FEDERAL RESERVE BANK OF CHICAGO

PRESIDENT'S ANNUAL REPORT

TO

MEMBER BANKS

ACTIVITIES FOR THE YEAR

1947

Federal Reserve Bank of Chicago

PRESIDENT'S ANNUAL REPORT TO MEMBER BANKS OF THE SEVENTH FEDERAL RESERVE DISTRICT

ACTIVITIES FOR THE YEAR 1947

FEDERAL RESERVE BANK OF CHICAGO

OFFICE OF THE PRESIDENT

January 22, 1948

To the Member Banks of the Seventh
Federal Reserve District:

You will find in the following pages a brief description of the services performed by the Federal Reserve Bank of Chicago for the banks of the Seventh Federal Reserve District, as well as for the government and the general public, during 1947.

This past year was one of tremendous volumes of work for us, as it was for you, and our tasks were completed and written into this record only through the wholehearted support of our Member Banks. For that support I would like to extend the warmest thanks of myself and our entire organization.

Very truly yours,

C. S. Young

President

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SEVENTH DISTRICT ECONOMIC SUMMARY

Nineteen hundred and forty-seven goes into the records as the greatest year of peacetime prosperity yet attained in the Seventh Federal Reserve District as well as in the nation generally. During the past twelve months virtually every barometer of business established a new all-time level—particularly in dollar terms—and the immediate outlook for 1948 is for a continuation of inflationary trends.

Because the goods currently in greatest demand but in shortest supply to meet domestic and world needs are to a very large extent produced in the Seventh District and its economic hinterland, it is not surprising to find that during 1947 more people were at work, more goods produced, more wages and salaries paid, more goods and services purchased, and more profits received than in any previous year of peace. Underlying this "boom," however, is a very apparent feeling that caution is in order in business thinking and planning because the current prosperity is rooted in part upon artificial, war-borne stimulants and cannot be expected to endure indefinitely. Moreover, as prices continue to rise, there has been increasing, although still scattered, evidence of financial stringency as certain individuals and business firms have become more vulnerable to an interruption or slowing down in their incomes or production.

The failure of inflationary forces to give ground during 1947 was basically the unexpected result of demand continuing to outrun supply for non-durable as well as durable goods. Of particular marginal significance here was the revived demand for food and textiles in the early months of 1947 consequent upon the poor crop outlook at home and abroad and second round wage increases among organized workers. The end of building controls in midyear stimulated lagging commercial construction and, together with greater working capital requirements resulting from rising prices, increased business demands for funds. These developments changed business expectations, and inflation psychology once again became dominant. Many consumers, moreover, became convinced that price declines were not imminent and revised their buying plans. Residential starts increased more than seasonally throughout the District as well as the nation from June to September and fell less than seasonally in the last quarter.

The Seventh District includes a sufficiently large proportion of the nation's population, industrial and farm production, and financial activities to serve in many respects as a barometer of business trends for the nation as a whole. This condition was particularly evident in 1947. The District, however, appears to have been somewhat more sensitive than the nation to inflationary forces during the year. This resulted from the above normal concentration of durable goods in the District and from the unexpected price strength of cereal grains and livestock which affected not only farmers but also certain important food manufacturing industries such as meat packing.

Continuous expanding employment, in contrast to extensive work stoppages during the previous year, was primarily responsible for record Seventh District prosperity in 1947. About seven million persons were at work in nonagricultural pursuits in the District at the end of the year, with approximately three million in manufacturing. Unemployment was virtually non-existent and shortages of workers widely reported, particularly in the larger industrial centers.

The 9-10 per cent average increase in consumer prices in the principal Seventh District cities during 1947, slightly above the rise generally in the United States, was reflected in all dollar business trends. Disposable income of individuals exceeded the 12 per cent national increase. Cash farm income in the five District states surpassed the 1946 level by roughly 25 per cent, rising well above the 19 per cent gain in the nation. Wage and salary advances during 1947 averaged somewhat less than 10 per cent, but living cost increases commonly eliminated the possibility of increases in real income.

In an effort to maintain their living standards in the face of mounting prices, consumers in this District as elsewhere spent greater proportions of their larger incomes in 1947 than during the previous year, and made increased use of credit facilities. Retail Sales in Illinois and Michigan, which together account for over three-fifths of the District total, increased 22-24 per cent over their year ago total, while the corresponding national gain was slightly under 14 per cent. Similarly, Seventh District department store sales showed a greater 1946-47 increase, 10 per cent, than in the nation, 7 per cent.

The year 1947 witnessed an upsurge in the need for business credit, the result of, as well as a contributory factor to, higher prices. Working capital requirements advanced and commonly more funds were needed to meet fixed and operating expenses than anticipated earlier. Commercial and industrial loans of member banks in the Seventh District rose 27 per cent during the year, compared with 29 per cent in the nation.

Within the Seventh District, all areas have shared in the District prosperity. The largest industrial centers, Chicago and Detroit, however, have made the most striking gains during the past twelve months, in contrast to their somewhat slower progress during the early postwar reconversion months. The 1946-47 over-all rise in employment of roughly five per cent in the Seventh District was exceeded by Detroit and Chicago, but was slightly above the gains reported in Milwaukee, Indianapolis, and Des Moines. While there was no appreciable difference in the extent of 1946-47 consumer price increases among the principal District cities, Indianapolis was the only area to show a gain of less than the national average of 8.8 per cent. The same general pattern of increases around the District average prevailed in department store sales trends, with the largest areas achieving particularly striking increases. The most substantial increases in construction occurred in Detroit and Indianapolis, with the latter city showing the greatest rate of expansion in new dwelling units. Commercial and industrial loan expansion during the year was largest among banks in Chicago and Milwaukee.

FEDERAL OPEN MARKET COMMITTEE

The United States government securities shown on the December 31, 1947, statement of the Federal Reserve Bank of Chicago represent this bank's share in the portfolio of the System Open Market Account, in which all the Federal Reserve banks participate. The activities of this account are directed by the Federal Open Market Committee, and its transactions are handled principally in New York. This bank's participation has varied from time to time during the year but on December 31, 1947, stood at $3,085,404,000, representing 13.7% of the total portfolio of $22,559,334,000.

DISCOUNTS AND OTHER CREDITS

The Federal Reserve Banks are empowered to make loans to member banks and, under certain circumstances, to commercial firms.

GENERAL SUMMARY

Member bank borrowings for the year aggregated $1,207,743,000, an increase of 17.2% over the previous year. These increased borrowings were due primarily to withdrawals of war loan deposit accounts in member banks and elimination of the practice of permitting member banks to tender U. S. Treasury bills for sale under repurchase agreement. The maximum member bank borrowings outstanding as of any one day were $278,690,000 on March 31, 1947.

One emergency loan for $400,000, secured principally by real estate mortgages, was made under Section 10b of the Federal Reserve Act. This loan was to a member bank which had suddenly experienced a loss of approximately one-third of its deposits and enabled the bank to effect an orderly liquidation of its excess loans and investments.

Two commitments aggregating $345,000 were entered into during the year with financing institutions in connection with working capital loans to industrial enterprises under the provisions of Section 13b of the Federal Reserve Act.

STATEMENT OF OPERATIONS

	1947	1946	increase or decrease
NUMBER OF TRANSACTIONS			
Advances to Member Banks -			
Secured by U. S. Govt. Obligations	430	395	+ 8.9%
Secured by Mtges. Sec. 10b	1	-	-
Industrial Loans -			
Advances	-	-	-
Commitments	2	2	-
DOLLAR VALUE OF TRANSACTIONS			
Advances to Member Banks -			
Secured by U. S. Govt. Obligations	$1,207,743,000	$1,030,155,000	+ 17.2%
Secured by Mtges. Sec. 10b	400,000	-	-
Industrial Loans -			
Advances	-	-	-
Commitments	345,000	382,666	- 9.8%

Currency and coin 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 used either to supplement new currency and coin in outgoing shipments, or, if unfit for further circulation, is returned to the Treasury for destruction.

GENERAL SUMMARY

During 1947 Cash Department activities continued in heavy volume and showed substantial increases both in amount and pieces over 1946. In 1947 a large number of member banks availed themselves of a wrapped coin service which was begun in a limited way in the latter part of 1946. This service is being well received by member banks throughout the district and will be further extended as additional mechanical equipment becomes available.

The net circulation of our Federal Reserve Notes reached an all-time high of $4,669,338,000 on December 24, 1947, as against a high of $4,602,370,000 a year ago, the net increase amounting to $66,968,000.

STATEMENT OF OPERATIONS

PIECES	1947	1946	increase or decrease
Currency			
Outgoing	505,142,656	465,288,540	+ 8.6%
Incoming	523,534,850	499,617,483	+ 4.8%
Forwarded for Redemption	207,974,832	169,466,861	+ 22.7%
Coin			
Outgoing - Loose	568,634,136	741,892,988	- 23.4%
Wrapped	316,034,000	14,420,000 †	
Total	884,668,136	756,312,988	+ 17.0%
Incoming - from banks	738,481,403	481,142,829	+ 53.5%
from mints	146,400,000	325,250,000	- 55.0%
from other Feds	4,100,000	2,400,000	+ 70.8%
DOLLAR VALUE OF PIECES			
Currency			
Outgoing	$3,003,754,800	$2,749,670,700	+ 9.2%
Incoming	3,118,258,887	2,879,538,129	+ 8.3%
Forwarded for Redemption	772,378,087	566,563,229	+ 36.3%
Coin			
Outgoing - Loose	$ 42,515,060	$ 58,639,122	- 27.5%
Wrapped	31,394,450	591,000 †	
Total	$ 73,909,510	$ 59,230,122	+ 24.8%
Incoming - from banks	$ 66,919,297	$ 45,851,998	+ 45.9%
from mints	6,950,000	15,100,000	- 54.0%
from other Feds	1,300,000	853,500	+ 52.3%

† Figures cover only last 3 months of 1946, when wrapped coin service was inaugurated.

FEDERAL RESERVE NOTE ISSUES - FEDERAL RESERVE AGENT			
PIECES			
Received from Washington	61,764,000	51,540,000	+ 19.8%
Issued to Bank	72,259,000	53,918,000	+ 34.0%
DOLLAR VALUE OF PIECES			
Received from Washington	$ 752,640,000	$ 587,000,000	+ 28.2%
Issued to Bank	867,060,000	742,515,000	+ 16.8%

COLLECTION OF CHECKS AND OTHER ITEMS

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.

GENERAL SUMMARY

The number of country checks cleared during 1947 was 8.5% greater than the number cleared during 1946; the volume of all checks handled was up 5.8%. Noncash items processed during the year declined 8.5% from the 1946 volume.

STATEMENT OF OPERATIONS

CHECKS	1947	1946	increase or decrease
NUMBER OF CHECKS HANDLED			
City	42,717,756	42,435,255	+ 0.7%
Country	182,389,933	168,024,163	+ 8.5%
Government - Paper	4,080,834	7,004,569	- 41.7%
Government - Card	41,835,136	38,745,465	+ 8.0%
Total	271,023,659	256,209,452	+ 5.8%
DOLLAR VALUE OF CHECKS HANDLED			
City	$50,198,913,000	$42,768,284,000	+ 17.4%
Country	33,065,055,000	27,343,275,000	+ 20.9%
Government - Paper	5,796,590,000	6,459,897,000	- 10.3%
Government - Card	2,567,080,000	2,931,456,000	- 12.4%
Total	$91,627,638,000	$79,502,912,000	+ 15.3%
Daily average number of cash letters dispatched	5,277	3,795	+ 39.1%
NONCASH ITEMS			
TRANSACTIONS			
City	42,246	40,451	+ 4.4%
Country †	190,795	225,662	- 15.5%
Coupon and Security	486,324	520,440	- 6.6%
Total	719,365	786,553	- 8.5%
† Includes direct sendings to other Federal Reserve Banks by our Member Banks	106,893	121,198	- 11.8%
DOLLAR VALUE OF TRANSACTIONS			
City	$ 129,751,000	$ 84,192,000	+ 54.1%
Country †	575,468,000	694,350,000	- 17.1%
Coupon and Security	923,018,000	1,042,226,000	- 11.4%
Total	$ 1,628,237,000	$ 1,820,768,000	- 10.6%
† Includes direct sendings to other Federal Reserve Banks by our Member Banks	$ 450,347,000	$ 569,830,000	- 21.0%
RATION CHECKS *			
Number of Items Handled	415,891	728,659	- 42.9%
Total Units Processed	3,628,326,638	3,099,291,115	+ 17.1%

* Discontinued June 30, 1947

The 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 U. S. Savings Bonds, Series E, is extended to members of the armed forces and to the general public.

GENERAL SUMMARY

During 1947 the number of pieces received exceeded by 50,000 the number released. The large amount of municipal financing, mostly Soldiers' Bonus bonds, was the reason for this increase. The amount of Government securities received was less by $7,570,000,000 than in 1946. Coupons detached from securities in Safekeeping declined 28,000.

During 1947, 109,825 Savings Bonds were deposited by the public for safekeeping: 48% by service personnel, and 52% by civilians. Over 190,000 Savings Bonds were released during the year, compared to 414,129 during 1946; and on December 31, 1947, there remained in our safekeeping 782,202 pieces with a maturity value of over $73,000,000.

STATEMENT OF OPERATIONS

	1947	1946	increase or decrease
SAFEKEEPING - MEMBER BANKS, ETC.			
Pieces			
Securities - Received	285,520	281,851	+ 1.3%
Released	235,196	252,522	- 6.9%
Held as of Dec. 31	489,266	438,942	+ 11.5%
Coupons detached from Securities	879,662	907,288	- 3.0%
Dollar Value of Pieces			
Securities - Received	$ 29,594,516,120	$ 37,165,447,774	- 20.4%
Released	30,358,925,792	37,525,805,554	- 19.1%
Held as of Dec. 31	4,786,100,324	5,550,509,996	- 13.8%
Coupons detached from Securities	90,658,171	113,138,766	- 19.9%
Receipts Issued	31,167	33,212	- 6.2%
Receipts Released	30,059	33,318	- 9.8%
Receipts Outstanding	61,166	60,058	+ 1.8%
SAFEKEEPING - SAVINGS BONDS			
Pieces			
Received - U. S. Army Personnel	52,366	68,981	- 24.1%
Civilian	57,459	157,528	- 63.5%
Released - U. S. Army Personnel	139,589	352,838	- 60.4%
Civilian	51,906	61,291	- 15.3%
Held as of Dec. 31			
U. S. Army Personnel	443,000	530,223	- 16.5%
Civilian	339,202	333,649	+ 1.7%
Dollar Value of Pieces			
Received - U. S. Army Personnel	$ 3,576,860	$ 3,779,000	- 5.4%
Civilian	8,133,178	11,377,000	- 28.1%
Released - U. S. Army Personnel	6,961,075	16,010,000	- 56.5%
Civilian	6,637,021	7,139,000	- 7.0%
Held as of Dec. 31			
U. S. Army Personnel	22,220,025	25,604.000	- 13.2%
Civilian	50,823,979	49,278,000	+ 3.1%

The Federal Reserve Banks act as securities agent for member banks. The purchase and sale of bonds by member banks, 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 declined somewhat during 1947 from the previous year. Purchases decreased 24.2% in number and 25.3% in dollar value, while sales declined 10.6% in number and 19.3% in value. The decrease was largely attributable to the discontinuance during the year of the previous arrangement under which member banks sold Treasury bills to the Federal Reserve banks at a stated price with an option to repurchase.

STATEMENT OF OPERATIONS

NUMBER OF SECURITY TRANSACTIONS	1947	1946	increase or decrease
PURCHASES			
U. S. Governments -			
Member Banks and Others	3,205	3,772	- 15.0%
Other F. R. Banks	164	158	+ 3.8%
Repurchase Agreement	1,146	1,951	- 41.3%
Own Account	1	-	
Other			
Member Banks and Others	22	103	- 78.6%
Total Purchases	4,538	5,984	- 24.2%
SALES			
U. S. Governments -			
Member Banks and Others	6,695	7,051	- 5.0%
Other F. R. Banks	420	437	- 3.9%
Repurchase Agreement	1,042	1,486	- 29.9%
" " exchanged for Treas. bills due 7/31/47	7	-	
" " matured	278	854	- 67.4%
" " transf. to System Open Market Account	310	-	
Own Account - transf. to System Open Market Account	1	-	
Other			
Member Banks and Others	80	53	+ 50.9%
Total Sales	8,833	9,881	- 10.6%
DOLLAR VALUE OF TRANSACTIONS			
PURCHASES			
U. S. Governments -			
Member Banks and Others	$ 119,820,650	$ 172,762,850	- 30.6%
Other F. R. Banks	21,398,500	10,683,100	+ 100.3%
Repurchase Agreement	9,590,508,000	12,894,767,000	- 25.6%
Own Account	39,952,000	-	
Other			
Member Banks and Others	569,000	792,000	- 28.2%
Total Purchases	$ 9,772,248,150	$13,079,004,950	- 25.3%
SALES			
U. S. Governments -			
Member Banks and Others	$ 175,938,140	$ 165,058,050	+ 6.6%
Other F. R. Banks	8,129,500	18,069,950	- 55.0%
Repurchase Agreement	7,445,191,000	9,561,542,000	- 22.1%
" " exchanged for Treas. bills due 7/31/47	39,952,000	-	
" " transf. to System Open Market Account	1,587,479,000	-	
" " matured	1,236,993,000	3,310,899,000	- 62.6%
Own Account - transf. to System Open Market Acct.	39,952,000	-	
Other			
Member Banks and Others	634,900	235,400	+ 169.7%
Total Sales	$10,534,269,540	$13,055,804,400	- 19.3%

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, an informational service being a very important activity of the Research Department. 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

During 1947 the Research Department continued its emphasis on the gathering of economic information in the Seventh Federal Reserve District and strengthening its ties with businessmen, agricultural leaders, and other sources of current information. The Library staff, economists, and others in the Research Department participated as usual in providing information for the thousands of inquiries for business and financial information which are received by mail, phone, or in person from banks, business firms, and others.

Current statistical series were maintained and the usual periodic surveys and studies were conducted. A new project this year was a survey of agricultural loans conducted in approximately 80 member banks as a part of a national Federal Reserve System survey. In addition, a number of studies were made in the fields of agriculture, business, finance, and state government, which were subjects of articles in the monthly review, Business Conditions.

The following material was published during the year as a result of current studies and collection of data in the Seventh District:

Weekly
Agricultural Letter; department store sales; financial statements - Federal Reserve Banks combined statement and member bank statements (national, and cities of Chicago, Detroit, Indianapolis, and New York).

Monthly
Business Conditions (monthly review); retail trade and consumer credit series - department stores; furniture, household appliance, jewelry, shoes; financial reports - assets and liabilities of Seventh District member banks, bank debits, bankers acceptances, and commercial paper; other business summaries - business indexes, furniture manufacturing, lumber, and paper and pulp.

Quarterly
Farm land value survey.

Annually
Department store sales by departments; deposit survey; meat packing study and supplement; member bank operating ratio study; retail credit survey; and agricultural credit data.

The usual number of intrabank publications were prepared, and in connection with the vast amount of data collected from Seventh District reporting banks and business firms, summary reports of these figures were prepared and sent to the Board of Governors. To the extent that these data and other activities of the Research Department are a part of the national program of research of the Federal Reserve System, members of the research staff participated in a number of System conferences and studies of national economic conditions.

EXAMINATION OF BANKS

An examination of the state member banks in its district is made each calendar year by the Federal Reserve Bank. Field investigations required in connection with applications 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

Nine banks, 6 national and 3 state, were admitted to membership in 1947. The staff of the Bank Examination Department completed 573 examinations during the year.

STATEMENT OF OPERATIONS

	1947	1946
NUMBER OF EXAMINATIONS MADE		
Regular	433	447
Membership	2	7
Trust Departments	137	141
Follow-up Investigations	1	2
Holding Company Affiliate	-	1
NUMBER OF MEMBER BANKS IN 7TH F. R. DISTRICT		
National Banks		
As of January 1	559	550
Additions (see Note A)	6	10
Withdrawals (see Note B)	4	1
As of December 31	561	559
State Banks		
As of January 1	443	446
Additions (see Note A)	3	10
Withdrawals (see Note B)	4	13
As of December 31	442	443

Note A - Additions to Membership

National Banks
- Commercial National Bank of Berwyn, Berwyn, Illinois
- First National Bank of Byron, Byron, Illinois
- Glencoe National Bank, Glencoe, Illinois
- Tampico National Bank, Tampico, Illinois
- Wheaton National Bank, Wheaton, Illinois
- The Midland National Bank, Midland, Michigan

State Banks
- Manteno State Bank, Manteno, Illinois
- Waverly Savings Bank, Waverly, Iowa
- The Citizens Bank of Saline, Saline, Michigan

Note B - Withdrawals

National Banks
- 4 - assumed by other banks

State Banks
- 2 - converted to national banks
- 2 - voluntary withdrawals

The personnel assigned to the public relations staff visit member and non-member banks, attend conventions and group meetings, 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 development of good relationships between the Federal Reserve Bank of Chicago and its member banks particularly, but also non-member banks, corporations, and individuals was the over-all objective of the Bank and Public Relations Department during 1947. In the pursuit of this objective, all segments of the public were contacted by means of personal calls, participation in the programs of bankers' organizations, conferences with industrial leaders, and speeches before service clubs, chambers of commerce, other business organizations, and university and college groups. In addition, the general public was acquainted with Federal Reserve activities through the use of articles and press releases to publications.

The development of a better understanding of Federal Reserve System policies and services was carried out through meetings held in the Federal Reserve Bank and organized tours through the Bank.

Joint staff meetings of the Bank Examination, Bank Relations, and Research Departments were held each month. These meetings were study conferences designed to improve the presentation of Federal Reserve Bank service to the public.

Assembling of information of financial, economic, and fiscal problems was carried on throughout the year. The gathering of this information on topics of importance to bankers was one of the major activities of representatives. These opinions were summarized monthly for the use of the officers and directors, and quarterly for the use of the Board of Governors.

During the year, officers and representatives made 2,553 calls on banks throughout the District. All bankers' conventions of the five District states were attended as were all bankers' group meetings.

Speakers were furnished for 96 meetings in the District and for national organizations.

The promotion of the services of the Bank was carried on with special emphasis on such matters as proper handling of withheld tax, procedures for cashing Armed Forces Leave Bonds, prompt remitting for bonds sold, promotion of the Bond-A-Month plan, development of the use of coupon collection letters, encouraging protection of currency shipments, increasing the use of the Check Routing Symbol, checking reasons for deficiency in reserve requirements, and other services to the operating departments.

ISSUANCE OF GOVERNMENT SECURITIES

The Federal Reserve Bank, acting as agent of the Treasury Department, performs all operations relative to the placing of new Treasury issues in the hands of the general public, and relays information from Washington throughout this district. 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 these agents as regards supplies of new bonds, applicable Treasury directives, the processing of paid registrations, etc. The Bank analyzes the sales of U. S. Savings Bonds, and furnishes the Treasury Department and others with detailed reports showing what the public purchased in the various counties and states in this district.

GENERAL SUMMARY

As no cash (new money) offerings for market securities were made during the year, an over-all decrease in the volume of work will be noted. Market securities issued during the year were all offered on an exchange or refunding basis. Sales of Series E Savings Bonds by Issuing Agents indicate a decrease of 29% in pieces whereas the maturity value sold shows an increase of 3%, this being the result of a decline in pay roll purchases and an increase in the purchase of large denominations by investors.

The processing of Armed Forces Leave Bond stubs which started late in 1946 is now on a rapidly declining basis and will end in September 1948.

STATEMENT OF OPERATIONS

	1947	1946	increase or decrease
NEW ISSUES			
Subscriptions			
Forms Received			
Treasury (Other than E Bonds)	171,750	181,400	- 5.3%
"E" Bonds	18,700	22,700	- 17.6%
Subscribers Involved			
Treasury (Other than E Bonds)	181,800	185,150	- 1.8%
"E" Bonds	300,450	398,050	- 24.5%
Dollar Value of Subscriptions			
Received			
Treasury (Other than E Bonds)	$13,797,900,000	$20,575,700,000	- 32.9%
"E" Bonds	16,935,000	19,590,000	- 13.6%
Allotted			
Treasury (Other than E Bonds)	10,212,335,000	14,702,380,000	- 30.5%
"E" Bonds	16,935,000	19,590,000	- 13.6%
ISSUING AGENTS			
Series E Savings Bonds Sold			
Pieces	6,877,000	9,775,000	- 29.6%
Maturity Value	$ 800,690,000	$ 775,410,000	+ 3.3%
Number of Qualified Issuing Agents as of December 31	3,128	3,236	- 3.3%
Number of Geographical Sales Reports Prepared (E, F & G Savings)	2,820	5,700	- 50.5%
Dollar Value	$ 1,382,800,000	$ 1,306,670,000	+ 5.8%
SHIPPING AND DELIVERY			
Pieces Shipped			
Treasury (Other than E Bonds)	173,000	161,000	+ 7.5%
"E" Bonds	6,985,000	9,280,000	- 24.7%
ARMED FORCES LEAVE BONDS			
Stubs Processed			
Pieces			
Army Issuing Officers	450,550	44,160	The processing of Armed Forces Leave Bond stubs began in October 1946
Navy " "	1,623,850	960,350	
Total	2,074,400	1,004,510	
Face Value			
Army Issuing Officers	$ 95,522,000	$ 10,776,000	
Navy " "	322,259,000	205,245,000	
Total	$ 417,781,000	$ 216,021,000	

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

GENERAL SUMMARY

The volume in pieces and maturity value of securities received and issued on denominational exchange and public debt transfers indicates an over-all decrease over 1946. This is the result of the absence of new money financing by the Treasury Department and the relative inactivity during the past year in the Government Bond market with less shifting in Government Bond portfolios on the part of banks and other financial institutions.

Activities in the Depositary Bank Division show a decrease of 17% in the number of payments handled. This is a result of the Government's Debt Reduction Program with heavy withdrawals from War Loan Accounts and with the opportunity of depositaries to make only limited additions to their War Loan balances.

STATEMENT OF OPERATIONS

	1947	1946	increase or decrease
DENOMINATIONAL EXCHANGE			
Pieces Received			
Marketable Issues	107,500	135,750	- 20.8%
Public Debt Transfers	31,650	39,900	- 20.7%
Pieces Issued			
Marketable Issues	106,300	124,000	- 14.3%
Public Debt Transfers	24,500	35,250	- 30.5%
Maturity Value			
Received			
Marketable Issues	$1,739,910,000	$1,933,000,000	- 10.0%
Public Debt Transfers	2,701,775,000	3,347,450,000	- 19.3%
Issued			
Marketable Issues	1,739,910,000	1,933,000,000	- 10.0%
Public Debt Transfers	2,685,625,000	2,485,000,000	+ 8.1%
Depositary Banks			
Number of Payments Handled	155,200	188,300	- 17.6%
Depositary Balances Dec. 31	$ 169,690,000	$ 351,794,000	- 51.8%
Number of Qualified Depositaries - December 31	1,676	1,669	+ .4%
Custody - General Stock			
Pieces			
Received from Treas. Dept.	8,500,000	10,580,000	- 19.7%
Prepared for Delivery	8,435,000	11,153,000	- 24.4%
Security Mail			
Pieces Received	338,000	375,000	- 9.9%

REDEMPTION OF GOVERNMENT SECURITIES

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 1947 was 38.8% less than in 1946, whereas the redemption value indicated a decrease of 15.4% for the same period. The optional redemption of Armed Forces Leave Bonds was authorized effective September 2, 1947, since which time the greater part of 670,000 pieces having a redemption value of $139,987,000 have been handled through paying agents authorized to pay savings bonds. Redemptions of other U. S. Bonds, Notes, Bills and Certificates, as well as U. S. and other Governmental agency coupons, show a decline in volume and dollar amounts over 1946.

STATEMENT OF OPERATIONS

	1947		1946		increase or decrease
REDEMPTIONS					
U. S. Savings Bonds					
Pieces					
By Paying Agents A-E	13,600,000	97.1%	21,230,000	98.0%	- 35.9%
By F. R. B. A-G	413,000	2.9%	427,000	2.0%	- 3.3%
Total	14,013,000	100.0%	21,657,000	100.0%	- 35.3%
$25 Pieces, Series E, Included Above	9,625,000	68.7%	15,718,000	72.6%	- 38.8%
Redemption Value					
By Paying Agents A-E	$563,465,000	78.5%	$733,823,000	86.5%	- 23.2%
By F. R. B. A-G	154,200,000	21.5%	114,227,000	13.5%	+ 35.0%
Total	$717,665,000	100.0%	$848,050,000	100.0%	- 15.4%
Armed Forces Leave Bonds *					
Pieces					
By Paying Agents	632,750				
By F. R. B.	37,450				
Total	670,200		-0-		
Redemption Value					
By Paying Agents	$132,891,000				
By F. R. B.	7,096,000				
Total	$139,987,000		-0-		
* Redemption of Armed Forces Leave Bonds Authorized Sept. 2, 1947					
Number of Qualified Paying Agents as of December 31	2,403		2,363		+ 1.7%
Other Bonds, Notes, Bills and Certificates Redeemed					
Pieces	252,000		375,000		- 32.8%
Amounts	$7,413,000,000		$11,187,000,000		- 33.7%
U. S. and Other Governmental Agency Coupons Redeemed					
Pieces	2,116,000		2,278,000		- 7.1%
Dollar Value	$ 126,410,000		$ 140,075,000		- 9.8%

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

At the close of the year 1,604 banks were carried in our accounts as Depositaries for "Withheld Taxes." Depositaries paid to us during the year approximately 1,089 millions of dollars represented by over 536,000 receipts. The dollar value of the receipts increased approximately 24% over 1946; the number issued increased approximately 4%.

Offices of the Internal Revenue Department deposited with us their certificates of deposit amounting to over 1,112 millions of dollars, represented by more than 578,000 receipts.

The largest volume received from depositaries on any one day was received on December 11, 1947, and amounted to $24,566,000.

STATEMENT OF OPERATIONS

	1947	1946	increase
NUMBER OF RECEIPTS Issued by Depositaries	536,141	514,758	+ 4.2%
DOLLAR VALUE OF RECEIPTS Issued by Depositaries	$1,088,926,292	$877,315,566	+ 24.1%

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

RECONSTRUCTION FINANCE CORPORATION

Reflecting the gradual settlement of outstanding claims and liquidation of inventories and facilities acquired under the Reconstruction Finance Corporation war programs, particularly those of the Office of Defense Plants and of the Office of Defense Supplies, the totals of disbursements and receipts for 1947 were radically reduced from the corresponding totals for 1946.

During the year 1947 the Corporation began a process of transferring accounting responsibility, much of which had been handled by the Federal Reserve Banks as fiscal agents, to its local loan agencies. Transfers of accounting responsibility for administrative expenses, Office of Defense Plants transactions, and for mortgages purchased by The RFC Mortgage Company and Federal National Mortgage Association were completed during the year. Although additional transfers were contemplated, accounting responsibility for the Corporation's loan programs, loan guarantees, acquired collateral, investments, and Office of Defense Supplies transactions remained assigned to the fiscal agents throughout 1947.

COMMODITY CREDIT CORPORATION

Disbursements and receipts for account of Commodity Credit Corporation for 1947 were lower than the corresponding totals for 1946 reflecting termination during 1946 of the war programs of lend-lease and production subsidies.

The Board of Governors of the Federal Reserve System, worked through the Reserve Banks in its regulation of credit and instalment buying. Each Bank investigated credit activities throughout its district to ascertain whether or not Executive orders and related directives were violated.

GENERAL SUMMARY

During 1947 a spot check of the books and records of 2,696 Registrants 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 5,000 inquiries concerning the Regulation were answered and 2,842 new licenses issued.

Three hundred twenty-nine municipalities were visited during the year by investigators who filed detailed reports covering their review of 124,401 credit transactions. Violations, totaling 2,430, were disclosed in 1,363 of the 2,696 investigations conducted. Registrants were apparently wilfully violating the Regulation in 2 cases.

The activities of the Consumer Credit Department decreased considerably during the current year due primarily to the fact that Regulation W was terminated on November 1, 1947 by an act of Congress passed on August 10, 1947. Following this congressional action, our investigative activities during August, September and October were confined to the few complaints received from Registrants. The clerical and filing staff was retained until December 1, 1947 in order to effect the consolidation and transfer of files and records.

STATEMENT OF OPERATIONS

	1947 †	1946	increase or decrease
Inquiries Received			
By Letters	1,039	2,284	- 54.5%
By Personal Interviews	525	723	- 27.4%
By Telephone Calls	3,617	4,076	- 11.3%
Total	5,181	7,083	- 26.9%
Mailings			
Dictated Replies	1,039	2,284	- 54.5%
Form Letters	1,209	549	+ 120.2%
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	566	2,086	- 72.9%
Circular Letters and Amendments	101,633	140,907	- 27.9%
Total	104,447	145,826	- 28.4%
Number of Registrants as of December 31	38,314	36,919	+ 3.8%
Number of Registration Statements Received	2,725	2,563	+ 6.3%
Number of Registration Statements Cancelled	1,325	925	+ 43.2%
Licenses Issued	2,842	2,643	+ 7.5%
Investigations			
Number Conducted (including calls on cash dealers)	2,696	3,579	- 24.7%
Credit Transactions Reviewed	124,401	314,025	- 60.4%
Number of Investigations Disclosing Violations	1,363	1,442	- 5.5%
Violations Disclosed	2,430	4,110	- 40.9%

† 1947 figures cover a ten-month period only. * 1947 figure as of October 31, 1947

The central accounting routines of the Bank include the maintenance of the reserve accounts of member banks, the constant analysis of these 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

The number of entries to member bank reserve accounts declined 5.0% during 1947; the number of wire and mail transfers increased 11.7%. Expense vouchers functioned during the year declined 5.9%, and the number of cost entries were down 13.5%. Extensive rearrangements were made in the Bank's expense accounting systems, and a detailed budgetary control setup was evolved and placed in operation.

STATEMENT OF OPERATIONS

		1947		1946	increase or decrease
GENERAL LEDGER					
Number of Entries Functioned		345,493		341,230	+ 1.2%
FEDERAL RESERVE BOOKS					
Number of Entries Functioned		1,358,964		1,362,080	- .2%
MEMBER BANKS' RESERVE ACCOUNTS					
Number of Entries Functioned		2,404,550		2,530,247	- 5.0%
Active Accounts as of December 31		795		810	- 1.9%
MEMBER BANK RESERVES					
Excess Over Requirement	Period	Amount	Period	Amount	
Maximum	Mar. 15	$148,433,000	Jan. 15	$217,692,000	- 31.8%
Minumum	July 31	99,431,000	Sept. 30	122,285,000	- 18.7%
Assessable Deficiencies					
Banks		201		179	+ 12.3%
Amount of Penalties Assessed		$ 9,900		$ 9,697	+ 2.1%
TRANSFERS OF FUNDS					
Number Interdistrict					
By wire		89,523		78,558	+ 14.0%
By mail		3,080		2,573	+ 19.7%
Number intradistrict - By wire and mail		97,039		88,698	+ 9.4%
Total		189,642		169,829	+ 11.7%
Dollar Value		$28,080,347,000		$21,496,559,000	+ 30.6%
EXPENSE DISBURSEMENTS					
Expense Vouchers Functioned		$ 12,368,440		$ 13,150,162	- 5.9%
Fiscal Agency Claims Prepared		4,578,435		6,363,177	- 28.0%
Number of Cost Entries Functioned		47,308		54,672	- 13.5%

In addition to the usual mail and telephone facilities, the Bank maintains the principal relay center of a leased wire system having connections with the Board of Governors in Washington, with the other Reserve Banks and Branches, with the Treasury Department, and with the Reconstruction Finance Corporation. Telegrams effecting transfers of funds for members, Fiscal Agency operations, and other banking transactions are processed both in code and in clear.

GENERAL SUMMARY

Almost one million telegrams were handled through the Chicago relay office of the Federal Reserve Leased Wires System in 1947, a decrease of 8.3% from the 1946 volume. The Codes and Telegrams Division of the Bank processed 177,000 telegrams during the year, an increase of 3.6% over the previous period.

Local outgoing telephone calls decreased from the 1946 average of 27,940 per month to 26,719. Long distance calls dropped from 1,215 per month in 1946 to 1,135 in 1947.

Mail Department activities fell off slightly during 1947. Air Express service to all Federal Reserve Banks and Branches and to some member banks was instituted; such shipments averaged 19,000 pounds a month.

Bookbindings were up slightly during the period to 14,781; case spaces of material stored were up from 36,980 at the end of 1946 to 43,762 at the end of 1947. Over 1,100,000 pieces were handled by the General Files Division during the year.

STATEMENT OF OPERATIONS

	1947	1946	increase or decrease
TELEGRAMS PROCESSED			
Leased Wires			
Received			
In Code	68,747	65,383	+ 5.1%
In Clear	6,862	8,806	- 22.1%
Dispatched			
In Code	49,786	49,030	+ 1.5%
In Clear	10,619	12,985	- 18.2%
Commercial Wires			
Received			
In Code	18,121	16,054	+ 12.9%
In Clear	5,267	4,059	+ 29.8%
Dispatched			
In Code	12,339	6,540	+ 88.7%
In Clear	5,947	8,575	- 30.6%
MAIL HANDLED			
Number of Pieces Received	1,803,462	1,863,593	- 3.2%
Number of Pieces Dispatched, Mail and Express	3,251,448	3,414,416	- 4.8%

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

GENERAL SUMMARY

The number of employees of the Bank declined further in 1947 to 2,373, a decrease of 137. During the year 700 new employees were hired, and 837 left our employee, the turnover being somewhat less than that of 1946. At the close of the year there were 179 employees in active service who had been with the Bank 25 years or more. A substantial number of ex-service men attending schools under the G I Bill of Rights were employed on a part time basis during the period.

A program for the interdepartmental training of key employees was instituted during the year, and the Job Evaluation Plan, which provides grades and commensurate salary ranges for all employees of the Bank, was approved by the Board of Governors of the Federal Reserve System and became effective September 1, 1947.

STATEMENT OF OPERATIONS

	1947	1946	increase or decrease
PERSONNEL UNIT			
Number of Regular Employees			
As of December 31	2,373	2,510	- 5.5%
New Employees	700	1,118	- 37.4%
Separations	837	1,224	- 31.6%
Number of Extra-Help Employees			
As of December 31	64	52	+ 23.1%
MEDICAL DEPARTMENT			
Physical Examinations	884	1,189	- 25.7%
Requests for Medical Care	32,327	51,596	- 37.3%
Visits by Nurse	1,647	1,670	- 1.4%
CAFETERIA			
Daily Average Number of Meals Served			
Officers' Dining Room	34	36	- 5.6%
Cafeteria - Noon	1,813	1,803	+ .6%
Evening	621	550	+ 12.9%
Total Meals	2,468	2,389	+ 3.3%

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 1947, the Purchasing Department issued 8,006 purchase orders totaling approximately $685,000 for building supplies, office supplies, printing, stationery, furniture and equipment, etc. The number of orders written increased during the year; this was due partly to the decrease in inventories to six months' supply, which in some instances necessitated the issuing of two purchase orders during the year. The number of items carried in the Bank stock room decreased during the year, but showed an increase in dollar value of 8.7%

STATEMENT OF OPERATIONS

	1947		1946		increase or decrease
PURCHASING					
Purchase Orders	8,006		7,729		+ 3.6%
Dollar Value	$685,000		$670,000		+ 2.2%
PRINTING					
	Jobs	Impressions	Jobs	Impressions	
Duplicating	453	96,000	372	45,000	
Mimeograph	555	397,000	792	969,000	
Multilith	1,157	9,708,000	438	5,634,000	
Multigraph	311	1,385,000	369	2,058,000	
Photostat	1,119	46,000	1,447	71,000	
	3,595	11,632,000	3,418	8,777,000	+ 32.5%
ADDRESSOGRAPH UNIT					
Plates Made and Corrected	3,622		3,772		- 4.0%
Plates Removed and Transferred	1,754		1,818		- 3.5%
Carbon Paper Inserted Into Forms	1,050,000		608,000		+ 72.7%
Impressions Made on Forms, Envelopes, Statements, etc.	4,627,287		4,362,000		+ 6.1%

MAINTENANCE OF BUILDING

The operation of the Bank's main building and auxiliary 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

During the year contracts were let covering conversion of building light and power from Direct Current to Alternating Current, enlarging of the concourse and construction of a new Directors Room on the fifth floor. This work is now all in process. A contract for new elevator installation and modernization was awarded to Westinghouse Company but work on the contract was not begun during the year.

Linotile was laid in several areas on the 5th, 6th, 7th floors and 1st basement where the Coin Department was enlarged.

Skylight roofing was completed and a new suspended ceiling installed in the Bank Examination Department. Acoustone ceilings were installed in the banking lobby on the second floor and about one-third of the ceiling area on the fourteenth floor.

Tabulated below are occupied quarters, owned and rented, at the end of 1947 and 1946:

STATEMENT OF OPERATIONS

	Square Feet Rentable Area in Use at Year-End	
	1947	1946
Owned:		
230 South LaSalle Street	243,963 *	243,963 *
Rented:		
166 West Jackson Boulevard	-	6,000
120 South LaSalle Street	11,210	11,210
175 West Jackson Boulevard (Insurance Exchange Building South)	50,834	51,331
725 South Wells Street (Warehouse)	-	6,000
416 Federal Street (Warehouse)	23,524	23,524
Security Trust Building, Room 521, Indianapolis, Indiana	198	198
Total	329,729	342,226

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

Legal matters arising in the course of this Bank's operations (litigation, preparation and approval of documents, preparation of opinions and memoranda relating to Federal and State regulations and laws) are handled by the legal department.

GENERAL SUMMARY

The Legal Department consists of the General Counsel, an Assistant General Counsel and two Assistant Counsels, one of whom serves as the resident lawyer for the Detroit Branch.

The legal matters handled by the department during the year included conferences with and advice to the officers and supervisors of the various operating departments; 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 conferences with representatives of member banks concerning banking laws, regulations and rulings of the Board of Governors; consultations and correspondence with the Board of Governors and its staff, and also representatives of the Treasury Department with respect to fiscal agency functions; and the examination and approval of court orders relating to the special custody of securities.

DISCOUNTS AND OTHER CREDITS

The Federal Reserve Banks are empowered to make loans to member banks and, under certain circumstances, to commercial firms.

GENERAL SUMMARY

Eight banks, three city and five country, were accommodated with loans during 1947, an increase of one country bank over the previous year. The number and total amount of the loans, however, showed a decline. Included were two 10b loans granted to one country bank. The borrowings were all made for short periods to adjust cash reserves.

STATEMENT OF OPERATIONS

	1947	1946	increase or decrease
NUMBER OF TRANSACTIONS			
Advances to Member Banks Secured by U. S. Government Obligations	74	113	- 34.5%
Advances to Member Banks Under Section 10b	2	-	-
DOLLAR VALUE OF TRANSACTIONS			
Advances to Member Banks Secured by U. S. Government Obligations	$558,040,000	$941,250,000	- 40.7%
Advances to Member Banks Under Section 10b	200,000	-	-

Currency and coin 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 used either to supplement new currency and coin in outgoing shipments, or, if unfit for further circulation, is returned to the Treasury for destruction.

GENERAL SUMMARY

The number of pieces of outgoing currency handled during 1947 was 9.6% greater than the number of pieces handled during 1946. Likewise, the number of pieces of incoming currency handled during 1947 was 17.8% in excess of the number of pieces handled during the preceding year. Outgoing coin was 33.1% less than in 1946, and incoming coin from banks showed an increase of 83.1%; while incoming coin from mints reflected a 61.8% decrease.

STATEMENT OF OPERATIONS

	1947	1946	increase or decrease
PIECES			
Currency -			
Outgoing	119,530,095	109,041,131	+ 9.6%
Incoming	113,721,732	96,539,485	+ 17.8%
Coin -			
Outgoing	100,925,458	150,809,500	- 33.1%
Incoming - from banks	67,931,653	37,103,235	+ 83.1%
- from mints	42,365,000	110,960,000	- 61.8%
DOLLAR VALUE OF PIECES			
Currency -			
Outgoing	$779,261,517	$670,340,229	+ 16.2%
Incoming	772,650,408	620,623,523	+ 24.5%
Coin -			
Outgoing	7,676,707	8,481,445	- 9.5%
Incoming - from banks	5,232,730	3,878,173	+ 34.9%
- from mints	3,265,000	4,535,000	- 28.0%

COLLECTION OF CHECKS AND OTHER ITEMS

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.

GENERAL SUMMARY

The number of city checks, country checks, and Government card checks handled during 1947 increased 3.5%, 15.0%, and 1.2%, respectively, over the number handled in 1946, while Government paper checks reflected a decrease of 40.3%, resulting in a net increase of 7.4% in the volume of all checks handled. The number of noncash collections declined 1.8% during 1947. This change resulted from decreases of 5.4% in city items and 8.6% in coupon and security items which were offset by an increase of 11.6% in the collection of country items.

STATEMENT OF OPERATIONS

CHECKS	1947	1946	increase or decrease
NUMBER OF CHECKS HANDLED			
City	12,711,000	12,277,000	+ 3.5%
Country	23,070,000	20,060,000	+ 15.0%
Government - Paper	953,000	1,597,000	- 40.3%
Government - Card	4,550,000	4,496,000	+ 1.2%
Total	41,284,000	38,430,000	+ 7.4%
DOLLAR VALUE OF CHECKS HANDLED			
City	$10,965,013,000	$ 9,179,236,000	+ 19.5%
Country	4,625,857,000	3,776,629,000	+ 22.5%
Government - Paper	556,484,000	1,117,664,000	- 50.2%
Government - Card	417,531,000	395,179,000	+ 5.7%
Total	$16,564,885,000	$14,468,708,000	+ 14.4%
Daily average number of cash letters dispatched	545	536	+ 1.7%
NONCASH ITEMS			
TRANSACTIONS			
City	17,987	19,015	- 5.4%
Country †	21,118	18,923	+ 11.6%
Coupon and Security	25,246	27,611	- 8.6%
Purchases and Sales (including open market trans.)	1,632	1,611	+ 1.3%
Total	65,983	67,160	- 1.8%
† Includes direct sendings to other Federal Reserve Banks by our Member Banks	7,910	6,123	+ 29.2%
DOLLAR VALUE OF TRANSACTIONS			
City	$ 56,203,782	$ 56,748,390	- 1.0%
Country †	70,557,570	135,506,970	- 47.9%
Coupon and Security	71,104,794	78,357,349	- 9.3%
Purchases and Sales (including open market trans.)	52,545,338	58,676,314	- 10.4%
Total	$ 250,411,484	$ 329,289,023	- 24.0%
† Includes direct sendings to other Federal Reserve Banks by our Member Banks	$ 59,137,113	$ 125,140,316	- 52.7%
RATION CHECKS *			
Number of Items Handled	74,000	129,000	- 42.6%
Total Units processed	4,710,000	778,964,000	- 99.4%

*Discontinued June 30, 1947

The 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 U. S. Savings Bonds, Series E, is extended to members of the armed forces and to the general public.

GENERAL SUMMARY

Securities held in Safekeeping declined $81,427,000 during 1947, the principal factor being a reduction in securities held for Member Banks.

STATEMENT OF OPERATIONS

	1947	1946	increase or decrease
PIECES			
Securities - Received	110,109	117,693	- 6.4%
Released	81,482	91,832	- 11.3%
Coupons detached from securities	150,969	144,455	+ 4.5%
DOLLAR VALUE OF PIECES			
Securities - Received	$2,092,404,570	$1,836,026,343	+ 14.0%
Released	2,173,832,390	2,147,803,548	+ 1.2%
Held as of December 31	331,638,579	413,066,398	- 19.7%
Coupons detached from securities	5,947,690	8,586,931	- 30.7%

ISSUANCE OF GOVERNMENT SECURITIES

The Federal Reserve Bank, acting as agent of the Treasury Department, performs all operations relative to the placing of new Treasury issues in the hands of the general public, and relays information from Washington throughout this district. 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 these agents as regards supplies of new bonds, applicable Treasury directives, the processing of paid registrations, etc. The Bank analyzes the sales of U. S. Savings Bonds, and furnishes the Treasury Department and others with detailed reports showing what the public purchased in the various counties and states in this district.

GENERAL SUMMARY

During 1947, there was a general decrease in practically all Fiscal Agency activities as compared with the previous year. There was a decrease in the number of subscriptions to market issues, but an increase in their dollar value. This was brought about by the Treasury Department Refunding policy where short-term securities were exchanged for maturing or called bonds.

The dollar value of "E" Bonds issued by the Federal Reserve Bank decreased approximately 40% and that of Issuing Agents by 4%.

STATEMENT OF OPERATIONS

	1947	1946	increase or decrease
NEW ISSUES			
Subscriptions			
Forms Received			
Treasury (Other than E Bonds)	14,014	15,775	- 11.2%
"E" Bonds	1,708	2,034	- 16.0%
Subscribers Involved			
Treasury (Other than E Bonds)	14,455	16,115	- 10.3%
"E" Bonds (Pieces)	126,991	165,825	- 23.4%
Dollar Value of Subscriptions Received			
Treasury (Other than E Bonds)	$567,433,800	$504,827,900	+ 12.4%
"E" Bonds	3,377,100	5,501,825	- 38.6%
Allotted			
Treasury (Other than E Bonds)	535,213,800	395,057,075	+ 35.5%
"E" Bonds	3,346,850	5,573,650	- 40.0%
ISSUING AGENTS			
Series "E" Savings Bonds Sold			
Pieces	2,308,134	2,752,898	- 16.2%
Maturity Value	$155,014,945	$161,656,515	- 4.1%
Number of qualified Issuing Agents as of December 31	372	404	- 7.9%
SALES ANALYSIS			
Number of Reports Prepared	129	134	- 3.7%
Items Tabulated (dollar value)	$653,863,101	$510,135,015	+ 28.2%
SHIPPING AND DELIVERY			
Pieces Shipped			
Treasury (Other than E Bonds)	62,032	60,843	+ 2.0%
"E" Bonds	195,561	229,759	- 14.9%

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

GENERAL SUMMARY

Denominational exchanges on marketable issues increased approximately 63% during the year. A great portion of these were for individuals and for trust accounts.

The C. P. D. activity shows an increase in the purchase of short-term securities by banks and others in the Detroit District.

STATEMENT OF OPERATIONS

	1947	1946	increase or decrease
DENOMINATIONAL EXCHANGE			
Pieces			
Received			
Marketable Issues	618	380	+ 62.6%
Public Debt Transfers	1,938	3,286	- 41.0%
Issued			
Marketable Issues	2,592	1,812	+ 43.0%
Public Debt Transfers	2,521	2,234	+ 12.8%
Maturity Value			
Received			
Marketable Issues	$ 10,940,000	$ 22,766,500	- 51.9%
Public Debt Transfers	209,089,500	390,220,800	- 46.4%
Issued			
Marketable Issues	10,940,000	22,766,500	- 51.9%
Public Debt Transfers	245,112,500	123,361,000	+ 98.7%
DEPOSITARY BANKS			
Number of Payments Handled	10,986	11,975	- 8.3%
Number of Qualified Depositaries as of December 31	131	131	-
Depositaries' Balances as of Dec. 31	$ 40,630,141	$ 57,404,344	- 29.2%
CUSTODY			
Pieces			
Received from Treasury Dept.	2,527,286	3,001,321	- 15.8%
Prepared for Delivery	2,626,640	2,920,689	- 10.1%
Dollar Value			
Received from Treasury Dept.	$1,370,035,000	$1,060,490,400	+ 29.2%
Prepared for Delivery	1,517,608,350	1,332,250,045	+ 13.9%
SECURITY MAIL			
Pieces Received	29,973	36,880	- 18.7%

REDEMPTION OF GOVERNMENT SECURITIES

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

Redemption of Savings Bonds by both Detroit Branch and its paying agents disclosed a decrease in number of pieces of 12.0% and 39.7%, respectively. However, the dollar value of bonds redeemed by the Branch shows an increase of 3.1%, whereas redemptions through paying agents shows a decrease of 32.7%. This increase in dollar value of Savings Bonds redeemed by the Branch is due to a great extent to redemptions of "F" and "G" bonds. The redemption of other bonds, notes, certificates and bills increased 66.5% in dollar value due to the Treasury Department Refunding Program.

On September 1, 1947 the Branch started to redeem Armed Forces Leave Bonds, and from that date to December 31st had redeemed 179,000 pieces having a redemption value of $36,000,000.

STATEMENT OF OPERATIONS

	1947		1946		increase or decrease
REDEMPTIONS					
U. S. Savings Bonds Redeemed					
Pieces					
By Paying Agents	4,994,881	98.8%	8,277,038	99.2%	- 39.7%
By F. R. Bank	59,776	1.2%	67,923	.8%	- 12.0%
Total	5,054,657	100.0%	8,344,961	100.0%	- 39.4%
$25 pieces included above	3,663,315	72.5%	6,194,421	74.2%	- 40.9%
Redemption Value of Pieces					
By Paying Agents	$175,851,453	90.6%	$261,099,036	93.7%	- 32.7%
By F. R. Bank	18,180,346	9.4%	17,633,955	6.3%	+ 3.1%
Total	$194,031,799	100.0%	$278,732,991	100.0%	- 30.4%
Armed Forces Leave Bonds Redeemed					
Pieces	179,247		None		-
Redemption Value	$ 36,191,110		None		-
Number of Qualified Paying Agents as of December 31	200		199		+ .5%
Other Bonds, Notes, Certificates and Bills Redeemed					
Pieces	25,365		36,038		- 29.6%
Maturity Value	$630,285,575		$378,530,925		+ 66.5%
U. S. and Other Governmental Agency Coupons Redeemed					
Pieces	215,084		239,358		- 10.1%
Dollar Value	$ 11,937,255		$ 16,547,738		- 27.9%

COLLECTION OF WITHHELD TAXES

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 depositary receipts functioned during 1947 exceeded by 3.2% the number handled in 1946. Likewise, the number of receipts credited as Income Tax during the current year was greater by 5.3% than the number credited the preceding year. The dollar value of receipts issued, as well as receipts credited as Income Tax, increased 27.3% and 25.6%, respectively.

STATEMENT OF OPERATIONS

	1947	1946	increase or decrease
NUMBER OF RECEIPTS			
Issued by Depositaries	134,590	130,463	+ 3.2%
DOLLAR VALUE OF RECEIPTS			
Issued by Depositaries	$424,712,000	$333,523,000	+ 27.3%

RECONSTRUCTION FINANCE CORPORATION

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

During the year 1947 the activities of the R. F. C. Custody Division were reduced through the elimination of claims and the liquidation of inventories and facilities required during the war period. These were most noticeable in the Defense Plant Corporation and in the Office of Defense Supplies.

During the past year the Reconstruction Finance Corporation began the transfer of the accounting responsibility from the custodian to its local loan agencies. The transferring or the decentralization of these accounts, was made as follows: the Loan Agency Administration Expense, on July 1, 1947; the Office of Defense Plants, on August 1, 1947; the Federal National Mortgage Company and the R. F. C. Mortgage Company, on October 1, 1947. The custodian retained the accounting responsibilities for the corporation's investments and defense supplies transactions, together with the loan programs, loan guarantees and collateral. However, it is contemplated that the loan program, guarantees and acquired collateral will be transferred to the loan agencies within the very near future.

The receipts for the account of the Commodity Credit Corporation were lower in 1947 than the previous year due to the elimination of the war programs of lend lease and production subsidies.

The central accounting routines of the Bank include the maintenance of the reserve accounts of member banks, the constant analysis of these 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

While the decline in Fiscal Agency functions performed by the bank reduced somewhat the activity in the Accounting Department, there was little change in the overall picture.

The decrease in the number of Officers' checks and expense checks issued was primarily responsible for the reduction in number of General Ledger entries for the year. The increase in the Federal Reserve Books Division was primarily caused by additional member banks forwarding their cash letters direct and a change in the assignment of activities in connection with direct-sent collection items.

The discontinuance of most of the custodial activities previously performed for the Reconstruction Finance Corporation and the decrease in volume of items received by the Savings Bond Department are reflected in the decrease in the amount of Fiscal Agency claims prepared.

STATEMENT OF OPERATIONS

		1947		1946	increase or decrease
GENERAL LEDGER					
Number of Entries Functioned		41,000		44,169	- 7.2%
FEDERAL RESERVE BOOKS					
Number of Entries Functioned		262,941		247,629	+ 6.2%
MEMBER BANK RESERVE ACCOUNTS					
Number of Entries Functioned		350,165		337,005	+ 3.9%
Active Accounts as of December 31		99		98	+ 1.0%
MEMBER BANKS RESERVES					
Excess Over Requirement	Period	Amount	Period	Amount	
Reserve City					
Maximum	Sept. 18	$21,291,000	Aug. 1	$8,349,000	+ 155.0%
Minumum	Mar. 27	2,547,000	Oct. 10	2,326,000	+ 9.5%
Country					
Maximum	Sept. 15	$10,965,000	Jan. 1	$14,501,000	- 24.4%
Minimum	Feb. 28	6,866,000	July 31	8,223,000	- 16.5%
Assessable Deficiencies					
Number of Banks		22		10	+ 120.0%
Amount of Penalties		$1,260		$595	+ 111.8%
EXPENSE DISBURSEMENTS					
Dollar Value of Items Handled					
Vouchers Functioned		$2,939,431		$3,037,801	- 3.2%
Fiscal Agency Claims Prepared		1,399,023		2,243,195	- 37.6%

WIRES, TELEPHONE, MAIL, FILES

In addition to the usual mail and telephone facilities, the Branch is a unit in a leased wire system having connections with all other Federal Reserve Banks and Branches, the Board of Governors, the Treasury Department, and the Reconstruction Finance Corporation. 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 further during the year except for telegrams received over leased wire and telegrams received and dispatched over the commercial wire. Incoming leased wires increased 2.1%; outgoing leased wires decreased 2.4%. Incoming commercial wires increased 22.5%; and outgoing increased 4.7% during the year.

STATEMENT OF OPERATIONS

	1947	1946	increase or decrease
TELEGRAMS PROCESSED			
Leased Wire			
Received -			
In Code	16,246	14,532	+ 11.8%
In Clear	4,669	5,958	- 21.6%
Total	20,915	20,490	+ 2.1%
Dispatched -			
In Code	15,186	15,547	- 2.3%
In Clear	4,863	4,991	- 2.6%
Total	20,049	20,538	- 2.4%
Commercial Wire			
Received -			
In Code	1,102	952	+ 15.8%
In Clear	582	423	+ 37.6%
Total	1,684	1,375	+ 22.5%
Dispatched -			
In Code	3,031	2,520	+ 20.3%
In Clear	93	463	- 79.9%
Total	3,124	2,983	+ 4.7%
TELEPHONE CALLS HANDLED			
Calls Handled by Switchboard -			
Outgoing - Local	56,484	81,537	- 30.7%
- Long Distance	1,549	2,125	- 27.1%
Terminals in Use December 31	102	138	- 26.1%
MAIL HANDLED			
Number of Pieces Received & Routed	301,886	310,088	- 2.6%
Number of Pieces Dispatched -			
Mail	374,195	401,728	- 6.9%
Express	8,608	10,105	- 14.8%
CENTRAL FILES			
Pieces Filed	209,248	294,916	- 29.0%

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

GENERAL SUMMARY

The reduction in number of employees during the year was due primarily to the discontinuance of most of the custodial activities previously performed for the Reconstruction Finance Corporation and to a decrease in the volume of items received by the Savings Bond Department.

The Job Evaluation Program initiated in 1946 was completed and became effective October 1, 1947. The procedure for appraising employees is being amended and adapted to this program. The Job Evaluation Program has made possible a systematic plan of promotional sequence for employees and an improved method of salary control. These plans have been initiated and are now in the process of being refined.

The supervisory training program, established in 1946, covered only those persons in the higher supervisory levels. This program has been expanded to include all levels of supervision.

STATEMENT OF OPERATIONS

	1947	1946	increase or decrease
PERSONNEL DIVISION			
Number of Employees			
As of January 1	596	672	- 11.3%
New Employees	117	258	- 54.7%
Separations	300	328	- 8.5%
As of December 31	413	602	- 31.4%
MEDICAL			
Number of Cases			
Physical Examinations -			
Prospective Employees	0	9	- 100.0%
Bank Employees	110	218	- 49.5%
Total	110	227	- 51.5%
Requests for Medical Care	2,759	3,782	- 27.1%
CAFETERIA			
Number of Meals Served			
Noon	68,026	28,652	Cafeteria established August 13, 1946
Complimentary - Guest of Bank	186	50	
- Bank Employees	796	1,111	
Total	69,008	29,813	
Daily Average Number of Meals Served			
Cafeteria			
Noon	229	258	

FEDERAL RESERVE BANK OF CHICAGO

COMPARATIVE STATEMENT OF EARNINGS AND EXPENSES

YEAR ENDED DECEMBER 31, 1947, AND YEAR ENDED DECEMBER 31, 1946

	1947	1946
EARNINGS	$21,318,967.85	$21,235,190.45
EXPENSES		
Operating Expenses	$ 7,752,397.70	$ 6,853,344.65
Assessment for Board of Governors	358,627.98	303,483.83
Cost of Federal Reserve Currency	732,071.56	632,515.27
Total Net Expenses	$ 8,843,097.24	$ 7,789,343.75
Current Net Earnings	$12,475,870.61	$13,445,846.70
ADDITIONS TO CURRENT NET EARNINGS		
Profit on Sales of U. S. Government Securities	$ 340,408.87	$ 231,045.60
Other Additions	107,449.05	12,090.60
Total Additions to Current Net Earnings	$ 447,857.92	$ 243,136.20
Total Current Net Earnings and Additions to Current Net Earnings	$12,923,728.53	$13,688,982.90
DEDUCTIONS FROM CURRENT NET EARNINGS		
Retirement System (Salary Compensation Adjustment)	$ -	$ 281,169.00
Other Deductions	154,505.16	47,045.57
Total Deductions from Current Net Earnings	$ 154,505.16	$ 328,214.57
NET EARNINGS	$12,769,223.37	$13,360,768.33
DISTRIBUTION OF NET EARNINGS		
Paid United States Treasury (Section 13B)	$ 426.82	$ -
Paid United States Treasury (Interest on Federal Reserve Notes)	10,249,335.31	-
Dividends Paid	1,380,233.78	1,311,792.03
Transferred to Surplus (Section 7)	1,139,227.46	12,048,976.30
Total Distribution of Net Earnings	$12,769,223.37	$13,360,768.33

FEDERAL RESERVE BANK OF CHICAGO

SURPLUS ACCOUNT — SECTION 7

YEAR ENDED DECEMBER 31, 1947, AND YEAR ENDED DECEMBER 31, 1946

	1947	1946
Surplus January 1	$65,077,906.26	$53,028,929.96
Transferred to Surplus - as above	1,139,227.46	12,048,976.30
Surplus December 31	$66,217,133.72	$65,077,906.26

FEDERAL RESERVE BANK OF CHICAGO

COMPARATIVE STATEMENT OF CONDITION

DECEMBER 31, 1947, AND DECEMBER 31, 1946

ASSETS	1947	1946
Gold Certificates on Hand and Due From U. S. Treasury	$4,182,995,550.98	$3,369,272,586.87
Redemption Fund - Federal Reserve Notes	90,073,683.08	136,644,442.30
Other Cash	42,325,966.94	31,559,710.71
Total Cash	$4,315,395,201.00	$3,537,476,739.88
Bills Discounted	$ 7,056,600.00	$ 18,291,000.00
U. S. Government Securities	3,085,404,000.00	3,455,402,000.00
Total Bills and Securities	$3,092,460,600.00	$3,473,693,000.00
Bank Premises	$ 3,063,507.26	$ 3,056,737.98
Federal Reserve Notes of Other F. R. Banks	22,440,500.00	22,944,300.00
Uncollected Items	464,387,652.61	387,335,826.02
Other Assets	16,005,592.50	6,952,192.13
Total Miscellaneous Assets	$ 505,897,252.37	$ 420,289,056.13
TOTAL ASSETS	$7,913,753,053.37	$7,431,458,796.01
LIABILITIES		
Federal Reserve Notes in Actual Circulation	$4,636,568,155.00	$4,573,143,890.00
Deposits-		
Member Banks - Reserve Accounts	$2,655,848,626.09	$2,366,136,539.01
U. S. Treasurer - General Account	101,887,281.36	65,227,171.74
Other Deposits	50,467,947.38	68,163,011.09
Total Deposits	$2,808,203,854.83	$2,499,526,721.84
Deferred Availability Items	$ 372,809,057.01	$ 265,651,182.65
Other Liabilities	2,336,935.09	1,885,674.25
Total Miscellaneous Liabilities	$ 375,145,992.10	$ 267,536,856.90
Total Liabilities	$7,819,918,001.93	$7,340,207,468.74
CAPITAL ACCOUNTS		
Capital Paid In	$ 23,826,650.00	$ 22,434,650.00
Surplus (Section 7)	66,217,133.72	65,077,906.26
Surplus (Section 13B)	1,429,383.78	1,429,383.78
Other Capital Accounts	2,361,883.94	2,309,387.23
Total Capital Accounts	$ 93,835,051.44	$ 91,251,327.27
TOTAL LIABILITIES AND CAPITAL ACCOUNTS	$7,913,753,053.37	$7,431,458,796.01

FEDERAL RESERVE BANK OF CHICAGO

STATEMENT OF EARNINGS, EXPENSES, AND DISPOSITION OF NET EARNINGS

NOVEMBER 16, 1914 (Date of Incorporation) TO DECEMBER 31, 1947

	EARNINGS AND EXPENSES						DISPOSITION OF NET EARNINGS							
								TRANSFERRED TO SURPLUS		PAID U. S. TREASURY				
YEAR	CURRENT EARNINGS	CURRENT EXPENSES	CURRENT NET EARNINGS	ADDITIONS TO CURRENT NET EARNINGS	DEDUCTIONS FROM CURRENT NET EARNINGS	NET EARNINGS	DIVIDENDS PAID	SECTION 7	SECTION 13B	FRANCHISE TAX	SECTION 13B	INTEREST ON F. R. NOTES OUTSTANDING	OTHER TRANSFERS	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	25,030	-	28,354	-	-	-
1937	4,575,583	3,199,558	1,376,025	811,188	499,607	1,687,606	763,115	883,370	12,767	-	28,354	-	-	-
1938	3,954,026	3,318,002	636,024	1,637,141	1,182,207	1,090,958	791,007	279,031	206	-	20,714	-	-	-
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	-	-	-	-	-	-
1947	21,318,967	8,843,097	12,475,870	447,858	154,505	12,769,223	1,380,234	1,139,227	-	-	427	10,249,335	-	-
Totals	$284,623,151	$129,358,366	$155,264,785	$17,360,464	$25,676,791	$146,948,458	$29,665,301	$81,557,570	$ 11,681	$25,313,526	$ 151,045	$ 10,249,335	$ -	$ -
ADJUSTMENTS														
F. D. I. C. Stock														
1934 - Purchase								- 19,748,517						
1947 - Retirement (proceeds to Treasury)													19,748,517	
Payments from U. S. Treasury, Section 13B loans, Years 1934 and 1935									1,417,702					
Transferred from Surplus 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						
Totals							$29,665,301	$66,217,133	$1,429,383	$25,313,526	$151,045	$ 10,249,335	$19,748,517	$ -

DIRECTORS AND OFFICERS

DIRECTORS

CLARENCE W. AVERY
President and Chairman, The Murray Corporation of America
Detroit, Michigan
Chairman of the Board and Federal Reserve Agent

PAUL G. HOFFMAN, President
The Studebaker Corporation
South Bend, Indiana
Deputy Chairman

WALTER J. CUMMINGS, Chairman
Continental Illinois National Bank
and Trust Company of Chicago
Chicago, Illinois

HORACE S. FRENCH, President
The Manufacturers National Bank of Chicago
Chicago, Illinois

WILLIAM J. GREDE, President
Grede Foundries, Inc.
Milwaukee, Wisconsin

WILLIAM C. HEATH, President
A. O. Smith Corporation
Milwaukee, Wisconsin

VIVIAN W. JOHNSON, President
First National Bank
Cedar Falls, Iowa

ALLAN B. KLINE, President
American Farm Bureau Federation
Chicago, Illinois

NICHOLAS H. NOYES, Vice President in Charge of Finances
Eli Lilly and Company
Indianapolis, Indiana

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