issued	88,000	90,000	- 2.2
Maturity Value	\$1,522,525,000	\$1,158,299,000	+ 31.4

C.P.D. Transfers

Pieces Received	40,800	40,600	+ .49
Maturity Value	\$2,912,147,000	\$2,746,111,000	+ 6.0
Pieces Issued	23,300	26,200	- 11.0
Maturity Value	\$2,369,386,000	\$1,646,749,000	+ 43.8

GOVERNMENT BOND

DEPARTMENT:

(Continued)

War Loan Deposit Account

	<u>1945</u>	<u>1944</u>	<u>Percentage of Change</u>
Number of qualified Depositories (December 31)	1,658	1,606	+ 3.2
Depository Bank balances (December 31)	\$2,954,190,000	\$2,457,642,000	+ 20.2
Number of payments handled	390,000	370,000	+ 5.4

Bond Custodian

Number of Pieces received from Treasury Department	27,766,000	35,361,000	- 21.4
Number of Pieces prepared for delivery	25,625,000	32,810,000	- 21.9

Incoming Security Mail

Number of Pieces of mail received	494,600*	2,651,600	- 81.3
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* Reflects payment of saving bonds by paying agents.

Shipping and Delivery

Number of Pieces shipped	25,809,000	33,119,000	- 22.0
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INVESTMENT DEPARTMENT:

U. S. SECURITIES PURCHASED

<u>1945</u>	<u>1944</u>		<u>1945</u>	<u>1944</u>
2541	3662	Transactions-Member Banks and Others	\$ 117,467,250	\$ 161,061,250
119	200	" Other Fed.Res. Banks	6,793,900	10,610,650
-	22	" Retirement System	-	12,635,000
1954	2082	" Repurchase Agreement	11,863,079,000	10,534,855,000
2	-	" " other		
		F.R.Bks.	175,000,000	-
4616	5966		\$12,162,340,150	\$10,719,161,900

INVESTMENT DEPARTMENT:
(Continued)

OTHER SECURITIES PURCHASED

<u>1945</u>	<u>1944</u>		<u>1945</u>	<u>1944</u>
55	23	Transactions-Member Banks and Others	\$ 507,500	\$ 142,000
-	<u>1</u>	" Retirement System	-	200,000
55	24		\$ 507,500	\$ 342,000

U. S. SECURITIES SOLD

6958	5230	Transactions-Member Banks and Others	\$ 90,698,150	\$ 84,339,400
417	394	" Other Federal Res.Bks.	3,279,650	6,102,000
-	8	" Retirement System	-	7,310,000
1398	1357	" Repurchase Agreement	8,499,762,000	7,452,878,000
2	-	" " (Other F.R.Bks.)	175,000,000	-
<u>947</u>	<u>987</u>	" " (Matured)	<u>3,344,351,000</u>	<u>2,955,551,000</u>
9722	7976		\$12,113,090,800	\$10,506,180,400

OTHER SECURITIES SOLD

49	68	Transactions-Member Banks and Others	\$ 259,900	\$ 304,500
-	<u>54</u>	" Retirement System	-	2,284,000
49	122		\$ 259,900	\$ 2,588,500

LEGAL DEPARTMENT:

The activities of this department have continued to be extensive during 1945. An Assistant Counsel has been assigned to the Personnel Department to handle legal questions and to assist in dealing with administrative problems arising under the War Manpower, Selective Service, Veterans' Administration, Fair Labor Standards, Salary Stabilization and Withheld Tax Regulations. An Assistant Counsel has also been assigned to the Detroit Branch where he is in immediate charge of its numerous legal matters, as well as being the administrative head of its Consumer Credit Department. Another member of this department has devoted most of his time in the review of Regulation V Loan Agreements and the preparation of guarantee agreements and supplements thereto for this bank as Fiscal Agent for the War and Navy Departments. The Federal Reserve Share-the-Loss Program which became effective

LEGAL DEPARTMENT:
(Continued)

January 1, 1945, has its activities centered here as the chairman of the System Insurance Committee is located at this bank. General Counsel in this department handles an extensive amount of legal matters and assists in the administrative work for the Committee, also, an Assistant Counsel serves as Secretary of such Committee.

Other legal matters handled by this department include the following: extensive correspondence and conferences with officials of member banks concerning regulations and rulings of the Board of Governors and other legal matters; examination and approval of all applications for membership, applications of National banks to exercise fiduciary powers and all documents evidencing changes in the corporate status of State member banks and trust companies; correspondence with and preparation of legal memoranda for Board of Governors, as well as frequent consultation with its members and staff; examination and approval of leases for additional space in other buildings; examination and approval of contracts entered into by this bank for various types of services, including the negotiation of a revised Fiscal Agency contract with the Reconstruction Finance Corporation; examination and approval of indemnifying bonds and court orders relating to special custody deposits of securities by member banks; protesting of real estate tax rates on our bank building; numerous questions relating to our safekeeping and check clearing operations and to our Fiscal Agency functions for the Treasury Department and the Reconstruction Finance Corporation; claims and related correspondence arising under our bankers' blanket bond and numerous questions in connection with our administration of Foreign Funds Control regulations, including supervision of the Foreign Funds Control Department in the absence of the senior officer in charge.

This department has continued its close association with the officers in charge of the Consumer Credit Department in the administration and enforcement of Regulation W. During the latter part of the year, the General Counsel, acting as Counsel for the Board of Governors, conducted the first System Administrative Hearing before a Hearing Commissioner in the offices of the Detroit Branch to assist the Board in determining whether or not, on the basis of various violations, it should revoke the license of a registrant under Regulation W doing a credit business in that area.

MAIL DIVISION:

As shown below, sharp reduction took place in the number of pieces of ordinary mail received and dispatched during the year, the assumption by individual banks of over-the-counter savings bond redemption being the principal contributing factor.

Introduction of a mechanical sorting device for consolidating mail made a gratifying contribution to the accuracy record and apparently saved a large part of its cost in the first year of operation.

	<u>1945</u>	<u>1944</u>	<u>Decrease</u>	<u>Percent</u>
Total Pieces Received	2,301,540	3,091,624	790,084	25.56
Total Pieces Dispatched	4,749,778	8,778,106	4,028,328	45.89

MEMBER BANK
ACCOUNTS DIVISION:

Analyses reflected 284 assessable deficiencies in reserves of 181 banks (Head Office territory) for computation periods ending in the year 1945. Penalties covering these deficiencies amounted to \$5,187.20 and were assessed in accordance with regulations. Comparative figures for computation periods ending in the year 1944 reflected 267 deficiencies in the accounts of 200 member banks involving assessments totaling \$5,576.75. The maximum number of penalties assessed against any one bank during 1945 was eight (weekly basis - in one instance) as against seven (in one instance) during 1944.

The reserves of all member banks in the Seventh District for the year 1945, adjusted on the basis of semi-monthly periods, reflected a maximum excess over requirements of \$233,000,000, or 11.05%, for the period December 16-31, and a minimum excess of \$128,000,000, or 6.24%, for the period April 16 - 30. Maximum and minimum excess reserves over requirements for the year 1944 were \$188,000,000, or 10.48%, and \$120,000,000, or 6.68%, and occurred during the periods of July 1 - 15 and April 16 - 30, respectively.

OFFICE MACHINE
REPAIRS DIVISION:

The usual service was maintained by this division throughout the year on a peak amount of purchased and rented mechanical equipment in use in the bank and

OFFICE MACHINE
REPAIRS DIVISION:
(Continued)

fiscal agency divisions. This work was carried on under conditions similar to those existing during the preceding several years and included the improvising of parts by our mechanics in instances where replacements could not be secured from the suppliers.

PERSONNEL DEPARTMENT:

Recruitment of New Employees

The Counselor for Women and two of the interviewers have called on the Placement Counselors at the various high schools throughout the Chicago area, visiting informally with them, and acquainting them with the opportunities in the Bank for high school graduates.

In addition, the Placement Counselors have been invited individually to come to luncheon in the Bank with the Manager of Personnel, Assistant Manager, Counselor for Women, and the interviewers. During their visit, they were shown various departments of the Bank and the types of positions offered.

Counseling

Between 150 and 300 employees each month came to the Counselor for Women in 1945 either voluntarily or upon recommendation for some type of counseling. Briefly, the kinds of problems presented most frequently were: vocational, family, social, economic, educational, health, emotional, and housing. In these interviews, the Counselor acted as liaison between management and personnel.

Similar problems arose in the case of the men in the Bank, although not in the same proportion, and were handled by the Manager, Assistant Manager, and occasionally by the interviewers.

Medical

For the year 1945, the following is an outline of the activities of the Medical Department:

Physical Examinations	781
New Medical Cases	31,136
New Surgical Cases	5,101
Repeat Medicals	16,427
Repeat Surgicals	768
Re-Examinations	203
Total	54,416
Cases Sent Home	901
Visiting Nurses' Visits	1,174
Cases Referred	1,367

PERSONNEL DEPARTMENT:
(Continued)

Recreational Library

In January, 1945, a branch of the Chicago Public Library was opened in the Bank to make available to employees all types of recreational reading material. There are more than 1200 employees registered, and the total monthly circulation exceeds 1000 books.

Training Within Industry

In 1945, 61 employees completed the Job Instruction Training satisfactorily, 9 employees completed the Job Relations Training, and 9 employees completed the Job Methods Training.

American Institute of Banking

During 1945, there were 194 class (including January and September enrollments) enrollments in A.I.B. courses. Of this number, all but 48 of the courses were taken by women of the Bank.

Personnel Figures

Year end figures of employees (excluding officers and extra help) 1944-1945 inclusive are:

	<u>Men</u>	<u>Women</u>	<u>Total</u>	<u>Annual Salaries</u>
December 31, 1944	862 29%	2102 71%	2964	\$5,489,732.00
1945	823 31.5%	1793 68.5%	2616	5,424,216.00

During the year 621 persons (excluding extra help) were hired and 913 left the Bank. A total of 2,452 applicants were interviewed.

Since September 1, 1940, 373 employees have left to enter Military Service. Of this number 339 were men and 34 were women.

Payroll and Related Figures

There were approximately 5000 (including extra help and out-of-records cases) detailed earnings and W-2 forms prepared for 1945. The following five items suggest in round figures the money involved:

PERSONNEL DEPARTMENT:
(Continued)

Gross Salaries	- over	\$6,000,000
Tax Withheld	- "	835,000
Overtime Pay	- "	600,000
Retirement Deductions	- "	370,000
Bond Deductions	- "	370,000

There were also leave deductions, supper money, Hospital Plan dues, Community Fund deductions, loan repayments and notary fees to be accounted for in the records. Over 80,000 payroll checks were prepared.

PLANNING DEPARTMENT:

Methods Division

During the year the Methods Division continued its work of development and improvement of the Bank's systems and procedures. Among the larger assignments handled were an overall survey of the Bank's personnel and payroll records, the installation of a revised reissues routine in the Government Bond Department, and a survey and analysis of the Bank's forms and printing. Extensive systems research work was carried out for the Treasury Department regarding the revision of procedures within the Federal Reserve Banks and the Bureau of the Public Debt in connection with the handling of redeemed United States Savings Bonds.

A portion of the department's effort was directed toward the preparation of the Bank's systems for the multitude of improvements in mechanical equipment and procedure techniques that will be available within the next few years. Basic plans were completed looking toward the application of improved methods to future revisions, and the assembling of information and 'know-how' so that the Bank's management may make future systems decisions as improved methods are available, without the necessity of waiting for the completion of all research at that time.

Cost Division

The Bank's monthly Expense and Operations Reports and the Federal Reserve Board's Functional Expense Reports were compiled and distributed to all departments in the Bank.

PURCHASING DEPARTMENT:

During the year 1945 the Purchasing Department issued 8,496 purchase orders, totaling approximately \$636,000, for building and office supplies, printing and stationery, furniture and equipment, and for such other expenses as were necessary to the conduct of our business. These figures compared with 10,171 orders, with a dollar value of \$861,000, during 1944, and represent a decrease of 16.5% in the number of orders and 26.1% in the dollar value over that year.

Inventories were maintained at levels slightly below those of 1944 and prices in general continued the slight upward trend noted in the preceding year.

The activities of the related Stock Room, Print Shop, and Addressograph Sections continued at a high level particularly with respect to Treasury financing and associated transactions.

RATION CHECK DEPARTMENT:

This department handled 8,233,759 ration checks during the year 1945 compared with 8,798,778 handled during the year 1944 - a decrease of 6.42%.

R.F.C. and C.C.C.
CUSTODY DIVISIONS:

The RFC Custody Division which acts as Fiscal Agent and Custodian for the Reconstruction Finance Corporation and its affiliated Corporations made disbursements during the year totaling \$601,069,000., compared with total disbursements of \$745,264,000 for the year 1944. Receipts for the year 1945 aggregated \$176,820,000., compared with \$132,537,000. for the year 1944.

Disbursements in connection with loans, investments and purchases directly for account of the RFC during the year 1945 aggregated \$45,429,000. while receipts amounted to \$77,134,000., compared with \$28,992,000. in disbursements and \$57,262,000. in receipts for the year 1944. Of the 1945 totals, disbursements in connection with the Surplus Property Disposal Program were \$3,776,000. and receipts \$17,719,000. Other transactions in connection with the war effort were largely represented by loans to industry, disbursements aggregating \$41,023,000. and receipts \$48,984,000.

R.F.C. and C.C.C.
CUSTODY DIVISIONS:
(Continued)

Several of the RFC Subsidiary Corporations which had been organized to handle separate activities in connection with the Defense Program were dissolved during the year 1945. These Corporations were the Defense Plant Corporation, Defense Supplies Corporation, Rubber Reserve Company and Metals Reserve Company. The activities formerly handled for these subsidiaries have been handled since July 1, 1945 in practically the same manner except that they come differently under the RFC Offices of Defense Plants, Defense Supplies, etc. Disaster Loan Corporation was also dissolved effective July 1, 1945, and its activities assumed by the RFC.

Although a large volume of transactions in connection with Defense Plants and Defense Supplies continued during the year 1945, the volume was somewhat less than during the previous year. Disbursements and receipts in connection with Defense Plants were \$40,420,000. and \$41,157,000. respectively in 1945, compared with \$106,982,000. and \$40,140,000. respectively in 1944. Disbursements and receipts in connection with Defense Supplies Programs were \$511,777,000. and \$31,317,000 respectively in 1945, compared with \$597,603,000. and \$20,598,000. in 1944.

Sales of a large number of mortgages which had been held for account of The RFC Mortgage Company and the Federal National Mortgage Association accounted for increases in receipts in connection with these activities. For the year 1945, receipts totaled \$7,223,000. and \$7,091,000. respectively, compared with \$5,379,000. and \$2,409,000. respectively for 1944.

Receipts in connection with loans and rental agreements entered into by Smaller War Plants Corporation and transferred to Reconstruction Finance Corporation for servicing, increased from \$5,324,000. in 1944 to \$12,186,000. in 1945.

The aggregate number of transactions handled during the year 1945 was 1,242,723, compared with 1,458,601 in 1944.

The CCC Custody Division handles transactions as Fiscal Agent and Custodian for the Commodity Credit Corporation. The total disbursements for account of this Corporation during the year 1945 amounted to

R.F.C. and C.C.C.
CUSTODY DIVISIONS:
(Continued)

\$804,268,000. and the total of receipts was \$252,829,000. These totals were lower than the aggregate amounts disbursed and received for the year 1944, which were \$1,463,697,000. and \$365,057,000., respectively.

Reduction in the amounts of purchases during 1945 under the Lend Lease Commodities Purchase Program accounted for the difference in the total of disbursements between the two years. Disbursements under this program in 1944 amounted to \$1,041,354,000. whereas the total for 1945 was \$376,016,000. The difference between the total receipts for the two years was partially due to the 1944-45 Dairy Products Purchase Program under which the proceeds of sales of butter and cheese were not remitted to the Fiscal Agent during the year 1945 as had been done under the 1943-44 program which was handled during the previous year. However, remittances under the current 1945 Dairy Products Purchase Program which started in the latter part of 1945, were made to this Bank as Fiscal Agent. Receipts in connection with Dairy Products Purchase Programs amounted to \$72,851,000. in 1944 and but \$4,285,000. in 1945. Disbursements under these programs amounted to \$56,023,000. in 1945 against \$52,992,000. in 1944.

Disbursements and receipts in connection with various Grain Loan and Purchase Programs as well as some Subsidy and Price Support Programs administered by the Production and Marketing Administration, Grain Branch, Chicago Office, totaled \$206,207,000. and \$215,908,000., respectively in 1945 compared with \$234,201,000. and \$265,083,000. in 1944.

A large number of drafts drawn against Commodity Credit Corporation by County Agricultural Conservation Committees of the Agricultural Adjustment Administration and other paying agents in payment of subsidies in connection with production of milk, beef, sheep, cheese and other commodities were paid by the Division during the year 1945. The total number of such drafts was 2,989,156 and the amount \$145,241,000. For the year 1944 the number of drafts was 2,889,035 and the amount \$110,428,000.

The total number of items handled for Commodity Credit Corporation during the year 1945 was 9,193,757, compared with 4,149,084 in 1944. The

R.F.C. and C.C.C.
CUSTODY DIVISIONS:
(Continued)

increase was due to re-listing and shipping to the several CCC Regional Offices during the year 1945, of all drafts paid during the year as well as those paid during the previous year.

RESEARCH DEPARTMENT:

During 1945 the Research Department strengthened further the position of the Bank as a regional center of economic information and leadership. The regular publications, statistical series, and economic studies were continued. An estimated 8,000 inquiries from banks, business firms, and Government agencies were answered. Upon request by banks, farm advisers and county agents, business firms, and schools, 43,500 reprints were distributed of the Business Conditions article on "Soil Depletion--A Challenge to Farming". The research staff played an important role in the successful initiation of the School of Banking at the University of Wisconsin. The weekly Agricultural Letter was well received by Seventh District country bankers. After V-J day, a series of press releases summarized the results of the inquiry into the impact of the war upon the Chicago industrial area which was undertaken with the cooperation of the Chicago Committee for Economic Development and the Chicago Association of Commerce. Continuing study is being made of the postwar problems and prospects of the industrial and agricultural areas of the Seventh District.

Continued emphasis was placed upon services rendered by the research staff to officers and departments within the Bank. A series of luncheon meetings was held with representatives of the Bank Examination and Bank Relations Departments to discuss current developments in banking. A thorough study was made of T-loans authorized by the Bank. Twenty-five discussions were given at the meetings of the Executive Committee during the year. Plans were made for a series of periodic meetings with officers and senior employees of the Bank for lectures and discussions on the role of the Federal Reserve System in the modern economy as an important part of the program of executive training and development.

SAFEKEEPING DEPARTMENT:

The total amount of securities received during 1945 was \$38,000,981,097 as compared with \$35,271,596,575 during 1944, an increase of 8%.

Securities released during 1945 amounted to the sum of \$37,257,570,997 as compared with \$34,601,517,211 during 1944, an increase of 7%.

Total securities held at close of business December 31, 1945, amounted to \$5,910,867,776, compared with \$5,167,457,677 as of December 31, 1944, an increase of 14%.

Number of receipts outstanding at close of business December 31, 1945, was 60,164 as compared with 58,551 as of December 31, 1944, an increase of 3%.

Number of pieces held at close of business December 31, 1945, was 409,613 as compared with 379,066 as of December 31, 1944, an increase of 8%.

Number of coupons detached from securities on coupon maturity dates was 836,146 as compared with 860,288 on December 31 of the respective years 1945 and 1944, a decrease of 3%.

Total amount of coupons detached and credited as of December 31, 1945, amounted to \$106,166,894 as compared with \$87,471,200 as of December 31, 1944, an increase of 21%.

TELEPHONE DIVISION:

Local out-going calls decreased from an average of 28,800 calls per month in 1944 to 28,470 in 1945. Four hundred and forty-six terminals were in operation in December 1945 as compared with 449 in 1944. Public telephones, in addition to relieving the traffic on the bank lines of employees' personal calls, netted a revenue from the Telephone Company of \$1,133.39.

WAR BOND CUSTODY
DEPARTMENT:

There was a marked decrease in receipts of United States Savings bonds from Army personnel after V-E Day. In April, 1945, receipts numbered 41,061 as

WAR BOND CUSTODY
DEPARTMENT:
(Continued)

compared with 14,918 in December, 1945.

As service men were released, bonds were withdrawn from custody. Withdrawals in April, 1945, were 11,937 as compared with 52,580 in December, 1945.

Safekeeping of U. S. Savings Bonds
for Army Personnel

	<u>1945</u>	<u>1944</u>
Bonds received	\$16,065,140	\$25,713,295
No. of deposits	321,572	582,251
Bonds released	\$12,397,790	\$ 4,573,110
No. of releases	57,119	41,966
Total held at close of business December 31	\$37,835,435	\$34,168,085

Safekeeping of U. S. Savings Bonds
for Public

Bonds received	\$ 9,961,913	\$ 9,450,900
No. of deposits	30,098	29,204
Bonds released	\$ 4,225,375	\$ 3,125,000
No. of releases	12,844	8,112
Total held at close of business December 31	\$45,039,961	\$39,303,424

WIRE TRANSFER
DIVISION:

153,974 transfers of funds were made during the year 1945, compared with 152,228 during the year 1944 - an increase of 1.15%.

The dollar value of the transfers made during the year 1945 amounted to \$36,149,724,000, compared with \$35,232,170,000 during the year 1944 - an increase of 2.60%

WITHHELD TAX
DEPARTMENT:

As of the close of the year 1945 there were 1689 banks in District No. 7 qualified as Depositaries for "Withheld Taxes". 1542 of these Depositaries were located in our Head Office territory and 147 were in the Detroit Branch territory. Here at

WITHHELD TAX
DEPARTMENT:
(Continued)

the Head Office, Depositaries during the year 1945 paid to us approximately 996 millions of dollars represented by over 505,000 receipts which were issued by these Depositaries to employers for the 20 per cent withheld tax deducted from salaries and wages paid to their employees.

Offices of the Internal Revenue Department deposited with us at the Head Office their certificates of deposit amounting to approximately 1055 millions of dollars represented by over 545,000 receipts.

1681 receipts were reported during the past year by employers, as either lost or not received, necessitating the issuance of duplicate receipts by the Withheld Tax Department.

* * * * *

DETROIT BRANCH

1945

1945 has been a year of continued activity for the Detroit Branch. In general, this activity in most departments was about on par with the previous high year.

The ending of the war in both the European and Japanese theatres resulted in the following changes: On August 31 the Branch returned to a forty-hour work week, from a forty-four hour week; on September 30 the City of Detroit returned to Eastern Standard Time, and on October 31 the Liaison Office of the War Department at the Branch was discontinued.

From a banking standpoint, the most important piece of legislation passed by the Michigan legislature during the year, was the Anti-Branch Bank Bill which went into effect on April 4.

On March 3 a contract was let for razing the building at 140 West Fort Street, known as the old Peninsular Bank Building, the site of which was acquired for the land in January. The demolition of this building was a start on the new building program aimed to give the Branch suitable and adequate quarters to carry on its activities under one roof. The Branch is still occupying 19,000 feet in each of two buildings outside the main bank. Inasmuch as both of these buildings are owned by separate interests--one of which intends to occupy and the other which may sell--a constant hazard is present of having to find space elsewhere.

An active Bank Relations program did not get under way until the lifting of gasoline rationing which permitted automobile travel. 192 calls were made on member and non-member banks, and 169 of these calls were made after October first. During the year, representatives of the Branch also attended eleven group meetings or other bankers' meetings sponsored by the Michigan Bankers Association.

ACCOUNTING RESERVES:

The following tabulation indicates that reserve city banks maintained excess reserves at minimum levels, while country banks maintained substantial excess reserves:

D E T R O I T B R A N C H

ACCOUNTING RESERVES:
(Continued)

<u>City Banks</u>	<u>Per Cent of Excess</u>	
	<u>1944</u>	<u>1945</u>
High	2.6%	3.8%
Low	0.5%	0.5%
Average	1.4%	1.4%
Last period of year	1.4%	1.9%
 <u>Country Banks</u>		
High	31%	25%
Low	17%	15%
Average	22%	19%
Period Ending Dec. 15	25%	22%

During 1945 there were twenty-seven deficiencies in reserve balances involving sixteen member banks, compared with twenty-four and sixteen, respectively, in the preceding year.

BANK EXAMINATIONS DEPARTMENT:

All state member banks in the Lower Peninsula were examined during the year. Four re-examinations were made.

CASH DEPARTMENT:

			<u>Percentage relation to 1944 activity</u>
Currency Deposits:	Number of notes	87,233,275	1.9% inc.
	Amount	\$549,852,408	.2% "
Currency Payments:	Number of notes	102,194,501	5.5% dec.
	Amount	\$670,410,367	17.8% "
Coin Deposits:	Number of coins	22,327,674	20% dec.
	Amount	\$ 2,268,807	5.8% inc.
Coin Payments:	Number of coins	86,143,995	36.6% dec.
	Amount	\$ 6,233,660	32.3% "

DETROIT BRANCH

CHECK DEPARTMENT:

	<u>1945</u>	<u>Percentage relation to 1944 activity</u>
Number of items - City	10,852,000	1% inc.
Country	15,647,000	3% "
Government	<u>6,828,000</u>	11% "
Total	33,327,000	4% "
Dollar amount of checks handled	\$16,289,468,000	9% dec.
Ration Checks O.P.A. -		
Items	1,228,000	-
Representing	9,065,439,000 (units)	23% inc.

COLLECTION DEPARTMENT:

		<u>Percentage relation to 1944 activity</u>
Number of items -		
City	22,190	4% dec.
Country	19,180	0
Coupons	20,536	4% dec.
Purchases and Sales of Securities	<u>1,676</u>	1% dec.
Total	63,582	3% dec.

CONSUMER CREDIT - REGULATION W:

Investigations made	931
Disciplinary Conferences held	7
Cash Reports	169
Special Calls	64

On July 20, 1945, there was secured in U. S. District Court, a Consent Decree restraining Consumers Home Equipment Co. and its president from violating Regulation W. On November 9, 1945, a formal hearing was held in this office before a Commissioner appointed by the Federal Reserve Board with respect to violation of Regulation W on part of Motor City Credit Jewelry Company. Both of these disciplinary actions were "firsts" in the history of Regulation W.

DETROIT BRANCH

DISCOUNT AND CREDIT DEPARTMENTS:

Several banks continuing their policy of maintaining a fully invested position and minimum cash reserves, made use of our credit facilities for temporary periods to adjust their reserve positions. Of the seven banks accommodated, three were located in Detroit and four were classed as country banks.

The number of guarantee agreements issued declined both as to number and amount, the downward trend being accelerated in the last half of the year after termination of the two wars. Substantial progress was made during the latter part of the year in terminating guarantee agreements, the number in effect at the end of the year totaling only 60 compared with 112 a year ago and with 127 at the high point.

	<u>1944</u>	<u>1945</u>
<u>Loans to member banks</u>		
Number of banks accommodated	8	7
Number of loans	46	131
Total amount	\$354,600,000	\$1,492,447,000
Outstanding loans at close of year	ø	ø
<u>Industrial loans, Section 13b.</u>		
Direct Loans - Number	ø	1
Amount	ø	\$ 300,000
Balance outstanding at close of year	ø	15,000
Commitments - Number	ø	1
Financing Institutions	ø	2
Amount of Loan	ø	\$ 600,000
Financing Institutions' portion	ø	150,000
Our portion	ø	450,000
Outstanding at close of year	ø	ø
<u>Guarantee Agreements - Regulation V.</u>		
Issued during year - Number	74	57
Amount	\$230,905,000	\$60,455,000
In effect at close of year -		
Number	112	60
Amount	\$705,370,000	\$107,340,000

D E T R O I T B R A N C H

GOVERNMENT BOND DEPARTMENT:

		<u>1945</u>	<u>Percentage relation to 1944 activity</u>
Market Transactions - Purchases	56	\$ 1,410,500	40% inc.
Sales	119	1,746,900	358% "
Subscriptions to Government Securities (Marketable Issues) - Number		8,755	15% inc.
Amount		\$2,362,767,000	30% dec.
Savings Bonds & Tax Notes Issued - Number		392,252	24% dec.
Amount		\$ 301,694,990	27% "
Savings Bonds Issued By Agents - Number		10,086,304	36% dec.
Amount		\$ 343,741,147	31% "
Savings Bonds Shipped to Agents - Number		10,311,787	35% dec.
Amount		\$ 478,753,045	31% "
Reissues of Savings Bonds & Tax Notes - Number		81,918	22% dec.
Amount		\$ 8,097,670	4% "

			<u>Percentage relation to 1944 activity</u>
<u>REDEMPTIONS</u>			
	<u>Pieces</u>	<u>Amount</u>	<u>Pieces Amount</u>
<u>Series A-E</u>			
By Detroit Branch	72,010	\$ 3,814,364	
By Banks	9,904,499	265,790,314	
Total	9,976,509	\$269,604,678	39% inc. 48% inc.
<u>Series F & G</u>	8,858	\$ 7,889,000	30% inc. 34% inc.
Other Bonds, Tax Notes, Bills, Certificates, and others		\$511,463,625	2% inc.
Coupons Paid	225,984		9% inc.

DETROIT BRANCH

GOVERNMENT BOND DEPARTMENT:
(Continued)

The following operations were begun at the Detroit Branch on June 1, 1945:

	<u>Par Value</u>	<u>Transactions</u>	<u>Pieces</u>
Registered Treasury Bonds Exchanged for Coupon Bonds	\$ 506,850	39	137
Treasury Bond Transfers	836,100	36	102
Treasury Bond Redemptions	209,650	130	198
Redemption Exchange (Called Bonds Exchanged for New Issues)	2,000	1	2
Registered Treasury Bonds Requisitioned on Original Issues	13,340,000	806 (items)	2,157
Adjusted Service Bonds Received for Redemption	4,459,468	3,443	84,646
Coupon Bonds Exchanged for Registered Bonds	1,776,000	44	161
Excess Profits Tax Refund Bonds Forwarded to Treasury Department for Release of Registration	40,781,057	597	1,653

MAIL ACTIVITY:

	<u>Pieces</u>	
Incoming Ordinary Mail	341,164	(no percentage
Outgoing Ordinary Mail	463,459	comparison)
Incoming Registered Mail	43,607	
Outgoing Registered Mail	34,828	

PERSONNEL DEPARTMENT:

On December 31, 1945, the personnel of the Branch was composed of 7 officers and 664 employees. This was a reduction of 44 employees over the end of the previous year. In effecting this reduction 338 were hired

D E T R O I T B R A N C H

PERSONNEL DEPARTMENT:
(Continued)

and 402 were released. On a basis of daily average of persons on the payroll, this indicates a turnover of 55.8%, which is 11.8% less than the turnover in 1944. 85% of those presently employed by the Branch have been hired since January 1, 1941.

The annual basic salary increase was \$56,846.

The present staff is distributed - 189 men and 482 women.

R.F.C. AGENCIES:

Office of Defense Plants

Disbursements for the year amounted to approximately \$70,000,000, about one-half of the amount disbursed during 1944. Volume of sales and transfers during the year was maintained and during the past two to three months there has been a steadily increasing volume of inventory declared surplus.

Surplus Property Disposal

The volume of sales transactions under this program was not as large as had been anticipated. The number of transactions processed totaled approximately 4,300, in total amount of approximately \$10,000,000. In addition, as at the close of the year, funds held in "Suspense" totaled approximately \$7,000,000 involving approximately 2,400 transactions not yet processed by the Loan Agency.

Office of Defense Supplies

The Meat Subsidy Program continued active with an average of 500 claims a month and a total disbursement of approximately \$12,000,000.

The RFC Mortgage Company and Federal
National Mortgage Association

During the year approximately 3,000 Title VI mortgages of a total of 3,500 held by The RFC Mortgage Company at the beginning of the year were either sold or paid in full.

R.F.C. AGENCIES:
(Continued)

During the year practically all of the approximately 5,700 mortgages held by the Federal National Mortgage Association at the beginning of the year were either sold or paid in full.

Commodity Credit Corporation

These activities carried on for the Federal Reserve Bank rather than for the RFC, continued in volume during the year, particularly under the Dairy Feed Payment Program. This program included the payment of approximately 212,000 drafts in the amount of approximately \$12,000,000. The C.C.C. activities were increased by the Beef Production and Sheep and Lamb Production Programs, under which approximately 4,800 drafts were paid in total amount of \$182,000.

Reconstruction Finance Corporation

Just prior to December 1, 1945, our disbursement activities were increased by the addition of disbursements for administrative expenses including payrolls of the Detroit Loan Agency, as well as the administrative expenses, operating expenses and payrolls of the local regional office of the Department of Commerce handling the Surplus Consumer Goods Program. Such payrolls are disbursed every two weeks and the other expenses as required. Under this procedure, approximately 3,500 checks were issued during December. From present indications, the number of checks issued monthly will average better than 3,000.

SAFEKEEPING DEPARTMENT:

	<u>Number</u>	<u>Amount</u>	<u>Percentage relation to 1944 activity</u>
<u>Member Banks</u>			
Receipts Issued	3,087	\$2,219,773,612	17% dec.
Receipts Released	3,272	2,316,466,204	-
Balance Dec.31,1945		457,402,598	12% dec.
<u>War Savings Bonds</u>			
Receipts Issued	14,019	\$ 7,948,040	23% inc.
Receipts Released	5,233	2,401,905	101% "
Balance Dec.31,1945		18,309,605	44% "

SAFEKEEPING DEPARTMENT:
(Continued)

	<u>Number</u>	<u>Amount</u>	<u>Percentage relation to 1944 activity</u>
<u>War Loan Collateral</u>			
Receipts Issued	197	\$220,165,000	30% dec.
Receipts Released	157	143,176,000	35% inc.
Balance Dec.31,1945		235,975,800	49% "
<u>Special Custodies</u>			
Receipts Issued	101	\$ 1,793,500	9% dec.
Receipts Released	131	1,449,325	16% inc.
Balance Dec.31,1945		3,633,800	10% "

WAR LOAN DEPOSITARY BANKS:

Number of Accounts	131		
Deposits		\$998,531,670	27% dec.
Withdrawals		938,029,982	20% "
Balance Dec.31,1945		527,356,801	14% inc.

WITHHELD TAX DIVISION:

			<u>Percentage relation to 1944 activity</u>
	<u>Number</u>	<u>Amount</u>	
Receipts issued by Depositaries	123,510	\$473,732,000	3% inc. 16% dec.
Receipts credited to U.S.Treasurer as Income Tax	123,493	506,938,000	2% inc. 12% dec.
Balance Dec.31,1945	25,005	66,951,000	- 33% dec.

COMPARATIVE STATEMENT OF EARNINGS AND EXPENSES

	1945	1944
EARNINGS	20,076,761.05	14,204,919.31
EXPENSES:		
Operating Expenses	5,646,079.14	5,518,956.74
Assessment for Board of Governors	303,183.13	285,802.95
Cost of Federal Reserve Currency	601,748.39	952,617.58
Total Net Expenses	6,551,010.66	6,757,377.27
Current Net Earnings	13,525,750.39	7,447,542.04
ADDITIONS TO CURRENT NET EARNINGS:		
Profit on Sales of U. S. Government Securities	415,492.84	371,579.89
Other Additions	7,059.64	12,315.23
Total Additions to Current Net Earnings	422,552.48	383,895.12
Total Current Net Earnings and Additions to Current Net Earnings	13,948,302.87	7,831,437.16
DEDUCTIONS FROM CURRENT NET EARNINGS:		
Provision for Building and Vault Improvements	500,000.00	—
Other Deductions	17,991.79	—
Total Deductions from Current Net Earnings	517,991.79	—
Net Earnings	13,430,311.08	7,831,437.16
DISTRIBUTION OF NET EARNINGS:		
Paid United States Treasury (Section 13B).....	2,515.92	5,713.45
Dividends Paid	1,215,381.20	1,115,421.66
Transferred to Surplus (Section 7).....	12,212,413.96	6,710,302.05
	13,430,311.08	7,831,437.16

SURPLUS ACCOUNT (SECTION 7)

Surplus January 1	33,200,672.77	26,490,370.72
Transferred to Surplus — as above	12,212,413.96	6,710,302.05
Transferred to Surplus from Reserves for Contingencies	7,615,843.23	—
Surplus December 31	53,028,929.96	33,200,672.77

COMPARATIVE STATEMENT OF CONDITION

ASSETS	Dec. 31, 1945	Dec. 31, 1944
GOLD CERTIFICATES ON HAND AND DUE FROM		
U. S. TREASURY	3,027,002,225.62	3,236,811,089.87
REDEMPTION FUND — FEDERAL RESERVE NOTES	135,309,484.62	97,906,719.42
OTHER CASH	28,147,809.10	29,840,551.40
Total Cash	3,190,459,519.34	3,364,558,360.69
BILLS DISCOUNTED	6,110,000.00	—
INDUSTRIAL ADVANCES	—	—
Total Bills	6,110,000.00	—
U. S. GOVERNMENT SECURITIES	3,796,779,000.00	2,881,806,000.00
Total Bills and Securities	3,802,889,000.00	2,881,806,000.00
BANK PREMISES	3,106,267.93	2,879,402.98
FEDERAL RESERVE NOTES OF OTHER BANKS	16,558,000.00	14,752,000.00
UNCOLLECTED ITEMS	341,423,582.27	361,578,547.39
OTHER ASSETS	9,424,256.96	10,170,872.22
Total Assets	<u>7,363,860,626.50</u>	<u>6,635,745,183.28</u>
LIABILITIES		
FEDERAL RESERVE NOTES IN ACTUAL CIRCULATION.....	4,444,532,650.00	3,978,834,945.00
DEPOSITS:		
Member Bank — Reserve Account	2,347,114,726.64	2,169,949,572.21
U. S. Treasurer — General Account	139,437,239.01	27,826,951.39
Other Deposits	111,559,178.50	148,148,173.06
Total Deposits	2,598,111,144.15	2,345,924,696.66
DEFERRED AVAILABILITY ITEMS	241,593,949.32	245,947,244.42
OTHER LIABILITIES	1,825,344.62	927,759.75
Total Liabilities	<u>7,286,063,088.09</u>	<u>6,571,634,645.83</u>
CAPITAL ACCOUNTS		
CAPITAL PAID IN	21,073,650.00	19,598,700.00
SURPLUS (Section 7)	53,028,929.96	33,200,672.77
SURPLUS (Section 13B)	1,429,383.78	1,429,383.78
OTHER CAPITAL ACCOUNTS	2,265,574.67	9,881,780.90
Total Liabilities and Capital Accounts	<u>7,363,860,626.50</u>	<u>6,635,745,183.28</u>

FEDERAL RESERVE BANK OF CHICAGO

CURRENT EARNINGS, CURRENT EXPENSES, CURRENT NET EARNINGS, ADDITIONS TO CURRENT NET EARNINGS,
DEDUCTIONS FROM CURRENT NET EARNINGS, NET EARNINGS AND DISPOSITION OF NET EARNINGS

EARNINGS and EXPENSES							DISPOSITION of NET EARNINGS					
Year	Current Earnings	Current Expenses	Current Net Earnings	Additions to Current Net Earnings	Deductions from Current Net Earnings	Net Earnings	Dividends Paid	Transferred to Surplus (Section 7)	Paid U.S. Treasury (Section 13B)	Transferred to Surplus (Section 13B)	Franchise Tax Paid U.S.	Balance to Profit & Loss
1914-15	\$ 268,885	\$ 245,584	\$ 23,301	\$ -	\$ 3,210	\$ 20,091	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,091
1916	665,937	237,731	428,206	-	25,000	403,206	361,319	-	-	-	-	41,887
1917	2,083,164	584,069	1,499,095	2,127	269,343	1,231,879	862,259	215,799	-	-	215,799	-61,978
1918	8,481,747	1,478,310	7,003,437	-	198,356	6,805,081	604,635	6,200,446	-	-	-	-
1919	12,012,078	2,450,244	9,561,834	-	985,630	8,576,204	700,807	7,875,397	-	-	-	-
1920	30,303,218	4,164,176	26,139,042	69,307	332,600	25,875,749	792,769	14,688,500	-	-	10,394,480	-
1921	20,382,170	4,734,100	15,648,070	4,826	1,147,779	14,505,117	853,785	2,075,323	-	-	11,576,009	-
1922	6,748,863	4,080,057	2,668,806	572,019	1,835,610	1,405,215	876,203	- 657,289	-	-	1,186,301	-
1923	6,511,359	4,373,024	2,138,335	41,903	1,001,883	1,178,355	904,371	27,398	-	-	246,586	-
1924	5,202,169	3,946,436	1,255,733	27,857	374,467	909,123	909,123	-	-	-	-	-
1925	5,424,663	3,744,039	1,680,624	12,646	571,997	1,121,273	934,016	187,257	-	-	-	-
1926	6,567,043	3,824,437	2,742,606	13,098	501,781	2,253,923	985,959	1,267,964	-	-	-	-
1927	6,167,352	3,887,058	2,280,294	13,061	365,710	1,927,645	1,029,990	897,655	-	-	-	-
1928	8,936,418	3,696,679	5,239,739	11,833	488,143	4,763,429	1,099,761	3,663,668	-	-	-	-
1929	9,889,451	4,092,369	5,797,082	8,050	380,467	5,424,665	1,170,363	3,651,464	-	-	602,838	-
1930	4,834,153	3,805,117	1,029,036	298,510	273,218	1,054,328	1,211,418	- 157,090	-	-	-	-
1931	4,143,601	3,524,401	619,200	263,967	273,272	609,895	1,170,633	- 560,738	-	-	-	-
1932	5,613,671	3,432,693	2,180,978	874,264	812,517	2,242,725	1,029,933	121,279	-	-	1,091,513	-
1933	6,764,554	3,854,009	2,910,545	373,245	1,493,297	1,790,493	858,127	932,366	-	-	-	-
1934	8,152,371	3,551,838	4,600,533	1,611,990	4,808,032	1,404,491	761,334	669,479	-	- 26,322	-	-
1935	6,177,615	3,697,540	2,480,075	951,304	2,660,159	771,220	753,583	-	17,637	-	-	-
1936	4,423,476	3,453,380	970,096	1,526,060	1,563,978	932,178	725,553	153,241	28,354	25,030	-	-
1937	4,575,583	3,199,558	1,376,025	811,188	499,607	1,687,606	763,115	883,370	28,354	12,767	-	-
1938	3,954,026	3,318,002	636,024	1,637,141	1,182,207	1,090,958	791,007	279,031	20,714	206	-	-
1939	4,254,602	3,316,352	938,250	521,313	476,646	982,917	819,532	158,265	5,120	-	-	-
1940	4,831,217	3,471,164	1,360,053	1,530,021	282,100	2,607,974	826,919	1,770,131	10,924	-	-	-
1941	5,089,095	4,227,534	861,561	163,061	157	1,024,465	896,766	100,484	27,215	-	-	-
1942	6,590,508	5,177,403	1,413,105	386,898	602,842	1,197,161	955,508	237,632	4,021	-	-	-
1943	8,738,325	5,850,233	2,888,092	4,137,334	1,266,073	5,759,353	993,684	4,765,619	50	-	-	-
1944	14,204,919	6,757,377	7,447,542	383,895	-	7,831,437	1,115,422	6,710,302	5,713	-	-	-
1945	20,076,761	6,551,011	13,525,750	422,552	517,991	13,430,311	1,215,381	12,212,414	2,516	-	-	-
Totals	\$242,068,994	\$112,725,925	\$129,343,069	\$16,669,470	\$25,194,072	\$120,818,467	\$26,973,275	\$68,369,367	\$150,618	\$ 11,681	\$25,313,526	\$ -

Deductions from and
Additions to Surplus (Section 7)
Purchase of F.D.I.C. Stock Year 1934

\$19,748,517

Transferred to Reserves
for Contingencies
Years 1940, 1942 and 1943

3,207,763 -\$22,956,280

Transferred to Surplus from Reserves
for Contingencies Year 1945

7,615,843
\$53,028,930

* Payments from U. S. Treasury
Years 1934 and 1935.

\$1,417,702*
\$1,429,383

CURRENT EARNINGS, CURRENT WITHHOLDINGS, ADDITIONS TO CURRENT NET EARNINGS,
DEDUCTIONS FROM CURRENT NET EARNINGS, NET EARNINGS AND DEFERRED TAX EARNINGS

DISPOSITION OF NET EARNINGS

EARNINGS AND DEFERRED TAX EARNINGS

Year	Current Earnings	Current Withholdings	Additions to Current Net Earnings	Deductions from Current Net Earnings	Net Earnings	Deferred Tax Earnings	Balance to Profit & Loss
1945	1,000.00	100.00	100.00	100.00	900.00	100.00	1,000.00
1946	1,200.00	120.00	120.00	120.00	1,080.00	120.00	1,200.00
1947	1,500.00	150.00	150.00	150.00	1,350.00	150.00	1,500.00
1948	1,800.00	180.00	180.00	180.00	1,620.00	180.00	1,800.00
1949	2,000.00	200.00	200.00	200.00	1,800.00	200.00	2,000.00
1950	2,200.00	220.00	220.00	220.00	1,980.00	220.00	2,200.00
1951	2,500.00	250.00	250.00	250.00	2,250.00	250.00	2,500.00
1952	2,800.00	280.00	280.00	280.00	2,520.00	280.00	2,800.00
1953	3,000.00	300.00	300.00	300.00	2,700.00	300.00	3,000.00
1954	3,200.00	320.00	320.00	320.00	2,880.00	320.00	3,200.00
1955	3,500.00	350.00	350.00	350.00	3,150.00	350.00	3,500.00
1956	3,800.00	380.00	380.00	380.00	3,420.00	380.00	3,800.00
1957	4,000.00	400.00	400.00	400.00	3,600.00	400.00	4,000.00
1958	4,200.00	420.00	420.00	420.00	3,780.00	420.00	4,200.00
1959	4,500.00	450.00	450.00	450.00	4,050.00	450.00	4,500.00
1960	4,800.00	480.00	480.00	480.00	4,320.00	480.00	4,800.00
1961	5,000.00	500.00	500.00	500.00	4,500.00	500.00	5,000.00
1962	5,200.00	520.00	520.00	520.00	4,680.00	520.00	5,200.00
1963	5,500.00	550.00	550.00	550.00	4,950.00	550.00	5,500.00
1964	5,800.00	580.00	580.00	580.00	5,220.00	580.00	5,800.00
1965	6,000.00	600.00	600.00	600.00	5,400.00	600.00	6,000.00
1966	6,200.00	620.00	620.00	620.00	5,580.00	620.00	6,200.00
1967	6,500.00	650.00	650.00	650.00	5,850.00	650.00	6,500.00
1968	6,800.00	680.00	680.00	680.00	6,120.00	680.00	6,800.00
1969	7,000.00	700.00	700.00	700.00	6,300.00	700.00	7,000.00
1970	7,200.00	720.00	720.00	720.00	6,480.00	720.00	7,200.00
1971	7,500.00	750.00	750.00	750.00	6,750.00	750.00	7,500.00
1972	7,800.00	780.00	780.00	780.00	7,020.00	780.00	7,800.00
1973	8,000.00	800.00	800.00	800.00	7,200.00	800.00	8,000.00
1974	8,200.00	820.00	820.00	820.00	7,380.00	820.00	8,200.00
1975	8,500.00	850.00	850.00	850.00	7,650.00	850.00	8,500.00
1976	8,800.00	880.00	880.00	880.00	7,920.00	880.00	8,800.00
1977	9,000.00	900.00	900.00	900.00	8,100.00	900.00	9,000.00
1978	9,200.00	920.00	920.00	920.00	8,280.00	920.00	9,200.00
1979	9,500.00	950.00	950.00	950.00	8,550.00	950.00	9,500.00
1980	9,800.00	980.00	980.00	980.00	8,820.00	980.00	9,800.00
1981	10,000.00	1,000.00	1,000.00	1,000.00	9,000.00	1,000.00	10,000.00
1982	10,200.00	1,020.00	1,020.00	1,020.00	9,180.00	1,020.00	10,200.00
1983	10,500.00	1,050.00	1,050.00	1,050.00	9,450.00	1,050.00	10,500.00
1984	10,800.00	1,080.00	1,080.00	1,080.00	9,720.00	1,080.00	10,800.00
1985	11,000.00	1,100.00	1,100.00	1,100.00	9,900.00	1,100.00	11,000.00
1986	11,200.00	1,120.00	1,120.00	1,120.00	10,080.00	1,120.00	11,200.00
1987	11,500.00	1,150.00	1,150.00	1,150.00	10,350.00	1,150.00	11,500.00
1988	11,800.00	1,180.00	1,180.00	1,180.00	10,620.00	1,180.00	11,800.00
1989	12,000.00	1,200.00	1,200.00	1,200.00	10,800.00	1,200.00	12,000.00
1990	12,200.00	1,220.00	1,220.00	1,220.00	10,980.00	1,220.00	12,200.00
1991	12,500.00	1,250.00	1,250.00	1,250.00	11,250.00	1,250.00	12,500.00
1992	12,800.00	1,280.00	1,280.00	1,280.00	11,520.00	1,280.00	12,800.00
1993	13,000.00	1,300.00	1,300.00	1,300.00	11,700.00	1,300.00	13,000.00
1994	13,200.00	1,320.00	1,320.00	1,320.00	11,880.00	1,320.00	13,200.00
1995	13,500.00	1,350.00	1,350.00	1,350.00	12,150.00	1,350.00	13,500.00
1996	13,800.00	1,380.00	1,380.00	1,380.00	12,420.00	1,380.00	13,800.00
1997	14,000.00	1,400.00	1,400.00	1,400.00	12,600.00	1,400.00	14,000.00
1998	14,200.00	1,420.00	1,420.00	1,420.00	12,780.00	1,420.00	14,200.00
1999	14,500.00	1,450.00	1,450.00	1,450.00	13,050.00	1,450.00	14,500.00
2000	14,800.00	1,480.00	1,480.00	1,480.00	13,320.00	1,480.00	14,800.00
2001	15,000.00	1,500.00	1,500.00	1,500.00	13,500.00	1,500.00	15,000.00
2002	15,200.00	1,520.00	1,520.00	1,520.00	13,680.00	1,520.00	15,200.00
2003	15,500.00	1,550.00	1,550.00	1,550.00	13,950.00	1,550.00	15,500.00
2004	15,800.00	1,580.00	1,580.00	1,580.00	14,220.00	1,580.00	15,800.00
2005	16,000.00	1,600.00	1,600.00	1,600.00	14,400.00	1,600.00	16,000.00
2006	16,200.00	1,620.00	1,620.00	1,620.00	14,580.00	1,620.00	16,200.00
2007	16,500.00	1,650.00	1,650.00	1,650.00	14,850.00	1,650.00	16,500.00
2008	16,800.00	1,680.00	1,680.00	1,680.00	15,120.00	1,680.00	16,800.00
2009	17,000.00	1,700.00	1,700.00	1,700.00	15,300.00	1,700.00	17,000.00
2010	17,200.00	1,720.00	1,720.00	1,720.00	15,480.00	1,720.00	17,200.00
2011	17,500.00	1,750.00	1,750.00	1,750.00	15,750.00	1,750.00	17,500.00
2012	17,800.00	1,780.00	1,780.00	1,780.00	16,020.00	1,780.00	17,800.00
2013	18,000.00	1,800.00	1,800.00	1,800.00	16,200.00	1,800.00	18,000.00
2014	18,200.00	1,820.00	1,820.00	1,820.00	16,380.00	1,820.00	18,200.00
2015	18,500.00	1,850.00	1,850.00	1,850.00	16,650.00	1,850.00	18,500.00
2016	18,800.00	1,880.00	1,880.00	1,880.00	16,920.00	1,880.00	18,800.00
2017	19,000.00	1,900.00	1,900.00	1,900.00	17,100.00	1,900.00	19,000.00
2018	19,200.00	1,920.00	1,920.00	1,920.00	17,280.00	1,920.00	19,200.00
2019	19,500.00	1,950.00	1,950.00	1,950.00	17,550.00	1,950.00	19,500.00
2020	19,800.00	1,980.00	1,980.00	1,980.00	17,820.00	1,980.00	19,800.00
2021	20,000.00	2,000.00	2,000.00	2,000.00	18,000.00	2,000.00	20,000.00
2022	20,200.00	2,020.00	2,020.00	2,020.00	18,180.00	2,020.00	20,200.00
2023	20,500.00	2,050.00	2,050.00	2,050.00	18,450.00	2,050.00	20,500.00
2024	20,800.00	2,080.00	2,080.00	2,080.00	18,720.00	2,080.00	20,800.00
2025	21,000.00	2,100.00	2,100.00	2,100.00	18,900.00	2,100.00	21,000.00
2026	21,200.00	2,120.00	2,120.00	2,120.00	19,080.00	2,120.00	21,200.00
2027	21,500.00	2,150.00	2,150.00	2,150.00	19,350.00	2,150.00	21,500.00
2028	21,800.00	2,180.00	2,180.00	2,180.00	19,620.00	2,180.00	21,800.00
2029	22,000.00	2,200.00	2,200.00	2,200.00	19,800.00	2,200.00	22,000.00
2030	22,200.00	2,220.00	2,220.00	2,220.00	19,980.00	2,220.00	22,200.00
2031	22,500.00	2,250.00	2,250.00	2,250.00	20,250.00	2,250.00	22,500.00
2032	22,800.00	2,280.00	2,280.00	2,280.00	20,520.00	2,280.00	22,800.00
2033	23,000.00	2,300.00	2,300.00	2,300.00	20,700.00	2,300.00	23,000.00
2034	23,200.00	2,320.00	2,320.00	2,320.00	20,880.00	2,320.00	23,200.00
2035	23,500.00	2,350.00	2,350.00	2,350.00	21,150.00	2,350.00	23,500.00
2036	23,800.00	2,380.00	2,380.00	2,380.00	21,420.00	2,380.00	23,800.00
2037	24,000.00	2,400.00	2,400.00	2,400.00	21,600.00	2,400.00	24,000.00
2038	24,200.00	2,420.00	2,420.00	2,420.00	21,780.00	2,420.00	24,200.00
2039	24,500.00	2,450.00	2,450.00	2,450.00	22,050.00	2,450.00	24,500.00
2040	24,800.00	2,480.00	2,480.00	2,480.00	22,320.00	2,480.00	24,800.00
2041	25,000.00	2,500.00	2,500.00	2,500.00	22,500.00	2,500.00	25,000.00
2042	25,200.00	2,520.00	2,520.00	2,520.00	22,680.00	2,520.00	25,200.00
2043	25,500.00	2,550.00	2,550.00	2,550.00	22,950.00	2,550.00	25,500.00
2044	25,800.00	2,580.00	2,580.00	2,580.00	23,220.00	2,580.00	25,800.00
2045	26,000.00	2,600.00	2,600.00	2,600.00	23,400.00	2,600.00	26,000.00
2046	26,200.00	2,620.00	2,620.00	2,620.00	23,580.00	2,620.00	26,200.00
2047	26,500.00	2,650.00	2,650.00	2,650.00	23,850.00	2,650.00	26,500.00
2048	26,800.00	2,680.00	2,680.00	2,680.00	24,120.00	2,680.00	26,800.00
2049	27,000.00	2,700.00	2,700.00	2,700.00	24,300.00	2,700.00	27,000.00
2050	27,200.00	2,720.00	2,720.00	2,720.00	24,480.00	2,720.00	27,200.00
2051	27,500.00	2,750.00	2,750.00	2,750.00	24,750.00	2,750.00	27,500.00
2052	27,800.00	2,780.00	2,780.00	2,780.00	25,020.00	2,780.00	27,800.00
2053	28,000.00	2,800.00	2,800.00	2,800.00	25,200.00	2,800.00	28,000.00
2054	28,200.00	2,820.00	2,820.00	2,820.00	25,380.00	2,820.00	28,200.00
2055	28,500.00	2,850.00	2,850.00	2,850.00	25,650.00	2,850.00	28,500.00
2056	28,800.00	2,880.00	2,880.00	2,880.00	25,920.00	2,880.00	28,800.00
2057	29,000.00	2,900.00	2,900.00	2,900.00	26,100.00	2,900.00	29,000.00
2058	29,200.00	2,920.00	2,920.00	2,920.00	26,280.00	2,920.00	29,200.00
2059	29,500.00	2,950.00	2,950.00	2,950.00	26,550.00	2,950.00	29,500.00
2060	29,800.00	2,980.00	2,980.00	2,980.00	26,820.00	2,980.00	29,800.00
2061	30,000.00	3,000.00	3,000.00	3,000.00			

