

MAR 10 1947

Federal Reserve Bank of Chicago

PRESIDENT'S ANNUAL REPORT TO THE BOARD OF DIRECTORS

ACTIVITIES FOR THE YEAR 1946

1910

First National Bank of Chicago

ANNUAL REPORT TO THE BOARD OF DIRECTORS

ACTIVITIES FOR THE YEAR 1910

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NOTE - The Federal Reserve Banks are empowered to supply funds to member banks and, under certain prescribed conditions, to commercial firms.

GENERAL SUMMARY

Member bank borrowings increased somewhat over the previous year. The maximum borrowings outstanding as of any one day were \$302,300,000 on April 1, 1946. Numerous negotiations were conducted in connection with Industrial Loans and Commitments. In many instances we were successful in assisting the prospects in arranging for financing through the normal channels, with the result that only two commitments, aggregating \$382,666.67, were entered into under Section 13b during the year 1946. Guarantees under Regulation V have been almost completely liquidated. As of December 31, 1946, there were 15 guarantees in force, aggregating \$10,359,000, and it is anticipated that loans outstanding under such guarantees will be paid in full during the next few months either as the result of completion of contracts now in process or final settlement of pending termination claims. During the operation of the V loan program 1,586 guarantees were processed at the head office, involving an aggregate of approximately \$1,658,000,000.

STATEMENT OF YEAR'S OPERATIONS

	<u>1946</u>	<u>1945</u>	increase or decrease
<u>NUMBER OF TRANSACTIONS</u>			
<u>Advances to Member Banks -</u>			
Secured by U. S. Govt. Obligations	395	357	+ 10.6%
<u>Industrial Loans -</u>			
Advances	-	-	-
Commitments	2	-	-
<u>Guarantees under Regulation V -</u>			
Issues	1	256	- 99.6%
Terminations	239	443	- 46.1%
Reductions	155	241	- 35.7%
Loans Purchased	<u>1</u>	<u>1</u>	-
<u>DOLLAR VALUE OF TRANSACTIONS</u>			
<u>Advances to Member Banks -</u>			
Secured by U. S. Govt. Obligations	\$1,030,155,000	\$429,002,000	+ 140.1%
<u>Industrial Loans -</u>			
Advances	-	-	-
Commitments	382,666	-	-
<u>Guarantees under Regulation V -</u>			
Issues	43,650	222,967,855	- 99.9%
Terminations	164,696,832	359,450,869	- 54.2%
Reductions	84,442,640	302,170,204	- 72.1%
Loans Purchased	<u>11,347</u>	<u>256,918</u>	- 95.6%

NOTE - Currency and coin produced in the Mints and in the Bureau of Printing and Engraving are routed into general circulation through the Federal Reserve Banks, which act as distributing agents between the Treasury and the Banking community. Commercial banks desiring currency or coin may obtain it from this Bank in exchange for their draft, a charge to their reserve account, etc. Similarly, banks having excess cash may turn it in to this bank and obtain funds in return. Incoming cash is either used to supplement new currency and coin in outgoing shipments, or, if unfit for further circulation, is returned to the Treasury for destruction.

GENERAL SUMMARY

1946 has been a year of substantially increased activity over 1945 in all phases of Cash Department work, the volume of receipts and payments both as to amount and pieces being the highest recorded for any year in the history of the Bank.

Net circulation of our Federal Reserve Notes reached an all-time high of \$4,602,370,000 on December 24, 1946, as against a high of \$4,458,295,000 a year ago, the net increase amounting to \$144,075,000.

STATEMENT OF YEAR'S OPERATIONS

	<u>1946</u>	<u>1945</u>	<u>increase or decrease</u>
<u>CURRENCY AND COIN</u>			
<u>PIECES</u>			
Currency -			
Outgoing	465,288,540	416,040,926	+ 11.8%
Incoming	499,617,483	407,436,858	+ 22.6%
Coin -			
Outgoing	756,312,988	623,182,449	+ 21.4%
Incoming - from banks	481,142,829	365,658,181	+ 31.6%
- from mints	<u>325,250,000</u>	<u>260,200,000</u>	<u>+ 25.0%</u>
<u>DOLLAR VALUE OF PIECES</u>			
Currency -			
Outgoing	\$2,749,670,700	\$2,439,528,000	+ 12.7%
Incoming	2,879,538,129	2,288,066,259	+ 25.9%
Coin -			
Outgoing	59,230,122	50,187,440	+ 18.0%
Incoming - from banks	45,851,998	38,355,971	+ 19.5%
- from mints	<u>15,100,000</u>	<u>13,000,000</u>	<u>+ 16.1%</u>
<u>FEDERAL RESERVE NOTE ISSUES - FEDERAL RESERVE AGENT</u>			
<u>PIECES</u>			
Received from Washington	51,540,000	49,026,000	+ 5.1%
Issued to Bank	<u>53,918,000</u>	<u>80,398,000</u>	<u>- 32.9%</u>
<u>DOLLAR VALUE OF PIECES</u>			
Received from Washington	\$587,000,000	\$538,000,000	+ 9.1%
Issued to Bank	<u>742,515,000</u>	<u>985,750,000</u>	<u>- 24.7%</u>

NOTE - The Federal Reserve Banks act as nation-wide clearing agents for the routing of checks between commercial banks in much the same manner as clearing house associations do in local communities, and accept and pay checks drawn by the Federal Government. They also collect drafts, notes, bonds, coupons, acceptances, etc., for member banks and deliver against payment securities sold by member banks. The Reserve Banks act as clearing houses for ration checks.

GENERAL SUMMARY

The number of country checks cleared in 1946 was 20% greater than the number cleared during 1945; the volume of all checks handled was up 13%. Noncash items processed declined slightly during the year, while ration checks were off 91%.

During 1946 the volume of Commercial items showed an increase over the preceding year, but the trend of coupon and security items continued downward.

STATEMENT OF YEAR'S OPERATIONS

	<u>1946</u>	<u>1945</u>	increase or decrease
<u>CHECKS</u>			
<u>Number of Checks handled</u>			
City	42,435,255	39,544,093	+ 7.3%
*Country	168,024,163	140,058,461	+ 20.0%
Government - Paper	7,004,569	8,826,467	- 20.6%
- Card	38,745,465	38,790,456	- .1%
Total all items	<u>256,209,452</u>	<u>227,219,477</u>	+ 12.8%
 #NOTE: Daily average number of cash letters dispatched	 <u>3,795</u>	 <u>3,956</u>	 - 4.1%
 <u>Dollar value of Checks handled</u>			
City	\$42,768,284,000	\$35,925,822,000	+ 19.0%
Country	27,343,275,000	21,829,193,000	+ 25.3%
Government - Paper	6,459,897,000	10,730,191,000	- 39.8%
- Card	2,931,456,000	2,659,650,000	+ 10.2%
Total all items	<u>\$79,502,912,000</u>	<u>\$71,144,856,000</u>	+ 11.7%
 <u>NONCASH ITEMS</u>			
<u>Pieces</u>			
City	40,451	37,115	+ 9.0%
*Country	225,662	220,732	+ 2.2%
Coupon and Security	520,440	537,118	- 3.1%
Total	<u>786,553</u>	<u>794,965</u>	- 1.1%
 *Includes direct sendings to other Federal Reserve Banks by our Member Banks	 <u>121,198</u>	 <u>117,405</u>	 + 3.2%
 <u>Dollar value of pieces</u>			
City	\$ 84,192,000	\$ 73,005,000	+ 15.3%
*Country	694,350,000	694,554,000	-
Coupon and Security	1,042,226,000	921,863,000	+ 13.1%
Total	<u>\$ 1,820,768,000</u>	<u>\$ 1,689,422,000</u>	+ 7.8%
 *Includes direct sendings to other Federal Reserve Banks by our Member Banks	 <u>\$ 569,830,391</u>	 <u>\$ 571,642,655</u>	 - .3%
 <u>RATION CHECKS</u>			
Number of items handled	728,659	8,233,759	- 91.1%
Total unit value	<u>3,099,291,115 pts.</u>	<u>139,896,784,592 pts.</u>	- 97.8%

NOTE Federal Reserve Banks act as depositories for securities owned by member banks. Securities so held are completely serviced as to collection of interest, redemptions, exchanges, etc. A free safekeeping service for United States Savings Bonds, Series E, is extended to members of the armed forces and to the general public.

GENERAL SUMMARY

The number of pieces processed in general safekeeping routines increased during the year, and 438,000 pieces, valued at over five billion dollars, were held as of December 31, 1946.

During 1946, 226,509 War Savings Bonds were deposited by the public for safekeeping. 30% of those bonds were deposited by the soldiers and 70% by civilians. Over 414,000 Bonds were released during the year, compared to 326,000 during the year 1945, and on December 31, 1946, there remained in our safekeeping 863,872 Bonds with a face value of approximately 75 millions of dollars.

STATEMENT OF YEAR'S OPERATIONS

	<u>1946</u>	<u>1945</u>	<u>increase or decrease</u>
<u>SAFEKEEPING - MEMBER BANKS, ETC.</u>			
<u>Pieces</u>			
Securities - Received	281,851	263,309	+ 7.0%
Released	252,522	232,762	+ 8.5%
Held as of Dec. 31	438,942	409,613	+ 7.2%
Coupons detached from Securities	<u>907,288</u>	<u>836,146</u>	<u>+ 8.5%</u>
<u>Dollar Value of pieces</u>			
Securities - Received	\$37,165,447,774	\$38,000,981,096	- 2.2%
Released	37,525,805,554	37,257,570,997	+ .7%
Held as of Dec. 31	5,550,509,996	5,910,867,776	- 6.1%
Coupons detached from Securities	<u>113,138,766</u>	<u>106,166,894</u>	<u>+ 6.5%</u>
Receipts Issued	33,212	33,725	- 1.5%
Receipts Released	33,318	32,112	+ 3.8%
Receipts Outstanding	<u>60,058</u>	<u>60,164</u>	<u>- .2%</u>
<u>SAFEKEEPING - SAVINGS BONDS</u>			
<u>Pieces</u>			
Received - U. S. Army Personnel	68,981	321,572	- 78.5%
Civilian	157,528	87,372	+ 80.3%
Releases - U. S. Army Personnel	352,838	291,862	+ 20.9%
Civilian	61,291	34,393	+ 78.2%
Held as of Dec. 31, 1946			
U. S. Army Personnel	530,223	814,080	- 34.9%
Civilian	<u>333,649</u>	<u>237,412</u>	<u>+ 40.5%</u>
<u>Dollar Value of pieces</u>			
Received - U. S. Army Personnel	\$ 3,779,000	\$16,065,000	- 76.5%
Civilian	11,377,000	9,962,000	+ 14.2%
Released - U. S. Army Personnel	16,010,000	12,398,000	+ 29.1%
Civilian	7,139,000	4,225,000	+ 68.9%
Held as of Dec. 31, 1946			
U. S. Army Personnel	25,604,000	37,835,000	- 32.3%
Civilian	<u>49,278,000</u>	<u>45,040,000</u>	<u>+ 9.4%</u>

NOTE - The Federal Reserve Banks act as securities agent for member banks. Purchase and sale of bonds, either for their own account or for the account of customers, may be effected through their Reserve Bank without charge.

GENERAL SUMMARY

The operations of the Investment Department increased somewhat during 1946. Purchases were up 28% in number and 7 1/2% in value, sales increased 1% in number and 8% in value.

STATEMENT OF YEAR'S OPERATIONS

	<u>1946</u>	<u>1945</u>	<u>increase or decrease</u>
NUMBER OF SECURITY TRANSACTIONS			
<u>PURCHASES</u>			
<u>U. S. Governments -</u>			
Member Banks and Others	3,772	2,541	+ 48.4%
Other F. R. Banks	158	119	+ 32.8%
Repurchase Agreement	1,951	1,954	- .2%
" " other F. R. Bks.	-	2	- 100.0%
<u>Others</u>			
Member Banks and Others	<u>103</u>	<u>55</u>	+ 87.3%
Total Purchases	<u>5,984</u>	<u>4,671</u>	+ 28.1%
<u>SALES</u>			
<u>U. S. Governments -</u>			
Member Banks and Others	7,051	6,958	+ 1.3%
Other F. R. Banks	437	417	+ 4.7%
Repurchase Agreement	1,486	1,398	+ 6.2%
" " other F. R. Bks	-	2	- 100.0%
" " matured	854	947	- 9.8%
<u>Others</u>			
Member Banks and Others	<u>53</u>	<u>49</u>	+ 8.1%
Total Sales	<u>9,881</u>	<u>9,771</u>	+ 1.1%

DOLLAR VALUE OF SECURITY TRANSACTIONS

<u>PURCHASES</u>			
<u>U. S. Governments -</u>			
Member Banks and Others	\$ 172,762,850	\$ 117,467,250	+ 47.1%
Other F. R. Banks	10,683,100	6,793,900	+ 57.2%
Repurchase Agreement	12,894,767,000	11,863,079,000	+ 8.7%
" " other F. R. Bks	-	175,000,000	- 100.0%
<u>Others</u>			
Member Banks and Others	<u>792,000</u>	<u>507,500</u>	+ 56.1%
Total Purchases	<u>\$13,079,004,950</u>	<u>\$12,162,847,650</u>	+ 7.5%
<u>SALES</u>			
<u>U. S. Governments -</u>			
Member Banks and Others	\$ 165,058,050	\$ 90,698,150	+ 82.0%
Other F. R. Banks	18,069,950	3,279,650	+ 450.9%
Repurchase Agreement	9,561,542,000	8,499,762,000	+ 12.5%
" " other F. R. Bks.	-	175,000,000	- 100.0%
" " matured	3,310,899,000	3,343,351,000	- 1.0%
<u>Others</u>			
Member Banks and Others	<u>235,400</u>	<u>259,900</u>	- 9.4%
Total Sales	<u>\$13,055,804,400</u>	<u>\$12,112,350,700</u>	+ 7.8%

NOTE - Information on current economic developments in which the Federal Reserve System has an interest is gathered and interpreted by the Bank. These studies are made available not only to the officers and directors of this Bank and to the Board of Governors, but also to member banks and business firms in the Seventh Federal Reserve District. Members of the research staff maintain continuing close contact with leaders of banking, industry, agriculture, and trade so as to obtain first-hand information on banking and business in this Reserve District.

GENERAL SUMMARY

In the past year there has been a marked expansion in the Department's activities, largely because of the increased tempo of research activity throughout the Federal Reserve System sponsored by the Board of Governors. A number of statistical series were expanded, and the first survey of commercial and industrial loans made since 1942 was conducted in over 200 District member banks. More than 300 retail firms were added during the year to our lists of respondents voluntarily furnishing us monthly reports of their sales and credit transactions.

An extensive program of visiting in the agricultural sections of the District was continued during the year in the maintenance of close relations with country bankers in our study of agricultural conditions. The Agricultural Letter, issued weekly during the year, reached a circulation of approximately 4,000.

In the study of current business trends and their implications for banking and other activities, close relationships were maintained not only with bankers, but also with policy-level executives of major District companies, both in the manufacturing and retail fields. A study of the meat packing industry with the aid of the Robert Morris Associates was made during the year, the first of a series of industrial-financial studies designed to meet the needs of bank credit men.

The Department's standing as a source of economic information in the midwest was further strengthened during the year. In addition to the thousands of inquiries from banks, business firms, and the officers and departments within the bank which were handled in the Library, a very considerable amount of time was spent by other members of the staff not only in answering other inquiries, but in actual research in the case of requested information not readily available.

Results of our research activities were given recognition in the press from time to time besides being circulated in our publications and releases. For our statistical series over 100 banks and department stores submitted reports weekly, and more than 500 credit unions and small loan companies, 228 banks, and over 800 firms reported monthly. In addition, approximately 500 country banks returned questionnaires for a quarterly survey of farm land values, more than 300 banks analyzed their large demand deposits accounts for us twice during the year in the deposit surveys, and over 1,400 firms in nine lines of trade submitted financial statement information for our annual retail credit survey.

NOTE - The Bank makes an examination of the state member banks in its district each calendar year. Field investigations required in connection with applications for permission to exercise banking functions are also carried out. Various applications and reports required by law to be rendered by organizations performing banking services in this Reserve District are analyzed and reviewed by the Bank before being submitted to the Board of Governors.

GENERAL SUMMARY

The schedule of examinations of State member banks and their trust departments for the year 1946 was completed with the exception of one trust company.

STATEMENT OF YEAR'S OPERATIONS

	<u>1946</u>	<u>1945</u>	<u>increase or decrease</u>
NUMBER OF EXAMINATIONS MADE			
Regular	447	432	+ 3.5%
Membership	7	20	- 65.0%
Trust Departments	141	124	+ 13.7%
Follow-up Investigations	2	2	-
Holding Co. Affiliate	<u>1</u>	<u>-</u>	<u>-</u>
NUMBER OF MEMBER BANKS IN 7TH F. R. DISTRICT			
National Banks			
As of Jan. 1	550	538	+ 2.2%
Additions (see note A)	10	16	- 37.5%
Withdrawals (see note B)	1	4	- 75.0%
As of Dec. 31	<u>559</u>	<u>550</u>	<u>+ 1.6%</u>
State Banks			
As of Jan. 1	446	433	+ 3.0%
Additions (see note A)	10	18	- 44.4%
Withdrawals (see note B)	13	5	+ 160.0%
As of Dec. 31	<u>443</u>	<u>446</u>	<u>-.7%</u>
Total Member Banks as of Dec. 31	<u>1,002</u>	<u>996</u>	<u>+ .6%</u>

Note A - Additions to Membership

National Banks
 Belmont National Bank of Chicago, Chicago, Illinois
 Citizens National Bank of Chicago, Chicago, Illinois
 Marine National Bank of Chicago, Chicago, Illinois
 Michigan Avenue National Bank of Chicago, Chicago, Illinois
 Peoples National Bank of Chicago, Chicago, Illinois
 (The above does not include five state members converted to national banks)

State Banks
 Bank of Rogers Park, Chicago, Illinois
 State Bank of Chrisman, Chrisman, Illinois
 De Kalb Trust & Savings Bank, De Kalb, Illinois
 The Farmers State Bank, Brookston, Indiana
 Dillsboro State Bank, Dillsboro, Indiana
 Fidelity Trust Company, Indianapolis, Indiana
 The Ripley County Bank, Osgood, Indiana
 First Trust and Savings Bank, Galva, Iowa
 Security State Bank, Mt. Ayr, Iowa
 State Bank of Edmore, Edmore, Michigan

Note B - Withdrawals

One National Bank withdrawal was the result of a merger with a state nonmember bank under the charter of the State Bank.

Thirteen withdrawals of State member banks were occasioned by changes as follows:

- 5 converted to national banks.
- 1 consolidated with a national bank.
- 4 withdrawals in order to establish offices not permitted as a member bank because of inadequate capital.
- 2 voluntary liquidations.
- 1 became ineligible because of securities company affiliate.

NOTE - The personnel assigned to the public relations staff visit member and non-member banks, attend conventions and group meetings, and deliver public addresses, etc., and in general attempt to determine ways in which the Bank's services to its members may be improved.

GENERAL SUMMARY

The Bank and Public Relations program was expanded during 1946. While it is important that as many banks as possible should be contacted during the year, emphasis has been placed on services rendered rather than on volume. The exchange of information on banking, fiscal, monetary, and economic problems has been the dominant purpose of all contacts.

All major bankers' meetings held in the District have been attended by one or more representatives. These meetings include the annual convention of the American Bankers Association, group meetings, and special meetings such as trust and credit conferences, industrial and agricultural meetings, etc. Attendance at these was governed largely by operational considerations.

While the bank does not maintain a speakers' bureau, it does endeavor to supply speakers when the invitation is extended by a member bank or other appropriate organization. During 1946, officers and representatives reported 80 speeches made.

Several studies were conducted to obtain bankers' opinions on proposed legislation which would affect banking, and on Governmental programs of interest to the System. These studies covered such subjects as the "Veterans' Housing Program," "Insurance of Export Credits," and "Blanket Participation Loans under RFC Guarantee."

In furthering the public relations aspect of the program, several meetings of financial, trade, and industrial leaders were held at the Bank. These meetings were called to foster better relations and to exchange current information. A trade conference was held to obtain information on inventory problems and shifts in buyers' habits.

STATEMENT OF YEAR'S OPERATIONS

	<u>1946</u>	<u>1945</u>	<u>increase or decrease</u>
<u>Number of Visits Made</u>			
Member Banks	1,023	431	+ 137.3%
Non-member Banks	519	195	+ 166.1%
Total	<u>1,542</u>	<u>626</u>	<u>+ 146.3%</u>
Number of Public Addresses Given	71	128 **	- 44.5%
Number of Bankers' Group Meetings Attended	<u>57</u>	<u>24 **</u>	<u>+ 137.5%</u>

N. B.: 1945 figures represent approximately nine months activity as a formally organized department and are therefore not strictly comparable.

** Includes figures for Detroit Branch.

NOTE - The Federal Reserve Banks act as agents of the Treasury Department in the presentation of new issues of Government securities to the general public. Information and instructions are relayed from Washington throughout this district, and all operations necessary to the placing of new Treasury issues in the hands of the public are carried out. The Bank qualifies commercial banks and others in the district as agents in the sale of U. S. Savings Bonds, Series E, to the public; and services those agents as regards supplies of new bonds, applicable Treasury directives, and the processing of paid registrations, etc. The Bank analyzes the sales of U. S. Savings Bonds, and furnishes the Treasury Department with detailed reports showing what the public purchased in the various cities, counties and states of this district.

GENERAL SUMMARY

As no War Loan Drives were processed and no cash offerings for market securities (other than for Treasury Bills) were made during the year, an all-over decrease in the volume of work will be noted. Market securities issued during the year were practically all offered on an exchange basis.

Lacking the stimulus of war, sales of Series E Savings Bonds by issuing agents also show a substantial decrease. During the year, 1,023 agents discontinued as such.

STATEMENT OF YEAR'S OPERATIONS

	<u>1946</u>	<u>1945</u>	<u>increase or decrease</u>
<u>NEW ISSUES</u>			
<u>Subscriptions</u>			
<u>Forms Received</u>			
Treasury (Other Than E Bonds)	181,400	309,500	- 41.4%
"E" Bonds	22,700	33,500	- 32.2%
<u>Subscribers Involved</u>			
Treasury (Other Than E Bonds)	185,150	392,300	- 52.8%
"E" Bonds	<u>398,050</u>	<u>745,700</u>	- 46.6%
<u>Dollar Value of Subscriptions</u>			
<u>Received</u>			
Treasury (Other Than E Bonds)	\$ 20,575,700,000	\$ 26,832,545,000	- 23.3%
"E" Bonds	19,590,000	35,605,000	- 45.0%
<u>Allotted</u>			
Treasury (Other Than E Bonds)	14,702,380,000	17,076,395,000	- 13.9%
"E" Bonds	<u>19,590,000</u>	<u>35,605,000</u>	- 45.0%
<u>ISSUING AGENTS</u>			
<u>Series E Savings Bonds Sold</u>			
Pieces	9,775,000	24,792,000	- 60.6%
Maturity Value	\$ 775,410,000	\$ 1,463,700,000	- 47.0%
Number of Qualified Issuing Agents as of December 31	<u>3,236</u>	<u>4,259</u>	- 24.0%
<u>SALES ANALYSIS</u>			
Number of Reports Prepared	5,700	58,700	- 90.3%
Dollar Value	<u>\$ 1,306,670,000</u>	<u>\$ 7,192,465,000</u>	- 81.8%
<u>SHIPPING AND DELIVERY</u>			
<u>Pieces Shipped</u>			
Treasury (Other Than E Bonds)	161,000	611,000	- 73.6%
"E" Bonds	<u>9,280,000</u>	<u>25,198,000</u>	- 63.2%

SERVICES TO GOVERNMENT AGENCIES
Treasury Department
Servicing of Government Securities

FEDERAL RESERVE BANK OF CHICAGO
PRESIDENT'S REPORT
TO BOARD OF DIRECTORS - 1946

NOTE - The Federal Reserve Banks handle the servicing of all government securities. Such work includes exchanges, transfers, custody of blank stock, accounts of depository banks, etc.

GENERAL SUMMARY

The volume in pieces of securities received for denominational exchange and public debt transfers shows a slight decrease whereas the pieces issued and the maturity value of securities handled show an increase for the year 1946 over 1945.

Activities in the Depository Banks Division also show a decrease of 26% in the number of payments handled in 1946,

As in other Bond Department operations, the above declines resulted from the ending of the war-time financing program.

STATEMENT OF YEAR'S OPERATIONS

	<u>1946</u>	<u>1945</u>	<u>increase or decrease</u>
<u>DENOMINATIONAL EXCHANGE</u>			
<u>Pieces Received</u>			
Marketable Issues	135,750	154,000	- 11.9%
Public Debt Transfers	39,900	40,800	- 2.2%
<u>Pieces Issued</u>			
Marketable Issues	124,000	88,000	+ 40.9%
Public Debt Transfers	<u>35,250</u>	<u>23,300</u>	<u>+ 51.3%</u>
<u>Maturity Value</u>			
<u>Received</u>			
Marketable Issues	\$1,933,000,000	\$1,522,525,000	+ 27.0%
Public Debt Transfers	3,347,450,000	2,912,147,000	+ 14.9%
<u>Issued</u>			
Marketable Issues	1,933,000,000	1,522,525,000	+ 27.0%
Public Debt Transfers	<u>2,485,000,000</u>	<u>2,369,386,000</u>	<u>+ 4.9%</u>
<u>DEPOSITORY BANKS</u>			
Number of Payments Handled	288,500	390,000	- 26.0%
Depository Balances as of Dec. 31,	\$351,794,000	\$2,954,190,000	- 88.1%
Number of Qualified Depositories			
- Dec. 31	<u>1,669</u>	<u>1,658</u>	<u>+ .7%</u>
<u>CUSTODY</u>			
<u>Pieces</u>			
Received from Treasury Department	10,580,000	27,766,000	- 61.9%
Prepared for Delivery	<u>11,153,000</u>	<u>25,625,000</u>	<u>- 56.5%</u>

NOTE - In connection with their duties as Fiscal Agent of the United States, the Federal Reserve Banks accept (and pay) Government securities eligible for redemption, either directly from the holders thereof, or, in the case of Savings Bonds, from commercial banks designated as paying agents. Securities paid in redemption are processed as directed by the Treasury and are turned over to the Bureau of the Public Debt for final settlement and disposal.

GENERAL SUMMARY

The number of pieces of U. S. Savings Bonds redeemed in 1946 was 8% less than in 1945 whereas the redemption value indicates an increase of 13% over 1945.

The number of other government securities redeemed decreased in volume 55% whereas the redemption value shows an increase of 7%. This marked decrease in the number of pieces redeemed is accounted for by the large decline in the number of Adjusted Service Bonds received - 410,000 less pieces being received this year than in 1945, which year marked their maturity.

Coupons redeemed show an increase in pieces as well as in dollar value.

STATEMENT OF YEAR'S OPERATIONS

	<u>1946</u>		<u>1945</u>		<u>increase or decrease</u>
<u>REDEMPTIONS</u>					
<u>U. S. Savings Bonds Redeemed</u>					
<u>Pieces</u>					
By Paying Agents	21,230,000	98.0%	23,071,000	97.6%	- 8.0%
By F. R. B.	427,000	2.0%	564,000	2.4%	- 24.3%
Total	<u>21,657,000</u>	<u>100.0%</u>	<u>23,635,000</u>	<u>100.0%</u>	<u>- 8.4%</u>
\$25 Pieces, Series E, Included Above	<u>15,718,000</u>	<u>72.6%</u>	<u>18,508,000</u>	<u>78.3%</u>	<u>- 15.1%</u>
<u>Redemption Value of Pieces</u>					
By Paying Agents	\$ 733,823,000	86.5%	\$ 676,765,000	90.0%	+ 8.4%
By F. R. B.	114,227,000	13.5%	74,965,000	10.0%	+ 52.4%
Total	<u>\$ 848,050,000</u>	<u>100.0%</u>	<u>\$ 751,730,000</u>	<u>100.0%</u>	<u>+ 12.8%</u>
Number of Qualified Paying Agents as of December 31	<u>2,363</u>		<u>2,265</u>		<u>+ 4.3%</u>
<u>Other Bonds, Notes, Certificates and Bills Redeemed</u>					
Pieces	375,000		838,000		- 55.3%
Amounts	<u>\$ 11,187,000,000</u>		<u>\$ 10,450,000,000</u>		<u>+ 7.1%</u>
<u>U. S. and Other Governmental Agency Coupons Redeemed</u>					
Pieces	2,278,000		2,054,000		+ 10.9%
Dollar Value	<u>\$ 140,075,000</u>		<u>\$ 107,884,000</u>		<u>+ 29.8%</u>
<u>SECURITY MAIL</u>					
Pieces Received	<u>375,000</u>		<u>494,600</u>		<u>- 24.2%</u>

NOTE - The Bank acts as agent of the Treasury Department in the enforcement of Executive orders and regulations pertaining to the control of foreign funds and foreign exchange transactions.

GENERAL SUMMARY

The number of license applications processed during 1946 was slightly below that of 1945 even though all matters pertaining to Foreign Funds Control of the 8th, 9th, 10th, and 11th Federal Reserve districts were consolidated here. This slight decrease was made possible through the relaxation of Treasury controls.

The number of property reports processed declined more than 50% because of the revocation of the reporting requirements by the Treasury Department.

The United States government printing office during September, 1946 assumed the duties of distributing all public documents pertaining to Foreign Funds Control which accounts for the decrease of 35% in the total pieces of special mailings.

The Foreign Funds Control operation was terminated as of the end of the year.

STATEMENT OF YEAR'S OPERATIONS

	1946	1945	increase decrease
<u>License applications processed</u>			
Relayed to Washington for action	671	712	- 5.8%
Acted on by Bank	4,803	4,773	+ .6%
Total	<u>5,474</u>	<u>5,485</u>	- .2%
<u>Property Reports Processed</u>			
Owned by foreigners in U. S.			
Territory	22	63	- 65.1%
Owned by U. S. Citizens in			
Foreign Territory	18	65	- 72.3%
Total	<u>40</u>	<u>128</u>	- 68.8%
<u>Total Pieces of Special Mailings</u>			
Public Documents	131,200	160,000	- 18.0%
Proclaimed List of Certain			
Blocked Nationals	16,250	35,750	- 54.5%
Special Blocked Nationals	799	2,958	- 73.0%
Miscellaneous	6,400	38,950	- 83.6%
Total	<u>154,649</u>	<u>237,658</u>	- 34.9%

In addition, 28,600 TCR-1 reports of currency transactions were received and handled from 2159 reporting institutions. Moreover, 124 new reporting institutions were circularized and all requests for additional copies were filled by mailing and by delivery at the window.

NOTE - The Bank acts as agent of the Treasury Department, assisting the Bureau of Internal Revenue in the collection of funds deposited in commercial banks by employers under withholding tax arrangements.

GENERAL SUMMARY

As of the close of the year 1946 there were 1576 banks carried in our accounts as Depositaries for "Withheld Taxes." Depositaries paid to us during the year more than 877 millions of dollars represented by over 514,000 receipts. The dollar value of the receipts decreased approximately 12% from the 1945 dollar value; however, the number issued increased approximately 2%.

Offices of the Internal Revenue Department deposited with us their certificates of deposit amounting to approximately 920 millions of dollars, represented by more than 554,000 receipts.

1820 receipts were reported during the past year by employers as either lost or not received, necessitating the issuance of duplicates.

STATEMENT OF YEAR'S OPERATIONS

	<u>1946</u>	<u>1945</u>	<u>increase or decrease</u>
Number of receipts Issued by depositaries	514,758	505,869	+ 1.7%
Dollar value of receipts Issued by depositaries	<u>\$877,315,566</u>	<u>\$995,674,506</u>	- 11.9%

NOTE - The Federal Reserve Banks are fiscal agents of the Reconstruction Finance Corporation and the Commodity Credit Corporation. In such capacity the Bank disburses the proceeds of loans, makes advances for the accounts of various Governmental corporations, maintains custody of collateral, handles work relative to the redemption and exchange of securities, etc.

RECONSTRUCTION FINANCE CORPORATION OPERATIONS

GENERAL SUMMARY

Disbursements and receipts for account of the Reconstruction Finance Corporation during the year 1946 were appreciably reduced from the totals of the previous year. Most of the reduction was due to the gradual elimination of programs handled for the RFC - Office of Defense Supplies. Under this Office, butter and meat subsidy payments were discontinued after removal of price controls on these commodities. Cancellation of alcohol purchase contracts in the latter part of 1945 also resulted in greatly reduced amounts for 1946 under the Alcohol Program, although a review of all wartime purchases of alcohol to effect price adjustments required much detail work. Repayment prior to 1946 of most of the RFC direct loans to industrial borrowers holding war contracts was also a factor in the reduced totals.

Considerable work was performed during the year for account of the RFC - Office of Defense Plants in the maintenance of accounting records of plant costs and detailed inventory records of machinery and equipment. A new activity handled for this Office during 1946 was the comparison of the plant inventories, taken by the RFC Engineering Division, with this bank's inventory records prior to release of lessees from accountability for the property leased.

Transactions in connection with sales of surplus government property were handled for account of War Assets Corporation a subsidiary of RFC until March 25, 1946 when this activity was transferred to the War Assets Administration

The large totals for the year 1945 as compared with 1946 under Custody Liability were due to receipt and release of inventories of commodities represented by warehouse receipts under programs of the RFC - Office of Defense Supplies. Most of these inventories were disposed of prior to 1946.

Activity under a new program of the RFC Mortgage Company covering the purchase of mortgages guaranteed or insured by the Veterans Administration had just started prior to the end of 1946.

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STATEMENT OF YEAR'S OPERATIONS

<u>DISBURSEMENTS</u>	<u>1946</u>	<u>1945</u>	<u>increase or decrease</u>
<u>R. F. C. War Activities</u>			
Direct Loans, Purchases, Etc. of RFC	\$ 4,886,653	\$ 41,023,829	- 88.0%
RFC - Office of Defense Plants	32,302,022	40,420,503	- 20.0%
RFC - Office of Defense Supplies	182,380,678	511,777,916	- 64.3%
RFC - Office of Metals Reserve	532	14,944	- 96.4%
RFC - Office of Rubber Reserve	13,875	70,531	- 80.3%
Smaller War Plants Corporation	7,796,542	846,320	+ 821.2%
The RFC Mortgage Company	7,191	1,103,988	- 99.3%
U. S. Commercial Company	-	427,609	- 100.0%
War Assets Corporation	2,698,451	3,776,834	- 28.5%
War Damage Corporation	14,738	10,072	+ 46.3%
Total Disbursements under War Activities	\$ 230,100,682	\$ 599,472,546	- 61.6%
<u>Other RFC Activities</u>			
Direct Loans, Purchases, Etc. of RFC	\$ 4,491,302	\$ 628,358	+ 614.7%
Federal National Mortgage Association	40,459	272,723	- 85.1%
The RFC Mortgage Company	131,934	696,359	- 81.0%
Total Disbursements under Other Activities	\$ 4,663,695	\$ 1,597,440	+ 191.9%
Total Disbursements	\$ 234,764,377	\$ 601,069,986	- 60.9%
<u>RECEIPTS</u>			
<u>R. F. C. War Activities</u>			
Direct Loans, Purchases, Etc. of RFC	\$ 1,626,262	\$ 48,984,165	- 96.7%
RFC - Office of Defense Plants	38,002,112	41,157,244	- 7.7%
RFC - Office of Defense Supplies	11,132,768	31,317,500	- 64.4%
RFC - Office of Metals Reserve	20	496,351	- 100.0%
RFC - Office of Rubber Reserve	91,273	204,781	- 55.4%
Smaller War Plants Corporation	11,715,744	12,186,565	- 3.9%
The RFC Mortgage Company	805,695	3,914,891	- 79.4%
War Assets Corporation	40,422,610	17,719,812	+ 128.1%
War Damage Corporation	34,380	9,243	+ 271.9%
Total Receipts under War Activities	\$ 103,830,864	\$ 155,990,552	- 33.4%
<u>Other R. F. C. Activities</u>			
Direct Loans, Purchases, Etc. of RFC	\$ 14,409,817	\$ 10,430,349	+ 38.1%
Federal National Mortgage Association	377,291	7,091,115	- 94.6%
The RFC Mortgage Company	685,665	3,308,432	- 79.2%
Total Receipts under Other Activities	\$ 15,472,773	\$ 20,829,896	- 25.7%
Total Receipts	\$ 119,303,637	\$ 176,820,448	- 32.5%

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**SERVICES TO GOVERNMENT AGENCIES
Reconstruction Finance Corporation and
Commodity Credit Corporation**

FEDERAL RESERVE BANK OF CHICAGO
PRESIDENT'S REPORT
TO BOARD OF DIRECTORS - 1946

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CUSTODY LIABILITY

Balance on Hand at Beginning of Year	\$292,767,808	\$ 214,066,779	+ 36.8%
Received During Year	231,172,887	1,246,530,280	- 81.5%
Released During Year	<u>397,681,562</u>	<u>1,167,829,252</u>	- 65.9%
Balance on Hand at End of Year	<u>126,259,133</u>	<u>292,767,807</u>	- 56.9%

**BLANKET PARTICIPATION AGREEMENTS BETWEEN
R.F.C. AND COMMERCIAL BANKS**

Number of Agreements

In Effect at Beginning of Year	199	-	-
New Agreements	<u>243</u>	<u>199</u>	+ 22.1%
In Effect at End of Year	<u>442</u>	<u>199</u>	+ 122.1%

Number of Loans Guaranteed

In Effect at Beginning of Year	115	-	-
New Loans Reported	933	133	+ 601.5%
Loans Paid in Full or Withdrawn	167	18	+ 827.7%
Loans Purchased by R. F. C.	<u>6</u>	-	-
In Effect at End of Year	<u>875</u>	<u>115</u>	+ 660.8%

Amount of Loans

Balance of Loans at Beginning of Year	\$ 2,583,917	\$ -	-
New Loans Reported	41,199,257	3,214,191	+1,181.7%
Repayments and Withdrawals	11,482,288	630,274	+1,721.7%
Purchased by R. F. C.	<u>226,804</u>	-	-
Balance of Loans at End of Year	<u>\$32,074,082</u>	<u>\$2,583,917</u>	+1,141.2%

Contingent Liability of R. F. C.

Balance at Beginning of Year	\$ 3,348,740	\$ -	-
Incurred During Year	38,660,013	3,994,775	+ 867.7%
Reductions by Payments and Withdrawals	10,562,984	646,035	+1,535.0%
Reductions by Purchase of Participation	<u>226,804</u>	-	-
Balance at End of Year	<u>\$31,218,965</u>	<u>\$3,348,740</u>	+ 832.2%

Total Number of Transactions Handled	<u>1,219,727</u>	<u>1,242,723</u>	- 1.8%
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COMMODITY CREDIT CORPORATION OPERATIONS

GENERAL SUMMARY

During the first half of the year activities handled for Commodity Credit Corporation continued at the high level of the previous year. Due to increased rates of subsidy payments and higher prices under the purchase programs the amounts disbursed were greater than during the same period of the year 1945. However after removal of price controls during the last half of 1946, the subsidy programs were discontinued.

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Government purchases of commodities for Lend Lease which are included in the totals of the Program Accounting Division - New York in the statement below were discontinued during the year; however, purchases of commodities for United Nations Relief and for foreign governments, cash payment accounts continued in large volume. These purchases account for the increase in disbursements for the Area Fiscal Office - Chicago.

Purchases and sales of grain included in the Grain Branch Office - Chicago totals continued at a high level during the year 1946.

Effective July 1, 1946 the Commodity Credit Corporation changed to a branch office system of accounting under which the Federal Reserve Banks are no longer required to keep accounts for the individual programs, but are required to keep control accounts for each branch office for which disbursements or receipts are functioned.

STATEMENT OF YEAR'S OPERATIONS

	1946	1945	increase or decrease
DISBURSEMENTS			
Area Fiscal Office - Chicago	\$ 172,040,315	\$ 63,174,519	+ 172.3%
Area Fiscal Office - New York	6,115,199	1,934,185	+ 216.1%
Cotton Branch Office - New Orleans	11,336,624	3,701,806	+ 206.2%
Fiscal Control Division - Washington	7,328,969	60,100,189	- 87.8%
Grain Branch Office - Chicago	270,786,209	281,709,069	- 3.8%
Grain Branch Office - Kansas City	2,589,258	724,648	+ 257.3%
Grain Branch Office - Minneapolis	23,376,949	6,861,959	+ 240.6%
Program Accounting Division - New York	271,920,376	376,016,571	- 27.7%
Loans from Banks		10,045,343	- 100.0%
Total Disbursements	\$ 765,493,899	\$ 804,268,289	- 4.8%
RECEIPTS			
Area Fiscal Office - Chicago	\$ 10,163,311	\$ 4,661,956	+ 118.0%
Area Fiscal Office - New York	121	-	-
Fiscal Control Division - Washington	9,478,918	29,109,049	- 67.4%
Grain Branch Office - Chicago	213,655,622	215,908,722	- 1.0%
Grain Branch Office - Kansas City			-
Grain Branch Office - Minneapolis	102		-
Program Accounting Division - New York	4,772,781	3,150,187	+ 51.5%
Loans from Banks			-
Miscellaneous Accounts	-	12	- 100.0%
Total Receipts	\$ 238,070,855	\$ 252,829,926	- 5.8%
CUSTODY LIABILITY			
Balance on Hand at Beginning of Year	\$ 91,190,062	\$ 49,891,533	+ 82.7%
Received During Year	185,045,604	237,097,896	- 21.9%
Released During Year	238,212,654	195,799,367	+ 21.6%
Balance on Hand at End of Year	\$ 38,023,012	\$ 91,190,062	- 58.3%
Total Number of Transactions Handled	4,957,231	9,193,757	- 46.0%

NOTE - The Board of Governors of the Federal Reserve System works through the Reserve Banks in its regulation of credit and instalment buying. Each Bank investigates credit activities throughout its district to ascertain whether or not Executive orders and related directives are violated.

GENERAL SUMMARY

During 1946 a spot check of the books and records of 3,579 Registrants (mostly vendors) was made for the purpose of determining the extent of compliance of the Registrants' credit transactions with the provisions of Regulation W. In the same period approximately 7,000 inquiries concerning the Regulation (through correspondence, telephone, and personal interview) were answered and 2,643 new licenses issued.

Three hundred twenty-four municipalities were visited, at least once, during the year by investigators who filed detailed reports covering their review of 314,025 credit transactions. Violations, totaling 4,110, were disclosed in 1,442 of the 3,579 investigations conducted in 1946. Registrants were apparently wilfully violating the Regulation in 17 cases. In this connection, 14 disciplinary conferences were held; 1 at the head office and 13 at the Detroit Branch.

Complying with the requests of various organizations, speakers were furnished on 10 occasions (7 by the head office and 3 by the Detroit Branch) for the purpose of clarifying problems and answering questions. Prior to December 1, 1946 under the authority contained in Section 12(m) of the Regulation the bank granted permission to 8 Registrants (6 department stores, a ladies' wearing apparel shop, and an automobile accessory dealer) to adopt systems of billing their charge accounts in cycles.

A Registrant Company in the Detroit area, and its President, following a hearing in the United States District Court, were found guilty of violating Regulation W while under an injunction issued on July 19, 1945. The president of the registrant company was sentenced to serve one year in an institution to be designated and the corporation was sentenced to pay a fine of \$2,500. Execution of the sentences has been deferred pending an appeal.

In another disciplinary proceeding under Regulation W, the license of another registrant was suspended for 60 days, and the registrant placed under judicial decree restraining further violations of the Regulation. This case was also unique in that the disciplinary proceedings before described were preceded by a formal hearing in Detroit before a representative of the Board of Governors and also a formal hearing before the Board of Governors in Washington.

Although Regulation W as revised effective December 1, 1946 removed restrictions with respect to charge sales and single payment loans, our number of Registrants of record has not been affected since persons solely engaged in extending that type of credit were operating under a general license not requiring registration. Registrants, however, engaged in making instalment sales of wearing apparel, jewelry, or any of the other 26 articles removed by the revised Regulation are still included in our file of Registrants until a check can be made in order to determine whether or not such Registrants extend instalment credit for any of the articles presently listed in the revised Regulation.

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STATEMENT OF YEAR'S OPERATIONS

	<u>1946</u>	<u>1945</u>	<u>increase or decrease</u>
Inquiries Received			
By Letters	2,284	2,252	+ 1.4%
By Personal Interviews (Estimated)	723	724	- 1%
By Telephone Calls (Estimated)	4,076	4,577	- 11.0%
Total	<u>7,083</u>	<u>7,553</u>	- 6.2%
Mailings			
Dictated Replies	2,284	2,252	+ 1.4%
Form Letters	549	474	+ 15.8%
Letters written regarding incorrect Registration Statements received and letters to Registrants concerning violations disclosed in investigators' reports, as well as other letters, such as follow-ups	2,086	2,167	- 3.7%
Circular Letters and Amendments	140,907	130,446	+ 8.0%
Total	<u>145,826</u>	<u>135,339</u>	+ 7.7%
Speakers Furnished			
By Head Office	7	4	+ 75.0%
By Detroit Branch	3	2	+ 50.0%
Total	<u>10</u>	<u>6</u>	+ 66.7%
Number of Registrants as of December 31	<u>36,919</u>	<u>35,281</u>	+ 4.6%
Number of Registration Statements Received	<u>2,563</u>	<u>1,267</u>	+ 102.2%
Number of Registration Statements Cancelled	<u>925</u>	<u>1,060</u>	- 12.7%
Licenses Issued	<u>2,643</u>	<u>1,352</u>	+ 95.5%
Investigations			
Number Conducted (including calls on cash dealers)	3,579	3,513	+ 1.9%
Credit Transactions Reviewed	314,025	292,898	+ 7.2%
Number of Investigations Disclosing Violations	1,442	1,362	+ 5.9%
Violations Disclosed	<u>4,110</u>	<u>5,103</u>	- 19.5%

SUPPLEMENTARY BANK OPERATIONS
Accounting

FEDERAL RESERVE BANK OF CHICAGO
PRESIDENT'S REPORT
TO BOARD OF DIRECTORS - 1946

NOTE - The central accounting routines of the Bank include the maintenance of the reserve accounts of member banks, the constant analysis of those reserves as regards the legal minimum of each bank, the maintenance of accounts with other Federal Reserve Banks through an interdistrict settlement fund, the transfer of funds by wire for member banks, the handling of all Bank disbursements, the compilation of claims for services rendered the government, the assembly of cost data and construction of reports, etc.

GENERAL SUMMARY

Central accounting volumes varied during the year. Federal reserve book entries, transfers of funds, and expense disbursements increased; general ledger entries, member bank reserve accounts entries and central files activities decreased. The number of banks against whom reserve deficiency penalties were assessed remained about the same, but the amount of the penalties increased 41%.

STATEMENT OF YEAR'S OPERATIONS

	<u>1946</u>	<u>1945</u>	<u>increase or decrease</u>		
GENERAL LEDGER					
Number of entries functioned	<u>341,230</u>	<u>357,887</u>	- 4.7%		
FEDERAL RESERVE BOOKS					
Number of entries functioned	<u>1,362,080</u>	<u>1,276,301</u>	+ 6.7%		
MEMBER BANK RESERVE ACCOUNT					
Number of entries functioned	2,530,247	2,613,649	- 3.2%		
Active accounts as of Dec. 31	<u>810</u>	<u>802</u>	+ 1.0%		
MEMBER BANK RESERVES					
EXCESS over REQUIREMENT					
	<u>Period</u>	<u>Amount</u>	<u>Period</u>	<u>Amount</u>	
Maximum	Jan. 15	\$217,692,000	Dec. 31	\$232,716,000	- 6.5%
Minimum	Sep. 30	<u>122,285,000</u>	Apr. 30	<u>128,565,000</u>	- 4.9%
ASSESSABLE DEFICIENCIES					
Number of different banks		179	181	- 1.1%	
Amount of Penalties Assessed		<u>\$ 9,697</u>	<u>\$ 5,697</u>	+ 70.2%	
TRANSFERS OF FUNDS					
Number					
Interdistrict					
By wire		78,558	67,448	+ 16.5%	
By mail		2,573	2,523	+ 2.0%	
Intradistrict					
By wire and mail		<u>88,698</u>	<u>84,003</u>	+ 5.6%	
Total		<u>169,829</u>	<u>153,974</u>	+ 10.3%	
EXPENSE DISBURSEMENTS					
Dollar value of items handled					
Expense vouchers functioned (Bank and Fiscal Agency Combined)		\$13,150,162	\$12,920,080	+ 1.8%	
Fiscal Agency claims prepared		<u>6,363,177</u>	<u>7,265,488</u>	- 12.4%	
Cost entries		<u>54,672</u>	<u>52,363</u>	+ 4.4%	
CENTRAL FILES					
Incoming pieces filed		1,325,000	1,600,000	- 17.2%	
Books bound		<u>14,400</u>	<u>15,500</u>	- 7.1%	

NOTE - In addition to the usual mail and telephone facilities, the Bank maintains the central relay unit of a leased wire system having connections with the Board of Governors in Washington, with the other Federal Reserve Banks and branches, and with the Treasury Department. Telegrams effecting transfers of funds for members, Fiscal Agency operations, and other banking transactions are processed both in code and in clear.

GENERAL SUMMARY

Local outgoing calls decreased from an average of 28,470 per month in 1945 to 27,940 in 1946. 446 terminals were in operation in December, 1945, as compared with 439 in 1946. The average number of both incoming and outgoing long distance calls transmitted decreased from 1,387 calls per month in 1945 to 1,215 calls in 1946.

Mail Department activities fell off significantly during 1946, reflecting the approach to normal with the gradual disappearance of war related duties. On July 1, 1946, we began, on an experimental basis, the use of air transport in the collection of checks. Since that time we have used either Air Express or Air Freight to collect checks drawn on the cities of Boston, Buffalo, New York, and St. Louis. We are participating in air collection in order to gain first-hand experience and to encourage this progressive effort.

During 1946, 1,082,729 telegrams were handled through the Chicago relay office of the Federal Reserve Leased Wires System (the Chicago "Turret") as against a total of 1,050,246 for the year 1945 - - an increase for 1946 of 3.1% over 1945.

STATEMENT OF YEAR'S OPERATIONS

<u>TELEGRAMS PROCESSED</u>	<u>1946</u>	<u>1945</u>	<u>increase or decrease</u>
Received - Leased Wires			
In Code	65,383	59,138	+ 10.6%
In Clear	8,806	8,336	+ 5.6%
Received - Commercial Wires			
In Code	16,054	14,618	+ 9.8%
In Clear	4,059	3,478	+ 16.7%
Dispatched - Leased Wires			
In Code	49,030	45,890	+ 6.8%
In Clear	12,985	12,870	+ .9%
Dispatched - Commercial Wires			
In Code	6,540	7,191	- 9.1%
In Clear	8,575	5,244	+ 63.5%
<u>MAIL HANDLED</u>			
Number of pieces received	1,863,593	2,302,772	- 19.1%
Number of pieces dispatched, mail and express	<u>3,414,416</u>	<u>4,749,778</u>	<u>- 28.1%</u>

NOTE - All general personnel activities of the Bank are handled by a central personnel unit. Such work includes the keeping of salary and personnel records, educational and welfare programs, and the maintenance of a medical department and an employees' cafeteria.

GENERAL SUMMARY

The total number of employees in the Bank dropped to 2,510 at the end of the year, a decline of 106 during the period. Personnel turnover ratios increased during 1946, as indicated by increases of 311 in separations and 497 in additions. Our chief sources of new employees continued to be the current graduating classes of the local high schools, and applicants responding to our newspaper advertisements. These staff additions, together with transfers of surplus employees from departments whose operations are declining, served our needs during the period.

A modified Plan For Hospital Care was adopted during the year, replacing the previous Plan. Under the new arrangements, benefits are expanded to include surgical fees, and the Bank assumes slightly less than two-thirds of the cost to the employee. A canteen was established during the year; the Bank Credit Union was given permanent quarters in the Bank building and an adequate office staff was provided; and various employees' activities programs, such as sports leagues, orchestra, chorus, recreational library, were expanded during the year, as was our employee educational program.

A job evaluation program was launched in 1946 for the purpose of providing a comprehensive appraisal of our salary structure. This work will be completed in 1947.

STATEMENT OF YEAR'S OPERATIONS

<u>PERSONNEL UNIT</u>	<u>1946</u>	<u>1945</u>	<u>increase or decrease</u>
<u>Number of Regular Employees</u>			
As of December 31	2,510	2,616	- 4.0%
New Employees	1,118	621	+ 80.0%
Separations	<u>1,224</u>	<u>913</u>	<u>+ 34.1%</u>
<u>Number of Extra-Help Employees</u>			
As of December 31 (Chiefly Cafeteria and bldg. Depts.)	<u>52</u>	<u>68</u>	<u>- 23.5%</u>
<u>MEDICAL DEPARTMENT</u>			
Physical Examinations	1,189	904	+ 31.5%
Requests for Medical Care	51,596	48,331	+ 6.8%
Visits by Nurse	<u>1,670</u>	<u>1,174</u>	<u>+ 42.2%</u>
<u>CAFETERIA</u>			
<u>Daily Average Number of Meals Served</u>			
Cafeteria			
Noon	1,803	1,675	+ 7.6%
Evening	550	513	+ 7.2%
Officers' Dining Room	<u>36</u>	<u>39</u>	<u>- 7.7%</u>
Total Meals	<u>2,389</u>	<u>2,227</u>	<u>+ 7.3%</u>

NOTE - The central procurement units of the Bank handle the purchasing of all equipment and supplies, the storage of supplies, and the maintenance of a printshop, an addressing division, and an office machine repair shop.

GENERAL SUMMARY

During 1946, the Purchasing Department issued 7729 purchase orders totaling approximately \$670,000 for building, office supplies, printing, stationery, furniture and equipment, etc. The number of orders written decreased during the year, but their value was 5% in excess of the 1945 figure because of generally higher prices. The number of items carried in the Bank's stockroom increased somewhat during the year. In excess of 3600 jobs were processed through our Shop during the year, with an increase of 16.9% impressions over 1945. Some new equipment was installed.

STATEMENT OF YEAR'S OPERATIONS

	<u>1946</u>	<u>1945</u>	<u>increase or decrease</u>
<u>PURCHASING</u>			
Purchase Orders	7,729	8,496	- 9.0%
Dollar Value	<u>\$670,000</u>	<u>\$636,000</u>	+ 5.3%
<u>PRINTING</u> (Jobs Processed)			
	<u>Jobs</u>	<u>Impressions</u>	
Duplicating	372	45,000	
Mimeograph	792	969,000	
Multilith	438	5,634,000	
Multigraph	369	2,058,000	
Photostat	1,447	71,000	
	<u>3,418</u>	<u>8,777,000</u>	+ 16.9%
Cutting	<u>230</u>	<u>5,273,000</u>	+ 187.0%
<u>ADDRESSOGRAPH UNIT</u>			
Plates made and corrected	3,772	2,612	+ 44.4%
Plates removed and transferred	1,818	1,957	- 7.0%
Carbon paper inserted into forms	608,000	936,000	- 35.0%
Impressions made on forms envelopes, statements, etc.	<u>4,362,000</u>	<u>5,615,000</u>	- 22.3%

NOTE - The operation of the Bank's main building and subsidiary space is handled by a general maintenance staff. This work includes routine duties, such as janitor service and elevator service, as well as major alterations and upkeep.

GENERAL SUMMARY

Total space in use dropped during the year from 383,661 square feet (243,963 owned and 139,698 rented) to 342,226.5 square feet, all the reduction being in outside rented space. This reduction in rented quarters of 41,434 square feet will be increased on April 30, 1947, by 6,000 square feet with the expiration of a warehouse lease which need not be replaced.

Air conditioning of the 5th, 6th, 7th, 12th, and 14th floors, started early in 1946, is now ready for winter operation (that is filtering, warming, and circulating air) except for certain motors, the procurement of which is being expedited with all possible effort. Extension of air conditioning to the remaining floors, 8th, 9th, 10th, and 13th, must await relaxation of Civilian Production Administration restrictions.

No. 4 Vault in the 3rd basement, of which only the walls, floor and ceiling had been constructed at the time this building was erected, has been turned over to the Cash Department in full operating condition. It will be used principally for coin wrapping operations.

Conversion of building light and power from Direct Current to Alternating Current has reached the stage where bids are about to be taken. This is a project involving over \$200,000, of which about one-half will be absorbed by the Edison Company and the balance by the Federal Reserve Bank, as customer, under Edison Company rules as filed with the Illinois Commerce Commission.

A warehouse containing about 23,500 square feet was rented under a 10-year lease on June 15, 1946, for old records and miscellaneous storage.

With CPA restrictions still in effect since March 26, 1946, construction costing more than \$1,000 is forbidden, and, aside from the air conditioning and Vault No. 4, projects which had been started before the date of the restraining order, and the Alternating Current conversion, which is not subject to the restriction, none of the other contemplated major alterations have been attempted. In only one case, necessary repairs to our newly rented warehouse, did we have recourse to the CPA and this project, worth over \$8,000.00, was promptly approved. Our landlord assumed \$5,000.00 of this cost.

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Interior decorations such as drapes, floor covering (except rubber tile, linoleum, etc.), shades, and furniture being unrestricted, even if in very short supply, a limited amount of such work was carried on this year. The Directors' Room was very completely renovated and several offices and open spaces on the 2nd floor were made more attractive. More work in this direction is planned when the market again affords the right variety of selection at a fair price.

Tabulated below are occupied quarters, owned and rented, at the end of 1946 and 1945:

	<u>Square Feet Rentable Area in Use at Year-End</u>	
	<u>1946</u>	<u>1945</u>
Owned:		
230 South LaSalle Street	243,963 *	243,963 *
Rented:		
166 West Jackson Boulevard	6,000	6,000
120 South LaSalle Street	11,210.5	83,086
175 West Jackson Boulevard (Insurance Exchange Building South)	51,331	20,945
725 South Wells Street (warehouse)	6,000	6,000
523 South Plymouth Court	-0-	7,191
326 South Wells Street	-0-	16,278
416 Federal Street	23,524	-0-
Security Trust Building, Indianapolis, Ind.	198	198
Total	<u>342,226.5</u>	<u>383,661</u>

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

NOTE - Legal matters arising in the course of this Bank's operations (litigations, preparation and approval of legal documents, preparation of memoranda relating to the laws of states in this Reserve District) are handled by a central legal staff.

GENERAL SUMMARY

Legal matters handled by the department during the year included examination and approval of all applications for membership in the Federal Reserve System, 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 and conference with officials of member banks concerning regulations and rulings of the Board of Governors; 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 indemnifying bonds and court orders relating to special custody deposits of securities by member banks; numerous questions relating to our safekeeping and check clearing operations, also our fiscal agency functions for the Treasury Department and the Reconstruction Finance Corporation; preparation of supplements and other documents relating to remaining V and T loans, and consultation with officers in charge of Credit Department regarding loans and commitments under Section 13b of the Federal Reserve Act, including examination and approval of all documents in connection therewith; consultation 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; etc.

This department has continued its close association, advising and working with the officers in charge of the Consumer Credit Department in the administration and enforcement of Regulation W. During the year, the General Counsel at the request of the Board of Governors served as the Government's principal witness in the case of a registrant under Regulation W, a criminal contempt proceeding involving violations of Regulation W, in which the Federal District Court at Detroit, Michigan, found the defendants guilty.

The Federal Reserve System Share-The-Loss program which has been in effect since January 1, 1945, has its activities centered in this bank since the chairman of the system Insurance Committee is located here. The General Counsel in this department handles an extensive amount of legal matters and frequently participates in discussions involving administrative matters for the Committee; also the Assistant General Counsel serves as secretary of this Committee.

NOTE The design and installation of new accounting systems in the Bank is handled by a centralized methods staff. Continuing research and review of the latest developments in mechanical accounting devices and of existing accounting methods and controls are carried on by this unit.

GENERAL SUMMARY

At the close of 1945, the Methods Division had started the task of preparing the Bank's routines and systems for the multitude of improvements in mechanical equipment and procedures that will be made available by postwar developments. This work was continued and expanded during 1946, and a substantial portion of the Division's effort was directed toward the assembly of the basic detail that will be necessary for future systems work.

Considerable emphasis was placed on projects which would benefit the Bank's general departments, for during the war years their systems were given only the minimum of necessary attention, a policy which was forced on us at that time by equipment shortages and the press of work in fiscal agency operations.

Among the new systems installed during the year was a punched-card control routine covering savings bonds redemptions operations.

In some instances, improvements were deferred until future dates, for several factors, such as the inadequate delivery schedules of most equipment manufacturers and the probability of accelerated obsolescence of present equipment purchases, made much new installation work inadvisable during 1946.

There was a considerable increase in systems service work during the year. Several cost surveys were made during the period, among them one covering the cost of wrapping coin for member banks. Several statistical projects were completed for operating departments.

NOTE - The Federal Reserve Banks are empowered to supply funds to member banks and, under certain prescribed conditions, to commercial firms

GENERAL SUMMARY

Seven banks, three city and four country, were accommodated with loans during 1946, the same number as the previous year. The number and amount of loans, however, showed a decline. The borrowings, except in one case, were made for short periods to adjust cash reserves.

During the year, the last of the Regulation V guarantees was terminated, ending the program under which 342 guarantees were issued involving loans totaling \$911,250,500, the guaranteed portions totaling \$793,103,475.

STATEMENT OF YEAR'S OPERATIONS

	1946	1945	increase or decrease
<u>NUMBER OF TRANSACTIONS</u>			
Advances to Member Banks -			
Secured by U. S. Govt. Obligations	113	131	- 13.7%
Industrial Loans -			
Advances	-	1	- 100.0%
Commitments	-	1	- 100.0%
Guarantees under Regulation V -			
Issues	-	57	- 100.0%
Releases	<u>60</u>	<u>107</u>	<u>- 43.9%</u>
<u>DOLLAR VALUE OF TRANSACTIONS</u>			
Advances to Member Banks -			
Secured by U. S. Govt. Obligations	\$941,250,000	\$1,492,447,000	- 36.9%
Industrial Loans -			
Advances	-	300,000	- 100.0%
Commitments	-	450,000	- 100.0%
Guarantees under Regulation V -			
Issues	-	60,455,000	- 100.0%
Releases	<u>132,125,000</u>	<u>635,500,000</u>	<u>- 79.2%</u>

NOTE - Currency and coin produced in the Mints and in the Bureau of Printing and Engraving are routed into general circulation through the Federal Reserve Banks, which act as distributing agents between the Treasury and the Banking community. Commercial banks desiring currency or coin may obtain it from this Bank in exchange for their draft, a charge to their reserve account, etc. Similarly, banks having excess cash may turn it in to this bank and obtain funds in return. Incoming cash is either used to supplement new currency and coin in outgoing shipments, or, if unfit for further circulation, is returned to the Treasury for destruction.

GENERAL SUMMARY

All currency and coin activities increased during 1946. Outgoing coin was up 75% over the previous year, while incoming coin was 66% in excess of the 1945 volume. Outgoing and incoming currency were 6% and 10%, respectively, over the 1945 figures.

STATEMENT OF YEAR'S OPERATIONS

	1946	1945	increase or decrease
<u>PIECES</u>			
Currency -			
Outgoing	109,041,131	102,194,501	+ 6.7%
Incoming	96,539,485	87,233,275	+ 10.6%
Coin -			
Outgoing	150,809,500	86,143,995	+ 75.0%
Incoming - from banks	37,103,235	22,327,674	+ 66.1%
from mints	<u>110,960,000</u>	<u>66,855,000</u>	<u>+ 65.9%</u>
<u>DOLLAR VALUE OF PIECES</u>			
Currency -			
Outgoing	\$670,340,229	\$670,410,367	- .1%
Incoming	620,623,523	549,852,408	+ 12.8%
Coin -			
Outgoing	8,481,445	6,233,660	+ 36.0%
Incoming - from banks	3,878,173	2,268,807	+ 70.9%
- from mints	<u>4,535,000</u>	<u>4,480,000</u>	<u>+ 1.2%</u>

NOTE - The Federal Reserve Banks act as nation-wide clearing agents for the routing of checks between commercial banks in much the same manner as clearing house associations do in local communities, and accept and pay checks drawn by the Federal Government. They also collect drafts, notes, bonds, coupons, acceptances, etc., for member banks and deliver against payment securities sold by member banks. The Reserve Banks act as clearing houses for ration checks.

GENERAL SUMMARY

The number of country checks cleared increased 28% during 1946; while the number of all checks handled rose 15% during the year. Noncash items increased 6%; ration checks declined 89%.

STATEMENT OF YEAR'S OPERATIONS

	<u>1946</u>	<u>1945</u>	<u>increase or decrease</u>
CHECKS			
<u>Number of Checks Handled</u>			
City	12,277,000	10,852,000	+ 13.1%
Country	20,060,000	15,647,000	+ 28.2%
Government - Paper	1,597,000	1,803,000	- 11.4%
- Card	4,496,000	5,025,000	- 10.5%
Total	<u>38,430,000</u>	<u>33,327,000</u>	<u>+ 15.3%</u>
Dally average number of cash letters dispatched to Michigan Banks and F. R. Banks			
	<u>536</u>	<u>530</u>	<u>+ 1.1%</u>
<u>Dollar Value of Checks Handled</u>			
City	\$ 9,179,236,000	\$ 8,442,197,000	+ 8.7%
Country	3,776,629,000	3,149,263,000	+ 19.9%
Government - Paper	1,117,664,000	4,317,908,000	- 74.1%
- Card	395,179,000	380,100,000	+ 4.0%
Total	<u>\$14,468,708,000</u>	<u>\$16,289,468,000</u>	<u>- 11.2%</u>
NONCASH ITEMS			
<u>Pieces</u>			
City	19,015	17,036	+ 11.6%
**Country	18,923	17,700	+ 6.9%
Coupon and Security	27,611	27,170	+ 1.6%
Total	<u>65,549</u>	<u>61,906</u>	<u>+ 5.9%</u>
**Includes direct sendings to other Federal Reserve Banks by our Member Banks			
	<u>6,123</u>	<u>5,389</u>	<u>+ 13.6%</u>
<u>Dollar Value of Pieces</u>			
City	\$ 56,748,390	\$ 38,786,055	+ 46.3%
**Country	135,506,970	64,922,721	+ 108.7%
Coupon and Security	78,357,349	68,664,565	+ 14.1%
Total	<u>\$ 270,612,709</u>	<u>\$ 172,373,341</u>	<u>+ 57.0%</u>
**Includes direct sendings to other Federal Reserve Banks by our Member Banks			
	<u>\$ 125,140,316</u>	<u>\$ 52,044,940</u>	<u>+ 140.5%</u>
RATION CHECKS			
Number of items handled	129,000	1,228,000	- 89.5%
Total units processed	<u>778,964,000</u>	<u>9,065,439,000</u>	<u>pts - 91.4%</u>

NOTE - Federal Reserve Banks act as depositories for securities owned by member banks. Securities so held are completely serviced as to collection of interest, redemptions, exchanges, etc. A free safekeeping service for United States Savings Bonds, Series E, is extended to members of the armed forces and to the general public.

GENERAL SUMMARY

Securities held in safekeeping declined \$311 million during 1946, the principal factor being a reduction in war loan collateral of \$215 million which was drawn down as war loan deposits declined. The aggregate number of pieces handled during the year showed a small increase.

STATEMENT OF YEAR'S OPERATIONS

	<u>1946</u>	<u>1945</u>	<u>increase or decrease</u>
<u>SAFEKEEPING - MEMBER BANKS, ETC</u>			
<u>Pieces</u>			
Securities - Received	117,693	144,954	- 18.8%
Released	91,832	51,730	+ 77.5%
Coupons detached from securities	<u>144,455</u>	<u>128,635</u>	<u>+ 12.3%</u>
<u>Dollar Value of Pieces</u>			
Securities - Received	\$1,836,026,343	\$2,477,139,352	- 25.9%
Released	2,147,803,548	2,483,217,434	- 13.5%
Held as of Dec. 31	413,066,398	724,843,603	- 43.0%
Coupons detached from securities	<u>8,586,931</u>	<u>8,677,894</u>	<u>- 1.0%</u>

NOTE - The Federal Reserve Banks act as agents of the Treasury Department in the presentation of new issues of Government securities to the general public. Information and instructions are relayed from Washington throughout this district, and all operations necessary to the placing of new Treasury issues in the hands of the public are carried out. The Bank qualifies commercial banks and others in the district as agents in the sale of U. S. Savings Bonds, Series E, to the public; and services those agents as regards supplies of new bonds, applicable Treasury directives, and the processing of paid registrations, etc. The Bank analyzes the sales of U. S. Savings Bonds, and furnishes the Treasury Department with detailed reports showing what the public purchased in the various cities, counties and states of this district.

GENERAL SUMMARY

Issuing activities of all categories declined during the year. Direct sales of Series E Savings Bonds dropped 47% in number of pieces involved, and direct sales of other Treasury issues were off 61%. The number of Series E Bonds sold by issuing agents during the year was 72% less than in 1945.

STATEMENT OF YEAR'S OPERATIONS

	<u>1946</u>	<u>1945</u>	<u>increase or decrease</u>
<u>NEW ISSUES</u>			
<u>Subscriptions</u>			
<u>Forms Received</u>			
Treasury (Other Than E Bonds)	15,775	40,156	60.7%
"E" Bonds	2,034	3,824	46.8%
<u>Subscribers Involved</u>			
Treasury (Other Than E Bonds)	16,115	45,576	64.6%
"E" Bonds	<u>165,825</u>	<u>313,734</u>	<u>47.1%</u>
<u>Dollar Value of Subscriptions</u>			
<u>Received</u>			
Treasury (Other Than E Bonds)	\$ 504,827,900	\$ 1,537,535,525	- 67.2%
"E" Bonds	5,501,825	10,468,275	- 47.4%
<u>Allotted</u>			
Treasury (Other Than E Bonds)	395,057,075	1,537,775,750	- 74.3%
"E" Bonds	<u>5,573,650</u>	<u>10,542,400</u>	<u>47.1%</u>
<u>ISSUING AGENTS</u>			
<u>Series "E" Savings Bonds sold</u>			
Pieces	2,752,898	10,086,304	- 72.7%
Maturity Value	<u>\$ 161,656,515</u>	<u>\$ 458,321,530</u>	<u>64.7%</u>
Number of qualified Issuing Agents as of December 31	<u>404</u>	<u>564</u>	<u>28.4%</u>
<u>SALES ANALYSIS</u>			
Number of Reports Prepared	134	10,553	- 98.7%
Items Tabulated (dollar value)	<u>\$ 510,135,015</u>	<u>\$ 1,980,041,670</u>	<u>74.2%</u>
<u>SHIPPING AND DELIVERY</u>			
<u>Pieces Shipped</u>			
Treasury (Other Than E Bonds)	60,843	137,416	- 55.7%
"E" Bonds	<u>229,759</u>	<u>392,519</u>	<u>41.5%</u>

NOTE - The Federal Reserve Banks handle the servicing of all government securities. Such work includes exchanges, transfers, custody of blank stock, accounts of depository banks, etc.

GENERAL SUMMARY

The volume of work involved in servicing operations connected with government securities varied during the year. Denominational exchanges increased during 1946; depository bank and custody volumes declined.

STATEMENT OF YEAR'S OPERATIONS

	<u>1946</u>	<u>1945</u>	<u>increase or decrease</u>
<u>DENOMINATIONAL EXCHANGE</u>			
<u>Pieces</u>			
Received -			
Marketable Issues	380	349	+ 8.9%
Public Debt Transfers	3,286	3,305	- .6%
Issued -			
Marketable Issues	1,812	1,025	+ 76.8%
Public Debt Transfers	<u>2,234</u>	<u>1,760</u>	<u>+ 26.9%</u>
<u>Maturity Value</u>			
Received -			
Marketable Issues	\$22,766,500	\$14,656,000	+ 55.3%
Public Debt Transfers	390,220,800	324,204,400	+ 20.4%
Issued -			
Marketable Issues	22,766,500	14,656,000	+ 55.3%
Public Debt Transfers	<u>123,361,000</u>	<u>136,323,800</u>	<u>- 9.5%</u>
<u>DEPOSITORY BANKS</u>			
Number of Payments handled	11,975	23,912	- 49.9%
Number of Qualified Depositories as of December 31	131	131	-
Depositories' Balances as of Dec. 31	<u>\$57,404,344</u>	<u>\$527,356,801</u>	<u>- 89.1%</u>
<u>CUSTODY</u>			
<u>Pieces</u>			
Received from Treasury Dept.	3,001,321	10,329,738	- 70.9%
Prepared for Delivery	<u>2,920,689</u>	<u>10,465,098</u>	<u>- 72.1%</u>
<u>Dollar Value</u>			
Received from Treasury Dept.	\$1,060,490,400	\$2,731,425,200	- 61.2%
Prepared for Delivery	<u>1,332,250,045</u>	<u>2,885,525,695</u>	<u>- 53.8%</u>

NOTE - In connection with its duties as Fiscal Agent of the United States, the Federal Reserve Banks accept (and pay) Government securities eligible for redemption, either directly from the holders thereof, or, in the case of Savings Bonds, from commercial banks designated as paying agents. Securities paid in redemption are processed as directed by the Treasury and are turned over to the Bureau of the Public Debt for final settlement and disposal.

GENERAL SUMMARY

With the exception of coupons, redemptions in general declined during 1946. The number of U. S. Savings Bonds paid decreased 25%, and the number of other securities 35%. U. S. Savings Bonds, redeemed directly by the Bank decreased 16%, but the money paid out in such transactions was up 51%.

STATEMENT OF YEAR'S OPERATIONS

	1946		1945		increase or decrease
REDEMPTIONS					
U. S. Savings Bonds Redeemed					
Pieces					
By Paying Agents	8,277,038	99.2%	11,028,087	99.3%	- 24.9%
By F. R. Bank	67,923	.8%	80,868	.7%	- 16.0%
Total	<u>8,344,961</u>	<u>100.0%</u>	<u>11,108,955</u>	<u>100.0%</u>	- 24.9%
 \$25 Pieces Included Above	 6,194,421	 74.2%	 9,008,587	 81.1%	 - 31.2%
 Redemption Value of Pieces					
By Paying Agents	\$261,099,036	93.7%	\$295,585,730	96.2%	- 11.7%
By F. R. Bank	17,633,955	6.3%	11,703,452	3.8%	+ 50.7%
Total	<u>\$278,732,991</u>	<u>100.0%</u>	<u>\$307,289,182</u>	<u>100.0%</u>	- 9.3%
 Number of qualified paying agents as of Dec. 31	 <u>199</u>		 <u>197</u>		 + 1.0%
 Other Bonds, Notes, Certificates and Bills Redeemed					
Pieces	36,038		55,060		- 34.5%
Maturity Value	<u>\$378,530,925</u>		<u>\$491,834,325</u>		- 23.0%
 U. S. and Other Governmental Agency Coupons Redeemed					
Pieces	239,358		225,986		+ 5.9%
Dollar Value	<u>\$16,547,738</u>		<u>\$14,715,826</u>		+ 12.4%
 SECURITY MAIL					
Pieces received	<u>36,880</u>		<u>54,145</u>		- 31.9%

NOTE - The Bank acts as agent of the Treasury Department, assisting the Bureau of Internal Revenue in the collection of funds deposited in commercial banks by employers under withholding tax arrangements.

GENERAL SUMMARY

The number of receipts issued by depositaries increased during the year, while the total value of receipts issued declined.

STATEMENT OF YEAR'S OPERATIONS

<u>WITHHELD TAX</u>	<u>1946</u>	<u>1945</u>	<u>increase or decrease</u>
<u>Number of Receipts</u>			
Issued by Depositaries	130,463	123,510	+ 5.6%
Credited to U. S. Treasurer as Income Tax	<u>127,745</u>	<u>123,493</u>	<u>+ 3.4%</u>
<u>Dollar Value of Receipts</u>			
Issued by Depositaries	\$ 333,523,000	\$ 473,732,000	- 29.6%
Credited to U. S. Treasurer as Income Tax	<u>324,149,000</u>	<u>506,938,000</u>	<u>- 36.1%</u>

NOTE - The Federal Reserve Banks are fiscal agents of the Reconstruction Finance Corporation and the Commodity Credit Corporation. In such capacity the Bank disburses the proceeds of loans, makes advances for the accounts of various Governmental corporations, maintains custody of collateral, handles work relative to the redemption and exchange of securities, etc.

GENERAL SUMMARY

Excluding operations connected with Defense Plant Corporation inventory analysis, the work in this department, with a few minor exceptions, showed a substantial decrease. Approximately 80% of the assigned personnel was engaged in inventory analysis work.

STATEMENT OF YEAR'S OPERATIONS

	<u>1946</u>	<u>1945</u>	<u>increase or decrease</u>
<u>RECONSTRUCTION FINANCE CORPORATION</u>			
<u>Accounting entries</u>			
Payments -			
Disbursed	19,084	37,524	- 49.1%
Received	20,186	66,837	- 69.8%
Other -			
Payroll Checks Issued for Loan Agency	18,321	3,617	+ 406.5%
Accounts receivable	1,152	2,311	- 50.1%
Interest Endorsements	<u>13,151</u>	<u>34,899</u>	<u>- 62.3%</u>
<u>Custody Activities</u>			
Receipts	2,079	2,348	- 11.4%
Releases	1,413	11,876	- 88.1%
Collections	470	9,186	- 94.9%
Coupons	<u>1,132</u>	<u>1,277</u>	<u>- 11.3%</u>
Number of Reports Prepared	<u>33,530</u>	<u>32,828</u>	<u>+ 2.1%</u>

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Receipts

Loans, Investments, Purchases			
Directly for Account of R. F. C.	\$ 1,055,720	\$ 2,260,219	- 53.3%
Surplus Property Disposal Program	13,369,109	16,016,637	- 16.5%
Loans to Industry	2,830,843	11,679,423	- 75.7%
Defense Plants	27,847,895	50,280,868	- 44.6%
Defense Supplies Program	27,749	448,266	- 93.8%
Metals Reserve Program	33,962	1,319,916	- 97.4%
Federal National Mortgage Association (including sales of mortgages held)	177,937	22,215,359	- 99.2%
R. F. C. Mortgage Company (including sales of mortgages held)	2,633,412	16,112,838	- 83.6%
Loans and Rental Agreements Transferred from Smaller War Plants Corporation	1,650,273	3,065,116	- 46.2%
Total	\$49,626,900	\$123,398,642	- 59.8%

Disbursements

Loans, Investments & Purchases			
Directly for Account of R. F. C.	\$ -	\$ 34,587	- 100.0%
Surplus Property Disposal Program	1,948,136	2,545,085	- 23.4%
Loans to Industry	5,711,430	8,714,369	- 34.4%
Defense Plants	20,664,575	76,167,619	- 72.8%
Defense Supplies Program	13,810,692	14,094,316	- 2.0%
Metals Reserve Program	439	78,412	- 99.4%
Federal National Mortgage Association	20,247	711,372	- 97.1%
R. F. C. Mortgage Company	94,152	2,361,620	- 96.0%
Smaller War Plants Corporation	1,540,575	319,983	+ 381.4%
Administrative Expense - Loan Agency	2,917,254	316,411	+ 822.0%
Total	\$46,707,500	\$105,343,774	- 55.6%
<u>Total Number of Transactions</u>	<u>39,270</u>	<u>104,361</u>	<u>- 62.4%</u>

COMMODITY CREDIT CORPORATION

Disbursements

Grain Loan and Purchase Programs and Subsidy Price Support Program	\$11,742,444	\$12,170,710	- 3.5%
Total Number of Transactions	3,764	5,487	- 31.4%

Pieces Handled

Checks Issued	766	1,073	- 28.6%
Disbursements			
Drafts	170,705	216,954	- 21.3%
Schedules	900	688	+ 30.8%

NOTE The central accounting routines of the Bank include the maintenance of the reserve accounts of member banks, the constant analysis of those reserves as regards the legal minimum of each bank, the maintenance of accounts with other Federal Reserve Banks through an interdistrict settlement fund, the transfer of funds by wire for member banks, the handling of all Bank disbursements, the compilation of claims for services rendered the government, the assembly of cost data and construction of reports, etc.

GENERAL SUMMARY

Accounting volumes varied during the year. The number of entries in member bank reserve accounts and federal reserve books increased; general ledger entries, expense disbursements, and central files receipts declined.

STATEMENT OF YEAR'S OPERATIONS

	<u>1946</u>	<u>1945</u>	<u>increase or decrease</u>		
GENERAL LEDGER					
Number of entries functioned	<u>44,169</u>	<u>47,996</u>	- 8.0%		
FEDERAL RESERVE BOOKS					
Number of entries functioned	<u>247,629</u>	<u>236,088</u>	+ 4.9%		
MEMBER BANK RESERVE ACCOUNTS					
Number of entries functioned	<u>337,005</u>	<u>318,200</u>	+ 5.9%		
Active accounts as of Dec. 31	<u>98</u>	<u>101</u>	- 3.0%		
MEMBER BANKS RESERVES					
EXCESS over REQUIREMENT					
	<u>Period</u>	<u>Amount</u>	<u>Period</u>	<u>Amount</u>	
Reserve City					
Maximum	<u>Aug. 1</u>	<u>\$8,349,000</u>	<u>Dec. 7</u>	<u>\$11,789,000</u>	- 29.2%
Minimum	<u>Oct. 10</u>	<u>2,326,000</u>	<u>Apr. 20</u>	<u>1,688,000</u>	+ 37.8%
Country					
Maximum	<u>Jan. 15</u>	<u>\$14,501,000</u>	<u>Jan. 15</u>	<u>\$15,978,000</u>	- 9.2%
Minimum	<u>Jul. 31</u>	<u>8,223,000</u>	<u>Feb. 28</u>	<u>9,924,000</u>	- 17.1%
ASSESSABLE DEFICIENCIES					
Number of Banks		<u>10</u>		<u>15</u>	- 33.3%
Amount of Penalties		<u>\$595</u>		<u>\$509</u>	+ 16.9%
EXPENSE DISBURSEMENTS					
Dollar value of items handled					
Vouchers functioned		<u>\$3,037,801</u>		<u>\$3,509,994</u>	- 13.5%
Fiscal Agency Claims prepared		<u>2,243,195</u>		<u>2,477,222</u>	- 9.4%
CENTRAL FILES					
Incoming pieces filed		<u>294,916</u>		<u>320,139</u>	- 7.8%

NOTE - In addition to the usual mail and telephone facilities, the Bank is a unit in a leased wire system having connections with all other Federal Reserve Banks and Branches, the Board of Governors, and the Treasury Department. Telegrams effecting transfers of funds for member banks, Fiscal Agency work, and other banking transactions are processed both in code and in clear.

GENERAL SUMMARY

The volume of work handled by the several communications services declined during the year except for telegrams handled over commercial wires. Incoming leased wire messages were up 1.5%, outgoing messages were down 6.7%. Local telephone calls were up 1.1%, but long distance calls and the number of terminals in use decreased during the year. Both incoming and outgoing mail declined during 1946.

STATEMENT OF YEAR'S OPERATIONS

	<u>1946</u>	<u>1945</u>	<u>increase or decrease</u>
<u>TELEGRAMS PROCESSED</u>			
<u>LEASED WIRE</u>			
Received -			
In Code	14,532	12,387	+ 17.3%
In Clear	5,958	7,800	- 23.6%
Total	<u>20,490</u>	<u>20,187</u>	+ 1.5%
Dispatched -			
In Code	15,547	15,846	- 1.9%
In Clear	4,991	6,070	- 17.8%
Total	<u>20,538</u>	<u>21,916</u>	- 6.3%
<u>COMMERCIAL WIRE</u>			
Received -			
In Code	952	653	+ 45.8%
In Clear	423	394	+ 7.4%
Total	<u>1,375</u>	<u>1,047</u>	+ 31.3%
Dispatched -			
In Code	2,520	1,599	+ 57.6%
In Clear	463	176	+ 163.1%
Total	<u>2,983</u>	<u>1,775</u>	+ 68.1%
<u>TELEPHONE CALLS HANDLED</u>			
Calls handled by switchboard -			
Outgoing - local	81,537	80,625	+ 1.1%
- long distance	2,125	2,280	- 6.8%
Terminals in use December 31st	<u>138</u>	<u>143</u>	- 3.5%
<u>MAIL HANDLED</u>			
Number of pieces received & routed	310,088	351,311	- 11.7%
Number of pieces dispatched -			
mail	401,728	469,545	- 14.4%
express	<u>10,105</u>	<u>10,722</u>	- 5.8%

NOTE All general personnel activities of the Bank are handled by a central personnel unit. Such work includes the keeping of salary and personnel records, educational and welfare programs, and the maintenance of a medical department and an employees' cafeteria.

GENERAL SUMMARY

During July a program was inaugurated providing for the training of messengers in the operation of adding machines, typewriters, etc. The objective of this program is the building up of a pool from which the lower job classifications can be filled. During March a course of training was started for supervisory employees.

The Branch's Job Evaluation Program was started August 20th, and at the close of the year descriptions had been completed for all jobs, and all jobs were tentatively rated.

STATEMENT OF YEAR'S OPERATIONS

<u>PERSONNEL DIVISION</u>	<u>1946</u>	<u>1945</u>	<u>Increase or decrease</u>
<u>Number of Employees</u>			
As of January 1	672	716	- 6.1%
New Employees	258	358	- 28.0%
Separations	328	402	- 18.4%
As of December 31	<u>602</u>	<u>672</u>	<u>- 10.4%</u>
<u>MEDICAL</u>			
<u>Number of Cases</u>			
Physical Examinations -			
Prospective Employees	9	-	-
Bank Employees	<u>218</u>	<u>296</u>	- 26.3%
Total	<u>227</u>	<u>296</u>	<u>- 23.3%</u>
<u>Requests for Medical Care</u>	<u>3,782</u>	<u>4,583</u>	<u>- 17.5%</u>

In Addition, 395 employees received 2 influenza vaccinations

CAFETERIA

Number of meals served		
Cafeteria		
Noon	28,652	<u>Cafeteria established August 13, 1946</u>
Complementary		
Guest of Bank	50	
Bank Employees	<u>1,111</u>	
Total All Meals	<u>29,813</u>	

Daily Average Number of Meals Served	
Cafeteria	
Noon	<u>258</u>

COMPARATIVE STATEMENT OF EARNINGS AND EXPENSES

	1946	1945
EARNINGS	21,235,190.45	20,076,761.05
EXPENSES:		
Operating Expenses	6,853,344.65	5,646,079.14
Assessment for Board of Governors	303,483.83	303,183.13
Cost of Federal Reserve Currency	632,515.27	601,748.39
Total Net Expenses	<u>7,789,343.75</u>	<u>6,551,010.66</u>
Current Net Earnings	13,445,846.70	13,525,750.39
ADDITIONS TO CURRENT NET EARNINGS:		
Profit on Sales of U. S. Government Securities	231,045.60	415,492.84
Other Additions	12,090.60	7,059.64
Total Additions to Current Net Earnings	<u>243,136.20</u>	<u>422,552.48</u>
Total Current Net Earnings and Additions to Current Net Earnings	13,688,982.90	13,948,302.87
DEDUCTIONS FROM CURRENT NET EARNINGS:		
Provision for Building and Vault Improvements	—	500,000.00
Retirement System (Salary Compensation Adjustment)	281,169.00	—
Other Deductions	47,045.57	17,991.79
Total Deductions from Current Net Earnings	<u>328,214.57</u>	<u>517,991.79</u>
Net Earnings	<u><u>13,360,768.33</u></u>	<u><u>13,430,311.08</u></u>
DISTRIBUTION OF NET EARNINGS:		
Paid United States Treasury (Section 13B).....	—	2,515.92
Dividends Paid	1,311,792.03	1,215,381.20
Transferred to Surplus (Section 7)	12,048,976.30	12,212,413.96
	<u>13,360,768.33</u>	<u>13,430,311.08</u>
SURPLUS ACCOUNT (SECTION 7)		
Surplus January 1	53,028,929.96	33,200,672.77
Transferred to Surplus — as above	12,048,976.30	12,212,413.96
Transferred to Surplus from Reserves for Contingencies	—	7,615,843.23
Surplus December 31	<u><u>65,077,906.26</u></u>	<u><u>53,028,929.96</u></u>

COMPARATIVE STATEMENT OF CONDITION

ASSETS	Dec. 31, 1946	Dec. 31, 1945
GOLD CERTIFICATES ON HAND AND DUE FROM		
U. S. TREASURY	3,369,272,586.87	3,027,002,225.62
REDEMPTION FUND — FEDERAL RESERVE NOTES	136,644,442.30	135,309,484.62
OTHER CASH	31,559,710.71	28,147,809.10
Total Cash	<u>3,537,476,739.88</u>	<u>3,190,459,519.34</u>
BILLS DISCOUNTED	18,291,000.00	6,110,000.00
Total Bills	<u>18,291,000.00</u>	<u>6,110,000.00</u>
U. S. GOVERNMENT SECURITIES	3,455,402,000.00	3,796,779,000.00
Total Bills and Securities	<u>3,473,693,000.00</u>	<u>3,802,889,000.00</u>
BANK PREMISES	3,056,737.98	3,106,267.93
FEDERAL RESERVE NOTES OF OTHER BANKS	22,944,300.00	16,558,000.00
UNCOLLECTED ITEMS	387,335,826.02	341,423,582.27
OTHER ASSETS	6,952,192.13	9,424,256.96
Total Assets	<u><u>7,431,458,796.01</u></u>	<u><u>7,363,860,626.50</u></u>

LIABILITIES		
FEDERAL RESERVE NOTES IN ACTUAL CIRCULATION	4,573,143,890.00	4,444,532,650.00
DEPOSITS:		
Member Bank — Reserve Account	2,366,136,539.01	2,347,114,726.64
U. S. Treasurer — General Account	65,227,171.74	139,437,239.01
Other Deposits	68,163,011.09	111,559,178.50
Total Deposits	<u>2,499,526,721.84</u>	<u>2,598,111,144.15</u>
DEFERRED AVAILABILITY ITEMS	265,651,182.65	241,593,949.32
OTHER LIABILITIES	1,885,674.25	1,825,344.62
Total Liabilities	<u>7,340,207,468.74</u>	<u>7,286,063,088.09</u>

CAPITAL ACCOUNTS		
CAPITAL PAID IN	22,434,650.00	21,073,650.00
SURPLUS (Section 7)	65,077,906.26	53,028,929.96
SURPLUS (Section 13B)	1,429,383.78	1,429,383.78
OTHER CAPITAL ACCOUNTS	2,309,387.23	2,265,574.67
Total Liabilities and Capital Accounts	<u><u>7,431,458,796.01</u></u>	<u><u>7,363,860,626.50</u></u>

STATEMENT OF EARNINGS, EXPENSES, AND DISPOSITION OF NET EARNINGS

NOVEMBER 16, 1914 (Date of Incorporation) TO DECEMBER 31, 1946

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	-	-	-	
1946	21,235,190	7,789,344	13,445,846	243,136	328,214	13,360,768	1,311,792	12,048,976	-	-	-	-	
Totals	\$ 263,304,184	\$ 120,515,269	\$ 142,788,915	\$ 16,912,606	\$ 25,522,286	\$ 134,179,235	\$ 28,285,067	\$ 80,418,343	\$ 150,618	\$ 11,681	\$ 25,313,526	\$ -	
ADJUSTMENTS TO ABOVE TOTALS:													
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					
Transferred to Surplus (Section 7) from Reserves for Contingencies Year 1945								7,615,843					
Payments from U.S. Treasury Years 1934 and 1935										1,417,702			
Totals	\$ 263,304,184	\$ 120,515,269	\$ 142,788,915	\$ 16,912,606	\$ 25,522,286	\$ 134,179,235	\$ 28,285,067	\$ 65,077,906	\$ 150,618	\$ 1,429,383	\$ 25,313,526	\$ -	

FEDERAL RESERVE BANK OF CHICAGO
 STATEMENT OF EARNINGS, EXPENSES, AND DISPOSITION OF NET EARNINGS
 NOVEMBER 15, 1944 (Date of Incorporation) TO DECEMBER 31, 1945

YEAR	EARNINGS		EXPENSES		NET EARNINGS	DISPOSITION OF NET EARNINGS	
	INTEREST	NON-INTEREST	OPERATING	OTHER		RETAINED	PAID
1945	1,000,000	500,000	200,000	100,000	200,000	300,000	1,000,000
1944	950,000	450,000	180,000	90,000	180,000	270,000	950,000
1943	900,000	400,000	160,000	80,000	160,000	240,000	900,000
1942	850,000	350,000	140,000	70,000	140,000	210,000	850,000
1941	800,000	300,000	120,000	60,000	120,000	180,000	800,000
1940	750,000	250,000	100,000	50,000	100,000	150,000	750,000
1939	700,000	200,000	80,000	40,000	80,000	120,000	700,000
1938	650,000	150,000	60,000	30,000	60,000	90,000	650,000
1937	600,000	100,000	40,000	20,000	40,000	60,000	600,000
1936	550,000	50,000	20,000	10,000	20,000	30,000	550,000
1935	500,000	0	0	0	0	0	500,000
1934	450,000	0	0	0	0	0	450,000
1933	400,000	0	0	0	0	0	400,000
1932	350,000	0	0	0	0	0	350,000
1931	300,000	0	0	0	0	0	300,000
1930	250,000	0	0	0	0	0	250,000
1929	200,000	0	0	0	0	0	200,000
1928	150,000	0	0	0	0	0	150,000
1927	100,000	0	0	0	0	0	100,000
1926	50,000	0	0	0	0	0	50,000
1925	0	0	0	0	0	0	0
1924	0	0	0	0	0	0	0
1923	0	0	0	0	0	0	0
1922	0	0	0	0	0	0	0
1921	0	0	0	0	0	0	0
1920	0	0	0	0	0	0	0
1919	0	0	0	0	0	0	0
1918	0	0	0	0	0	0	0
1917	0	0	0	0	0	0	0
1916	0	0	0	0	0	0	0
1915	0	0	0	0	0	0	0
1914	0	0	0	0	0	0	0
1913	0	0	0	0	0	0	0
1912	0	0	0	0	0	0	0
1911	0	0	0	0	0	0	0
1910	0	0	0	0	0	0	0
1909	0	0	0	0	0	0	0
1908	0	0	0	0	0	0	0
1907	0	0	0	0	0	0	0
1906	0	0	0	0	0	0	0
1905	0	0	0	0	0	0	0
1904	0	0	0	0	0	0	0
1903	0	0	0	0	0	0	0
1902	0	0	0	0	0	0	0
1901	0	0	0	0	0	0	0
1900	0	0	0	0	0	0	0
TOTAL	10,000,000	5,000,000	2,000,000	1,000,000	2,000,000	3,000,000	10,000,000

Transferred to Reserve for Contingencies - Year 1945, 1944, and 1943
 Transferred to Reserve for Contingencies from Reserves for Contingencies Year 1945

