

FEDERAL RESERVE BANK OF CHICAGO

President's Annual Report

TO MEMBER BANKS

ACTIVITIES FOR THE YEAR 1952

FEDERAL RESERVE BANK OF CHICAGO

OFFICE OF THE PRESIDENT



January 30, 1953

To the Member Banks of the
Seventh Federal Reserve District:

In order that you may be informed concerning the activities of the Federal Reserve Bank of Chicago, this detailed report has been prepared. It is a pleasure to submit it to your bank and I hope that you will find it both interesting and informative. May I direct your particular attention to the section dealing with the check collection activities, as it covers rather completely one function which is used directly or indirectly by every bank in the Seventh Federal Reserve District.

May I express the sincere appreciation of the directors, officers, and staff for the helpful advice and counsel so generously given by both member and nonmember banks in this District.

Very truly yours,

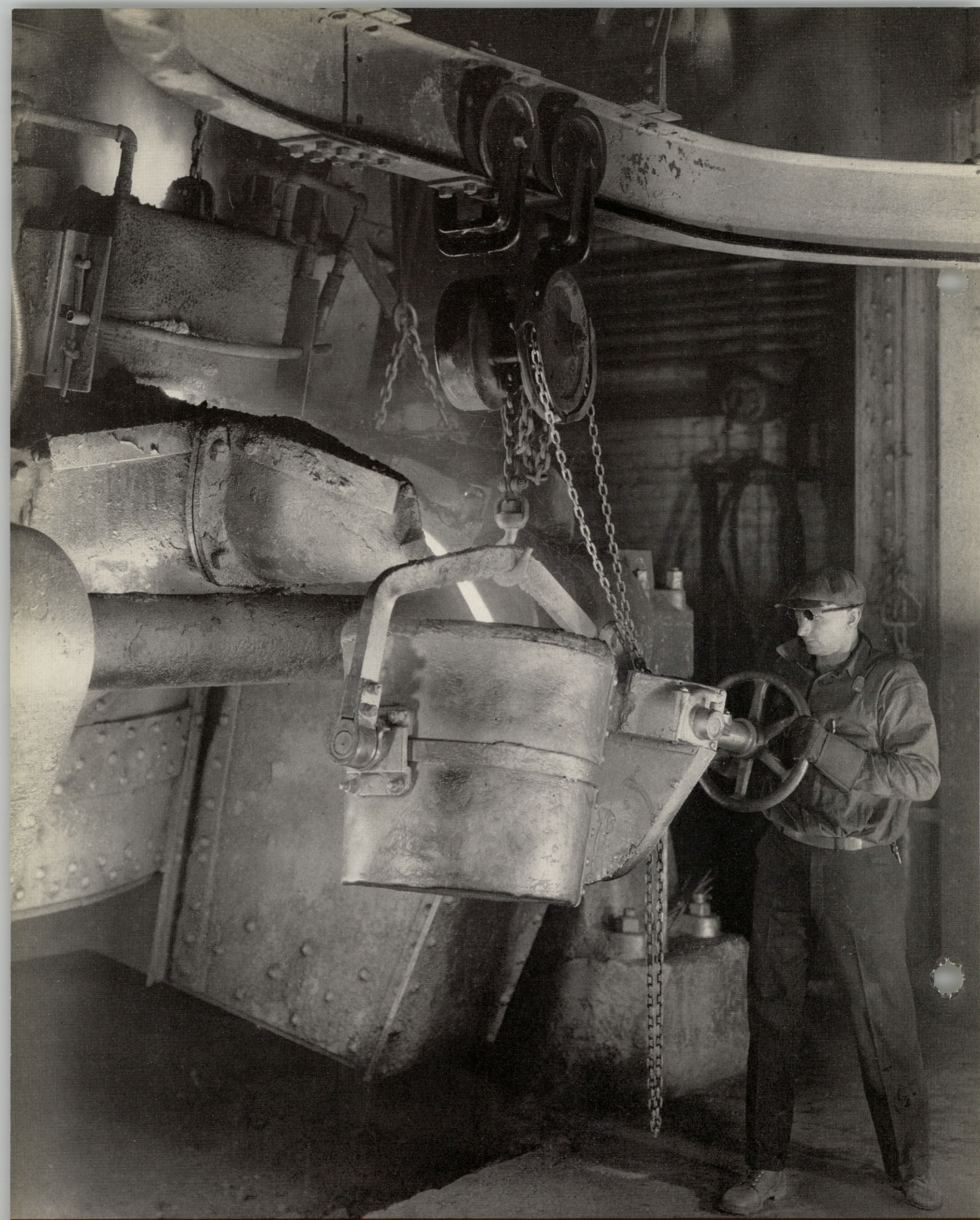
C. S. Gurney
President



Well over a million persons are engaged in Seventh District agriculture

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Seventh District manufacturing provides employment for about three and a half million people.

CIVILIAN AND DEFENSE NEEDS MET - WITHOUT INFLATION!

The American economy, in 1952, proved itself capable of supporting a preparedness program, while at the same time providing record supplies of goods and services for a rapidly growing population. Although plagued by a number of inflationary forces and by numerous work stoppages, productive capacity expanded sufficiently to meet most demands.

Defense expenditures continued to rise until midyear, then levelled off at an annual rate about one-third above that of 1951. National income rose by 14 billion to a new peak of 292 billion dollars. Output of steel during the 54-day strike in June and July was reduced to a trickle and production of many durable goods had to be sharply curtailed. But industrial production quickly surged to a new peacetime high following the strike, and civilian employment rose to a record 62 million. Consequently labor markets in most centers were very tight at year end.

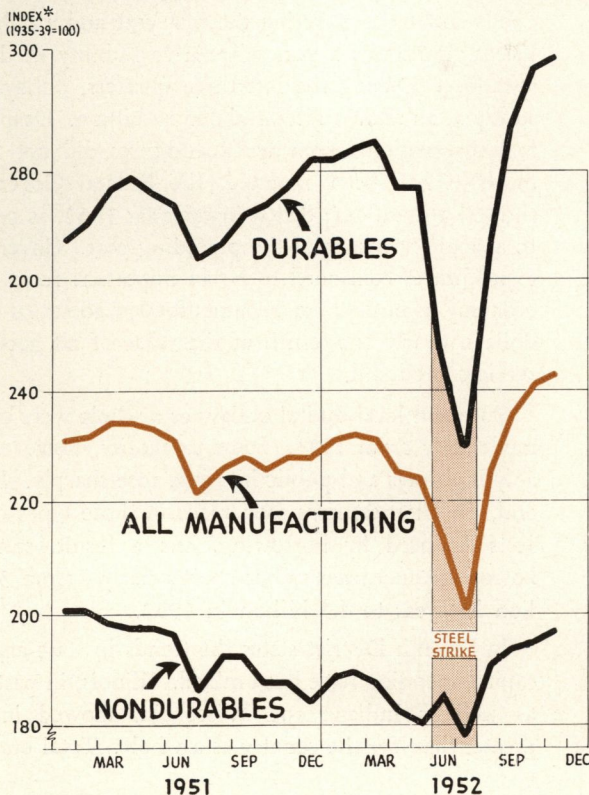
Throughout 1952 prices remained relatively stable with many items selling below their ceilings. In general, wholesale prices declined slowly for most of the year, largely as a result of falling prices of imported raw materials and domestic farm products. At year end the

consumer price index was only slightly above the level prevailing at the start of the year. In fact, a number of items—such as TV sets, household appliances, apparel, and in some cases food—cost less at retail in December 1952 than a year earlier.

Consumer income rose in the last half of 1952 and consumer buying picked up considerably. The biggest gain was registered in nondurables, which rose about 5 billion. Expenditures for services also increased, but durable goods sales were moderately lower than in 1951. This resulted largely from the steel strike and heavy buying during the first year of the Korean fighting. In the last half of the year, however, production of furniture, home appliances, and TV sets rose sharply, stimulated by the removal of credit controls, inventory reordering, and the seasonal upturn in buying. By fall, output was at the highest point since early 1951.

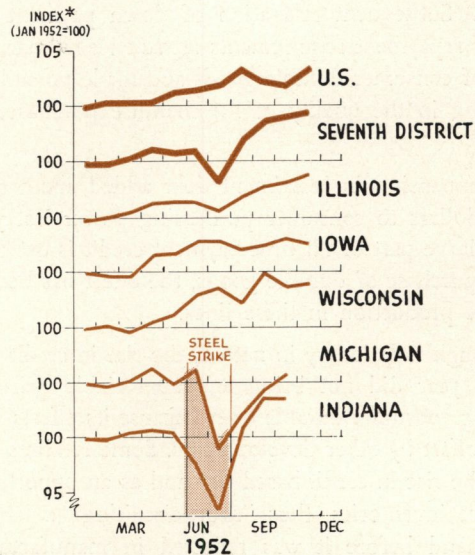
Consumer instalment debt began to climb rapidly last spring following a year and a half of virtual stability. From the beginning of April through November, instalment debt jumped nearly three billion dollars or more than 20 per cent. The renewal of the upward movement

Manufacturing production recovered to a peacetime high after the mid-year interruption . . .

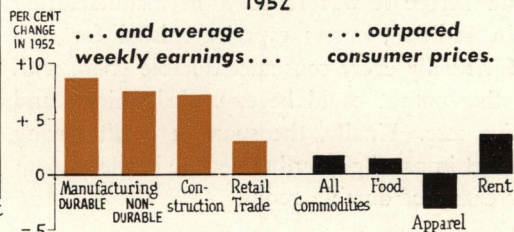


* Seasonally adjusted

. . . with non-agricultural employment reaching record levels in both the nation and the district . . .

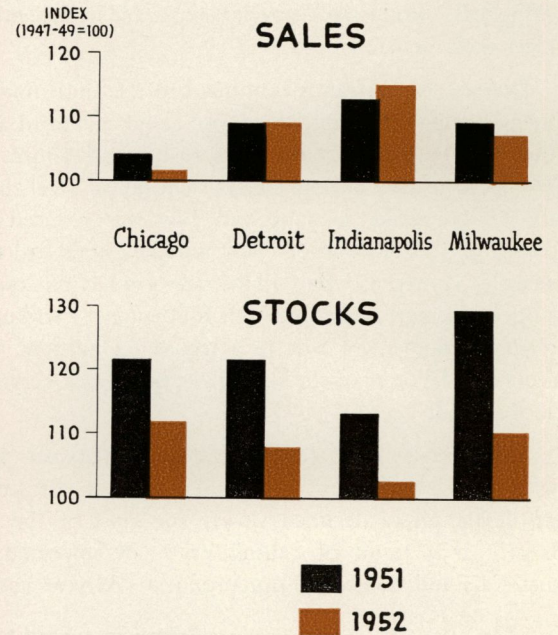
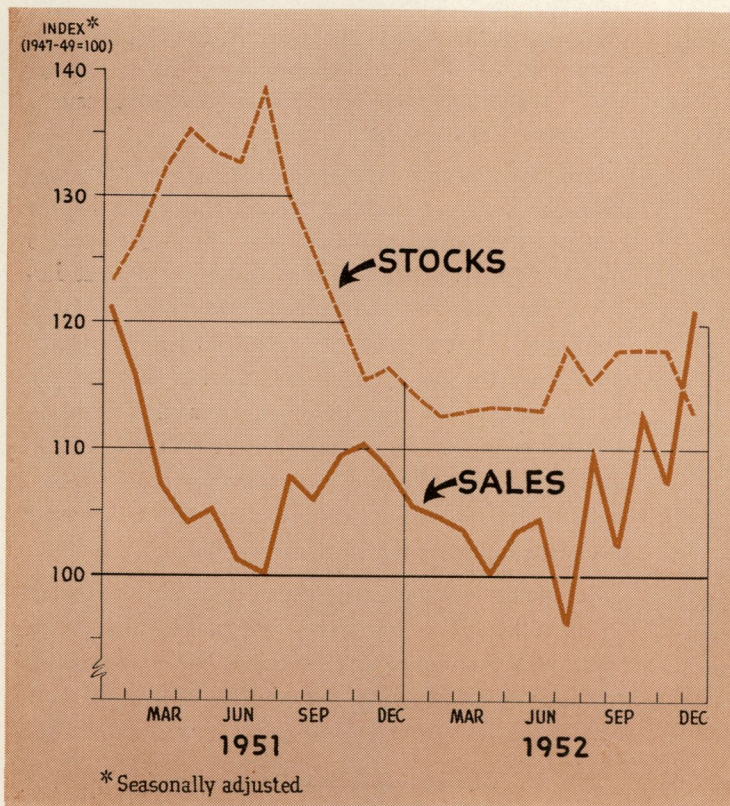


. . . and average weekly earnings . . . outpaced consumer prices.



Stocks at district department stores remained stable in the last half of 1952 while sales increased sharply . . .

. . . with Indianapolis showing the greatest strength, relative to both last year and the 1947-49 average.



coincided closely with the ending of Regulation W early in May. Subsequent relaxation of down payment and monthly repayment requirements attracted new marginal buyers of consumer durable goods and made possible an upgrading in the quality of merchandise purchased on time.

The expansion in instalment debt added about three billion dollars to consumer purchasing power last year. Since a large part of all time-payment credit is extended for the purchase of durable goods, the effect has been to stimulate production in these lines.

Although inflationary in nature, the rise in credit buying last year did not bring any appreciable price increases in consumer durable lines because its effects were largely offset by other developments. Some retailers welcomed the rise in credit-based demand as an opportunity to reduce inventories, thus "short-circuiting" a part of the demand before it was reflected in manufacturing activity. In addition, excess capacity existed for production of virtually every consumer durable good, with the result that output could be expanded quickly and with relative ease. Finally, the spurt in credit buying has been offset in part by a further decline in the amount of cash purchases of durable goods.

In contrast to the rapid rise in defense purchases of goods and services during the first year and a half after Korea, 1952 was a year of relative stability in defense spending. During the last three quarters, outlays were steady at an annual rate of about 50 billion. Despite the fact that national security expenditures did not rise as much as had been expected, the Federal Government showed a small cash deficit in calendar 1952, as opposed to a small cash surplus the preceding year. Government expenditures continued to be an important force in the economy as outlays for all units totaled about 78 billion dollars, nearly one-fourth of the value of all goods and services produced.

State and local capital outlays as a whole were up only moderately from 1951. Some categories, however, notably highways and public housing, rose sharply. In general, the sharpest rises took place in those types of projects financed by borrowing. As a result, state-local borrowing increased rather spectacularly—from 3.2 billion last year to 4.5 billion in 1952.

In Seventh District states the trends in state and local capital spending have been mixed. Illinois, in particular, as well as Indiana and Wisconsin, showed increases greater than for the country as a whole. Total outlays in

Iowa declined because of a decline in highway construction. Throughout the District, school programs were either about the same or below the levels of the previous year.

Outlays on new plant and equipment reached 27 billion in 1952, topping those of 1951 by about 4 per cent. A substantial part of this total is slated for five-year amortization. In some cases, material shortages caused the temporary postponement of expansion programs.

Recent surveys indicate a continued high level of capital expenditure during the coming year. There are some signs, however, that the peak has been passed in the Midwest. Construction contract awards for new manufacturing and commercial buildings were off about 40 per cent from 1951 and new orders for machine tools were declining rapidly toward the end of the year. On the other hand, many previously shelved projects will now be revived as material allocations loosen. This is particularly true of new shopping centers and television stations.

Business inventories remained remarkably stable

Sharp declines in prices of major midwest farm commodities . . .



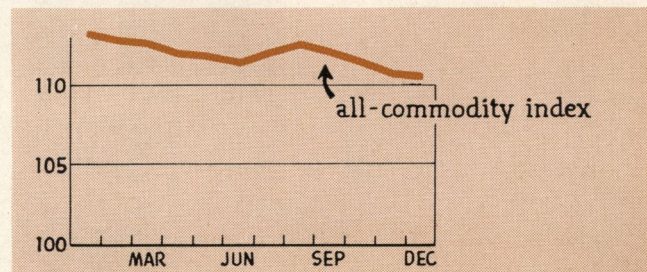
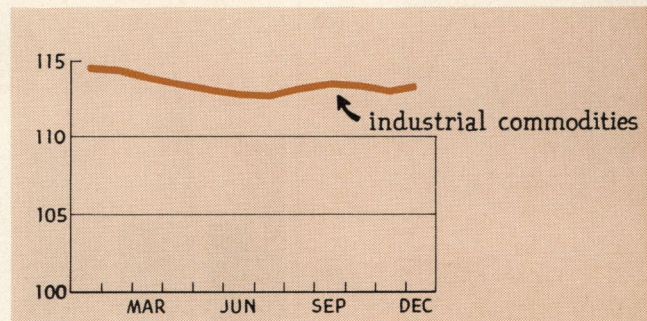
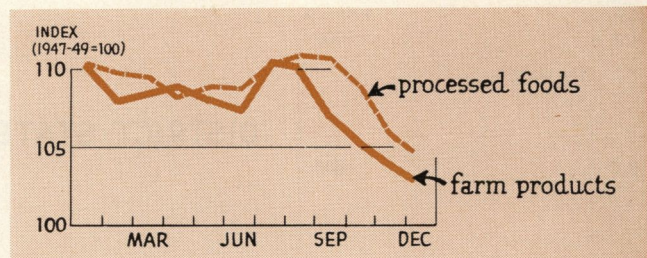
through most of 1952. The swift upward movement of inventories which started in mid-1950 was halted. Manufacturers continued to increase holdings somewhat, mainly because of defense needs, but this was offset to a great extent by a decline in distributors' stocks. Mindful of their experience in early 1951, businessmen were wary of large additions to inventory.

SEVENTH DISTRICT FARMING

District farmers marketed a larger volume of products in 1952 than in the preceding year but due to lower average prices, gross income remained about the same. As usual, livestock and livestock products accounted for the lion's share of District farm income.

The Midwest experienced an excellent crop year. Corn, the leading crop, turned in a near-record harvest of high quality. Other feed crops also were produced in adequate volume to support a continued high level of livestock production. Adverse weather in other regions, however, increased pressure on feed supplies. This, along with lower prices for most livestock, narrowed feeding margins and caused farmers to plan further cut-

. . . accounted for most of the year-end slump in wholesale prices.



ECONOMIC SUMMARY

backs in 1953 hog production. These range from 6 per cent in Iowa to 18 per cent in Michigan.

Cattle feeding, nevertheless, continued in large volume and profit prospects from the 1952-53 operation are decidedly more promising than the generally disappointing results obtained in 1951-52. The more favorable outlook reflects primarily the much lower prices for feeder cattle and a degree of flexibility in feeding programs which was lacking last year due to "soft corn."

Land values, responding to the continued favorable farm situation, advanced gradually during the year. Activity in the farm real estate market was at a low ebb, however, as most owners saw little advantage in disposing of their holdings.

Financial requirements of agriculture continued to grow in response to higher land values, additional mechanization, high cash production costs, and a further build-up in cattle herds. Farm mortgage debt continued its postwar rise but remains at a relatively low level.

Land values, having risen relative to farm income in the past two years, now probably reflect quite fully the current level of farm income.

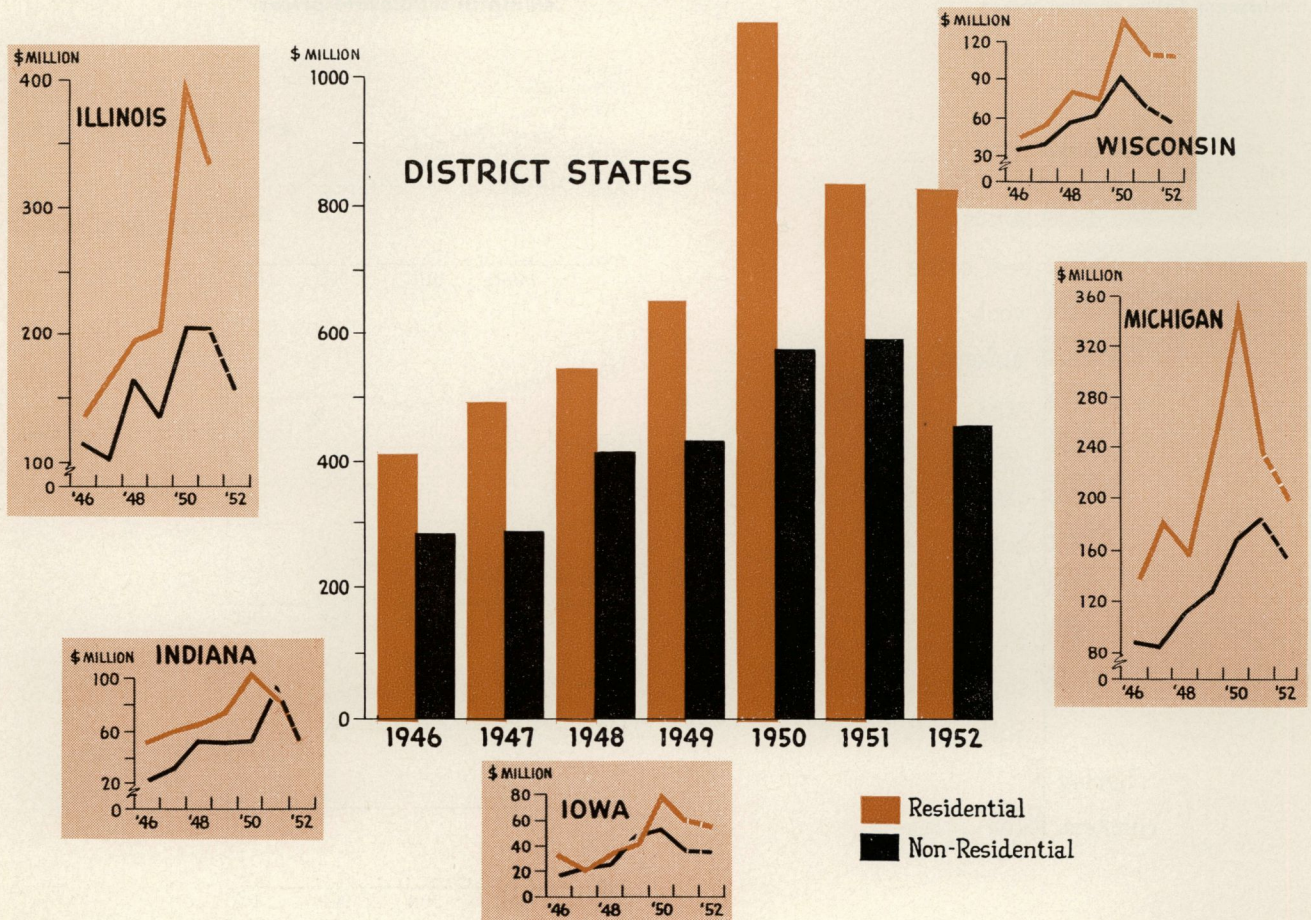
Farmers' requirements for non-real estate loans eased as cattle prices turned downward, although the volume of cattle on feed at year end probably was at a record level. Most loan repayments were on schedule this fall, and the fourth-quarter rise in outstandings was smaller than in 1950 or 1951.

Although there are individual instances of burdensome farm debts, the over-all financial position of Midwest agriculture was very strong at the end of 1952. The decline in farm product prices relative to production costs narrowed profit margins but they still were generally adequate to assure a vigorous and progressive farm economy.

HOME BUILDING BOOM CONTINUED

Residential construction activity in the Seventh District continued at a relatively high level through 1952.

Residential building authorizations in district states were about the same as in 1951 and well above most postwar years, while other construction was off about one-fourth from a year ago.



The number of dwelling units for which building permits were issued during the year was only five per cent less than in 1951, the second best year on record. District home building was off relatively more than in the nation generally, where housing starts slightly exceeded 1951's 1,090,000 and were only 20 per cent under those of 1950.

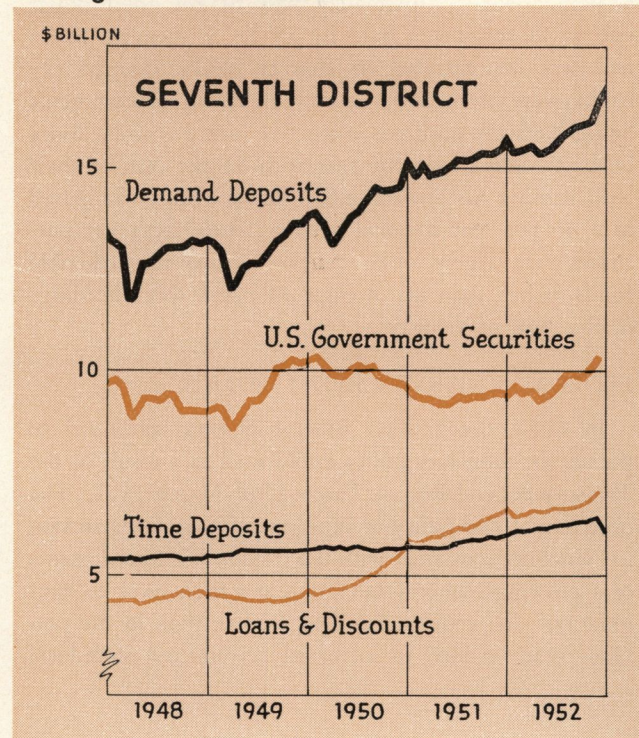
In the Chicago area, the number of units started increased five per cent from 1951 to 1952, while the Detroit area experienced a decline of about 20 per cent. Building permits issued within the city limits of Indianapolis ran about 35 per cent ahead of 1951, but were six per cent behind in Milwaukee and 20 per cent lower in Des Moines. These variations in activity from one community to another within the District evidence the purely local nature of housing markets and the building industry.

Suspension of controls over mortgage credit in October apparently had little effect on home-building activity in 1952. Heavy demands for funds by business and consumers continued to restrict the supply of mortgage money, thus limiting the pressure of competition on lenders to liberalize terms. As a result, most lending institutions have not reduced their requirements on conventional loans appreciably below those formerly required by Regulation X. Down payment requirements have been relaxed substantially on VA-guaranteed mortgages, but funds seeking investment at the comparatively unattractive fixed interest rate of 4 per cent continue relatively scarce. Since credit controls were not ended until late in the 1952 building season, however, conclusive evidence of the effects on home-building activity will not be available until the 1953 season is well under way.

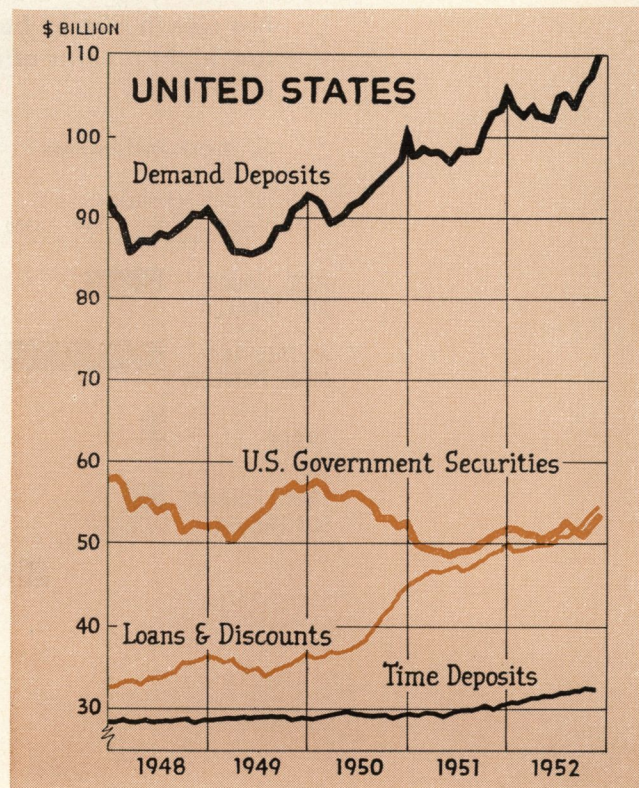
DISTRICT BANKING CONTINUES POSTWAR GROWTH

Loans of District member banks increased by 9 per cent during 1952, about the same as the average for all banks in the nation. Midyear outstandings were at the same level as at the start of the year, in sharp contrast with 1951 when District banks expanded their loans over 300 million during the first half. Loans continued to edge upward in the third quarter of 1952, then climbed rapidly as the year came to an end. During the last half of the year the loan increase was about 600 million, compared with 500 million in the last half of the preceding year. Although the dollar increase in District bank loans was evenly divided between the larger city banks and those in smaller centers, the percentage rise in the smaller banks was over double that of the city banks.

Major assets and liabilities of district member banks continued to grow in 1952, but their loans and discounts remained well below their holdings of Governments . . .



. . . in sharp contrast to the national picture.



ECONOMIC SUMMARY

District banks expanded their holdings of Governments by over 7 per cent during 1952. This increase accounted for approximately half of the total dollar rise in Governments held by all U. S. member banks and was concentrated in country banks. Larger city banks were constrained from purchasing Governments by tight reserve positions and active loan demands. Since District banks began the year with 53 per cent of their total earning assets invested in Governments, compared to a 46 per cent national average, their large net purchases were largely for the purpose of investing available funds rather than an attempt to boost their holdings of this type of security.

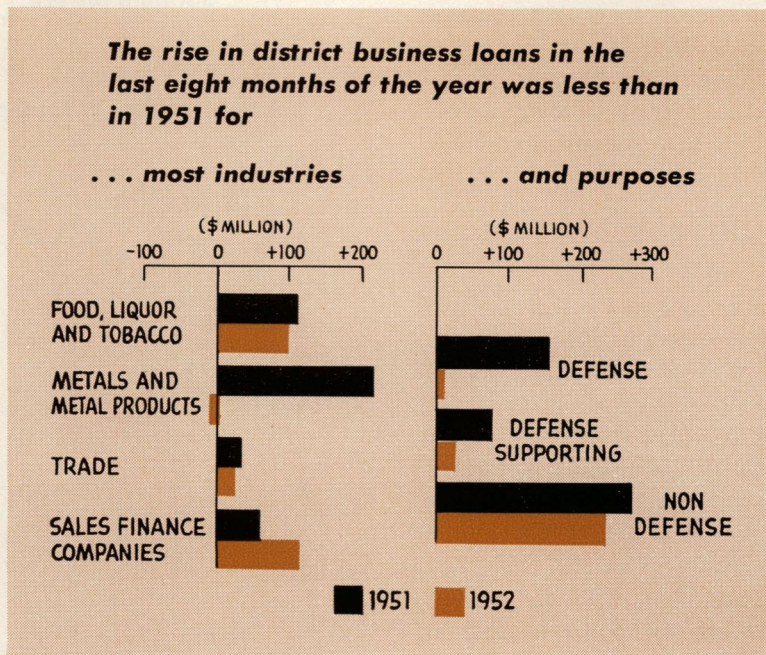
FEDERAL RESERVE CREDIT POLICY

In 1952, the Federal Reserve System continued to pursue the monetary policy established as a result of the Treasury-Federal Reserve "accord" of March 1951. The objective of this policy of limiting bank credit expansion to "amounts consistent with the reasonable requirements of a growing economy operating at a high level without inflation" was more difficult to achieve than in the previous year. Added to increased private and state-local

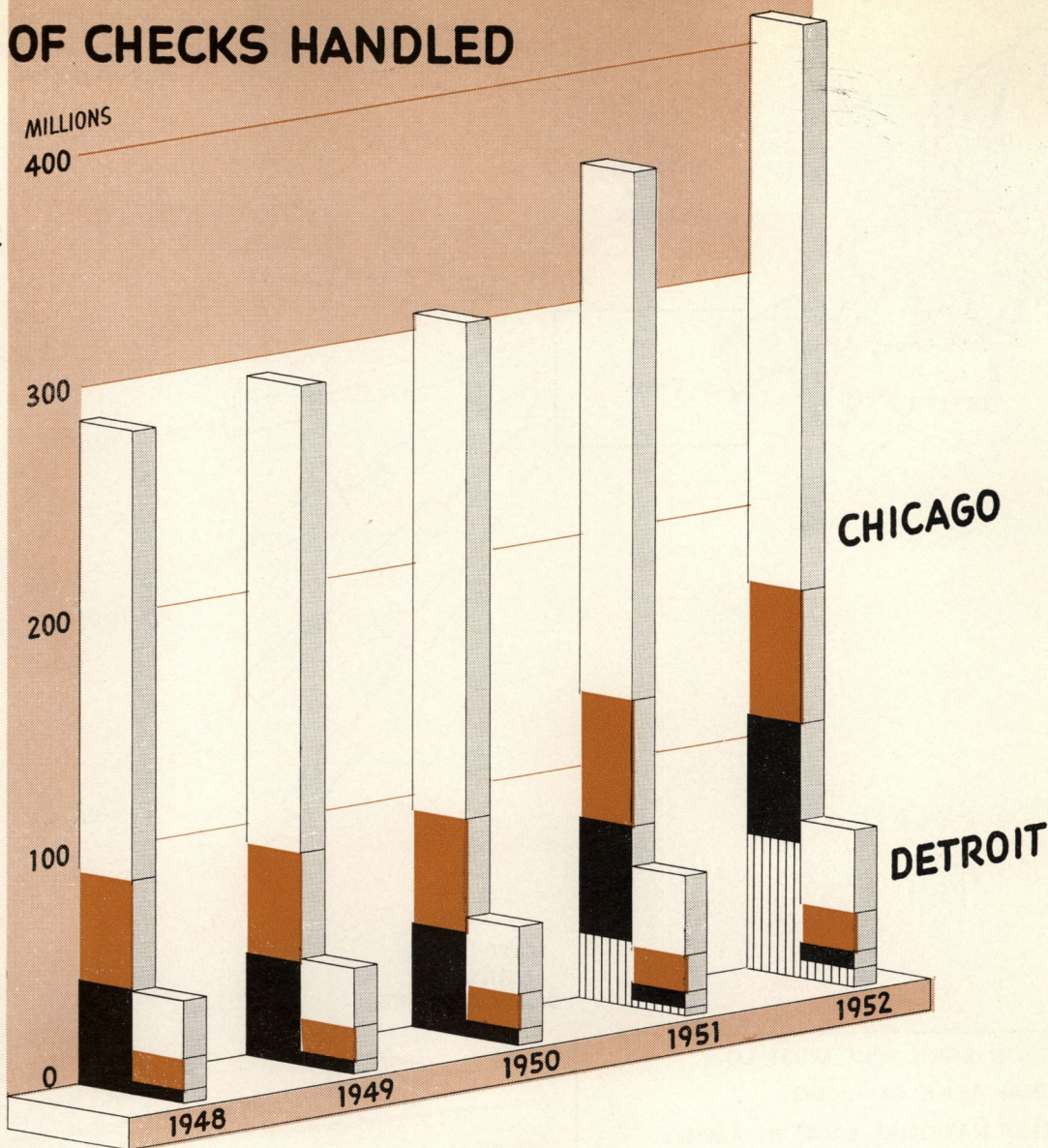
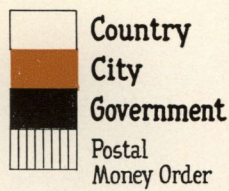
credit demands, the Federal Government also became a substantial net borrower. Furthermore, the suspension of the voluntary credit restraint program, combined with the discontinuance of Federal Reserve selective controls on consumer and real estate credit, removed restraints that in previous years had helped retard credit expansion.

Member bank borrowings from the Federal Reserve Banks rose sharply during 1952. In December, daily borrowings, averaged for reserve-weeks, reached 1.8 billion, a 31-year peak. A large share of these Federal Reserve credits passed through the Chicago Bank's discount window. Borrowings from the Chicago Fed ranged from a low of 44 million in May to almost 400 million in early December. At one time during the year District banks' borrowings made up one-third of the U. S. total; the average for the year was about 20 per cent.

Despite this expansion in member bank borrowings, however, the net increase in total outstanding Federal Reserve credit—including Government security purchases, all loans and advances and float—was considerably smaller in 1952 than in the first year of the "accord."



NUMBER OF CHECKS HANDLED



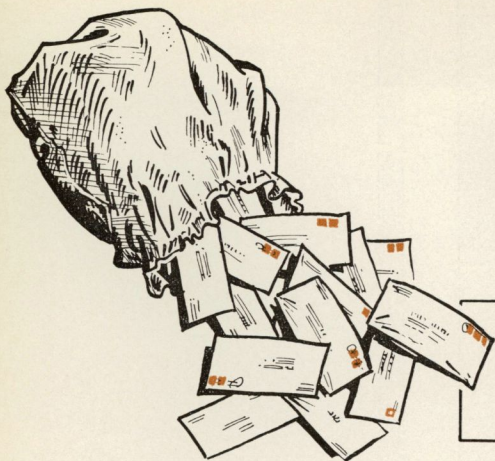
THE CHECK DEPARTMENT

The story of the Check Department is VOLUME—Never ending, ever present volume—approximately a million and a half items a day—Today, Yesterday, and Tomorrow . . .

One of the largest paper-work operations in the world is performed by the Check Department of the Federal Reserve Bank of Chicago. The continual pressure of the incoming work is staggering. Like the stream from a hydrant with a broken valve the checks pour in—an end-

less, unstoppable flow. Each day's paper mountain must be attacked to clear the way for the avalanche that's sure to come tomorrow.

The process of assimilating this forced feeding requires the services of 1,000 employees, almost half of the Bank's entire personnel. Lights in the Check Department burn constantly day and night, as the work is carried on 24 hours a day on a three-shift basis. Three stories of the Federal Reserve Bank building are devoted to the functions of the Check Department.



1

CHECKS ARE RECEIVED FROM BANKS

IN MAIL

2

CONTROL BLOCKS ARE PREPARED



6

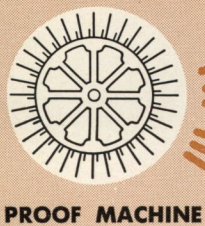
CHECKS ARE MAILED TO DRAWEE BANKS

ABINGDON BANK AND TRUST CO.
NATIONAL BANK OF ALEDO
THE FIRST NATIONAL BANK IN AMBOY

THE FIRST NATIONAL BANK OF ASSUMPTION
THE ATLANTA NATIONAL BANK
AURORA NATIONAL BANK

Processing checks is essentially a proving and sorting operation. A bundle of checks as received from a sending bank is called a "cash letter" and may contain a few checks or several thousand, depending on the size of the forwarding bank. All the checks in the cash letter

are drawn on banks other than the forwarding bank and vary from small personal payments of household expenses, to million dollar corporate payments for purchases of securities. Viewed thru the eyes of a production specialist in the Check Department, the amount of the



PROOF MACHINE

3

CHECKS ARE SORTED ALPHABETICALLY BY CITY

ABINGDON

BARRINGTON

CAMBRIDGE

VILLA GROVE

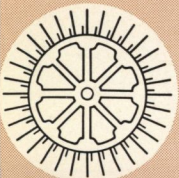
WALNUT

YORKVILLE

5

CHECKS ARE SORTED ACCORDING TO DRAWEE BANK

A



PROOF MACHINE

A	B	C	
	V	W	Y

4

CHECKS ARE ASSEMBLED FOR FINAL SORT

check means little. Each check, large or small, adds one more to the daily item count.

As the incoming checks are received each day, they are totaled or "proved" to determine the amount to be

credited to each sending bank. Following the proof, these checks are sorted until all the checks drawn on an individual bank are together in an outgoing cash letter. The total of the outgoing cash letter is charged against the drawee bank.



Receiving Cash Letters at Mail Tables

The hurried tour of a cash letter thru the Check Department begins on the mail table. The deft thrust of a mail clerk's knife removes the wrapper, and our cash letter, along with hundreds of others, enters the work flow. The proving and sorting operation is performed on a proof machine—a machine so basic in the Check Department function that a closer look might be worth while.

A proof machine contains a revolving drum with more

than a score of compartments or pockets, and a separate adding register for each compartment. As the operator reads each check she depresses a key to select the proper pocket depending on the name and city of the drawee bank. The drum revolves and the amount of the check is indexed on to the keyboard by the operator as she feeds the check into the proper compartment. The amount of the check is added and recorded on a tape for the pocket selected as well as on a tape for the grand



Sorting and Listing Incoming Checks on a Proof Machine

total of all the compartments. At any given time the sum of the totals for all the individual pockets will agree with the grand total in the machine. Several hundred proof machines are required to keep up with the daily volume handled by the Check Department.

Our cash letter, along with many others, will be proved and "prime-sorted" by an operator of one of these machines. At the end of the prime-sort the total of the

cash letter submitted by the sending bank is compared with the grand total in the machine, thus proving the cash letter and providing the amount of the credit due to the sending bank. The checks from our cash letter now repose in various pockets in the drum of the machine according to the initial letter of the city in which the drawee bank is located. A further sort now is necessary to arrange the checks so that all those drawn on an individual bank are together.



Indiana-Illinois Forwarding Units

PREPARING OUTGOING

The checks from each of the pockets of the prime-sort machine are sent to another proof machine along with a tape total for that particular pocket. During the secondary sort or "outgoing operation", the checks are added and dropped into pockets according to the name of the drawee bank. At the end of the sort each pocket in the drum contains the checks drawn on an individual bank, and the total for that compartment indicates the amount of the debit or charge against that particular bank. The grand total in the machine, the sum of all

the pockets, is compared with the tape total received with the checks from the prime-sort machine. The checks now are ready to be wrapped and returned to their "home" bank, the bank on which they were drawn.

The entire operation of the Check Department is practically continuous as the work flows thru with assembly line precision. The process is of such magnitude that the floor area in the Check Department exceeds that of forty new five-room homes. More people are employed in this one department than are employed by ninety-five per



Other Districts and Michigan-Wisconsin Forwarding Units

CASH LETTERS

cent of the manufacturing establishments in the nation. Unlike a manufacturer, however, the Check Department has no control over its source of raw material. Time never can be taken to "work off inventory". The volume is always there and the trend has been upward every year in the last decade.

As the department strives for increased efficiency and greater accuracy it does so with an acute awareness that the primary obstacle consists of man's most inflexible element—Time. Each employee shares in the knowledge

that a "plus" effort is required from all. Perhaps the foremost characteristic apparent to an outsider is the atmosphere of hyperactivity that infuses every division of the Check Department.

The individual clacking of each proof machine merges into a perpetual, acoustically subdued clamor—background music for the daily performance of "Beat the Clock."



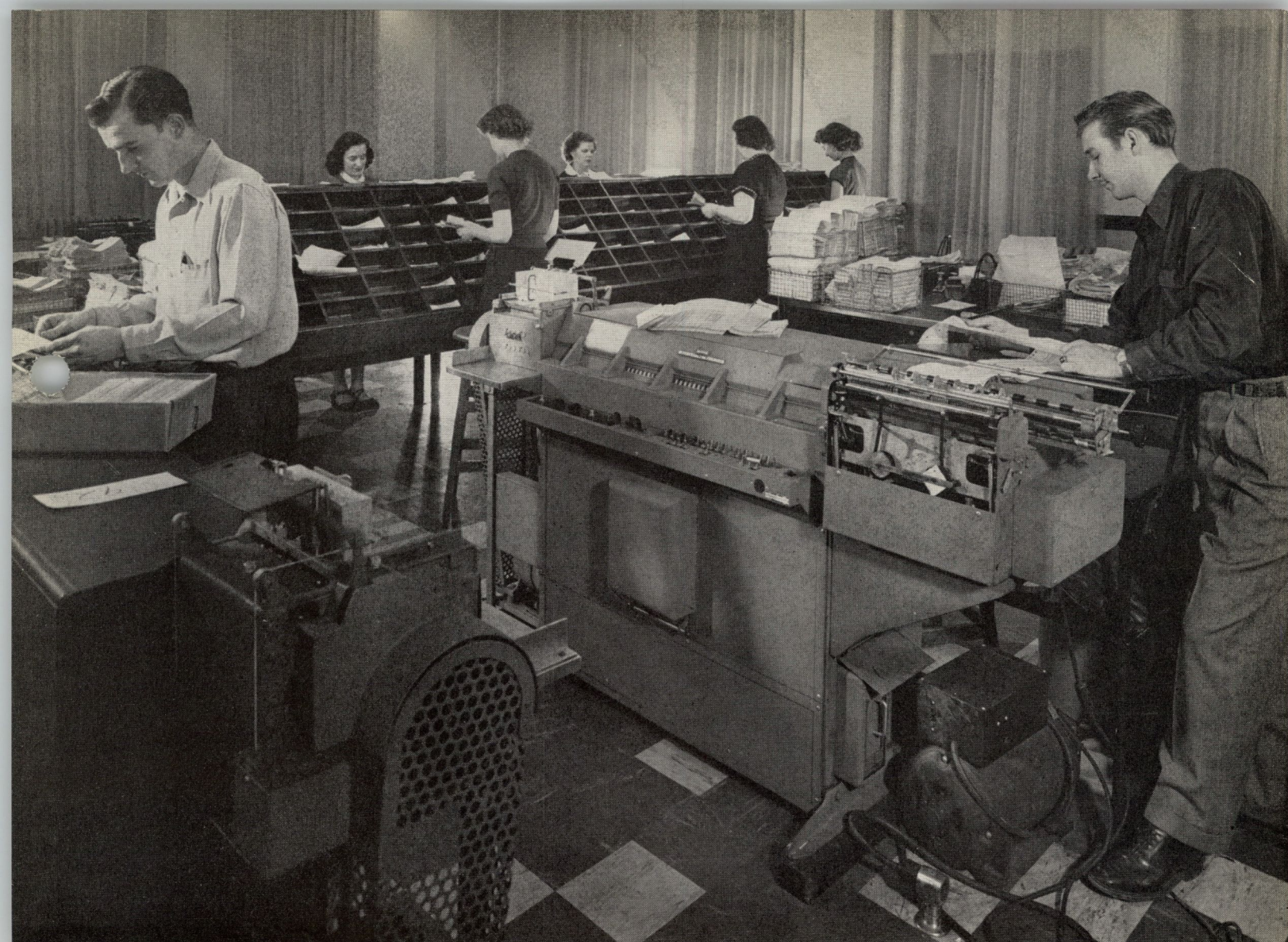
Recording Payments Received for Cash Letters

NUMBER OF CHECKS HANDLED	CHICAGO		DETROIT BRANCH	
	1952	1951	1952	1951
City	57,955,000	54,121,000	17,123,000	16,100,000
Country	244,937,000	228,125,000	36,122,000	34,115,000
Government—Paper	4,898,000	4,694,000	1,393,000	1,339,000
Card	46,360,000	44,891,000	5,522,000	5,374,000
Postal Money Order**	58,420,000	28,501,000	8,112,000	3,763,000
Totals	412,570,000	360,332,000	68,272,000	60,691,000

**New Activity July 1, 1951.

The number of cash letters sent out to banks each day averages about four thousand throughout the year. Payments are received thru the payoff division of the Check Department and generally are made by bank draft or advice to charge the reserve account. In many cases items

are returned and credit toward payment is given by the return items division. When the banks pay for the amount of the checks received, the production cycle is complete.



Processing Government Checks

DOLLAR VALUE OF CHECKS HANDLED

	CHICAGO		DETROIT BRANCH	
	1952	1951	1952	1951
City	\$ 69,326,494,000	\$ 66,735,237,000	\$ 18,134,430,000	\$ 16,976,870,000
Country	46,983,674,000	45,493,769,000	7,665,415,000	7,913,200,000
Government—Paper	5,419,881,000	4,417,370,000	2,570,356,000	1,485,630,000
Card	3,238,880,000	2,936,524,000	377,212,000	343,608,000
Postal Money Order**	785,381,000	370,504,000	152,964,000	72,032,000
Totals	<u>\$125,754,310,000</u>	<u>\$119,953,404,000</u>	<u>\$ 28,900,377,000</u>	<u>\$ 26,791,340,000</u>
Daily Avg. No. of Cash Letters Dispatched	<u>3,842</u>	<u>3,958</u>	<u>546</u>	<u>549</u>

**New Activity July 1, 1951.

U. S. Government checks are handled separately from the general work flow as most of them are issued in the form of punched cards and are processed on punch card equipment. All sorting and proving of these checks can be done mechanically. Government checks both paper and card, account for about thirteen per cent of the total volume during a year.

Postal money orders also are channeled to a separate division of the Check Department. They, too, are a form of punched card and are mechanically processed preparatory to their return to the proper Regional Post Office of Issue. This operation is relatively new to the department as the conversion to punch card money orders by the Post Office was effective July 1, 1951.

SAFEKEEPING OF SECURITIES

A special arrangement for the safekeeping of custodianship bonds was made with the Veterans' Administration in 1952. As a result, the number of savings bonds in safekeeping increased over holdings of a year ago.

The additional activity is reflected in the net increase

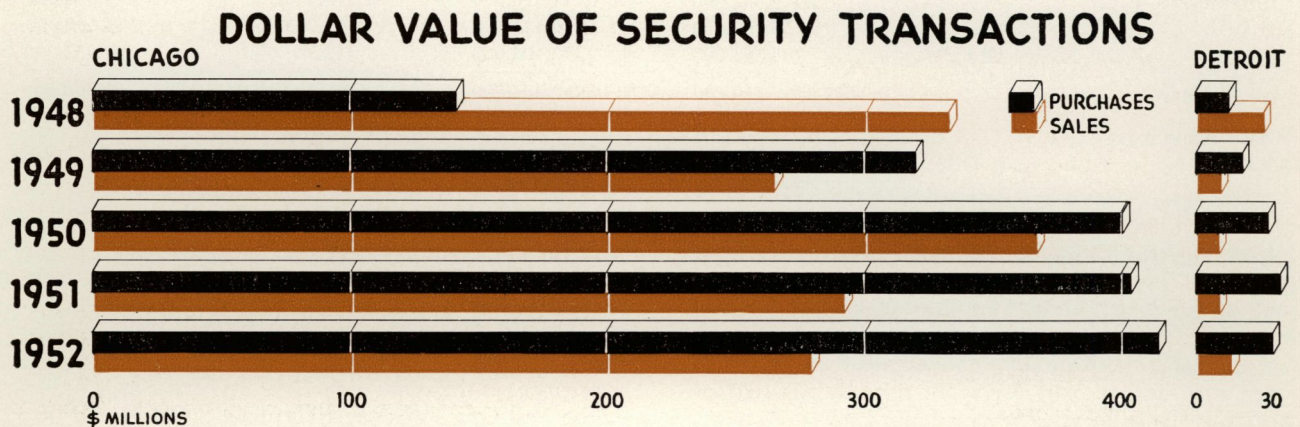
of \$3,561,492 in savings bonds held at the end of the current year as compared with a net decline of \$1,111,436 during 1951. Also, 175,902 savings bonds were received in 1952, a 60% increase over the 110,203 pieces taken in during the previous year.

	CHICAGO		DETROIT BRANCH	
	1952	1951	1952	1951
SAFEKEEPING—MEMBER BANKS, ETC.				
PIECES				
Securities—Received	180,172	198,878	38,771	31,159
Released	155,727	150,794	38,423	25,964
Coupons Detached From Securities.....	1,204,132	1,143,517	183,886	180,405
DOLLAR VALUE OF PIECES				
Securities—Received	\$9,326,290,973	\$9,561,411,853	\$6,263,580,783	\$4,207,921,000
Released	9,431,291,152	9,579,972,640	6,060,574,856	4,156,262,000
Held as of December 31.....	4,995,952,049	5,100,952,229	821,571,294	618,565,000
Coupons Detached From Securities.....	99,532,080	98,635,596	11,020,502	9,158,912
SAFEKEEPING—SAVINGS BONDS				
PIECES				
Received	116,547	72,988	59,355	37,215
Released	110,870	105,677	52,400	54,476
Held as of December 31.....	603,188	597,511	279,463	272,508
DOLLAR VALUE OF PIECES				
Received	\$ 11,579,104	\$ 8,781,420	\$ 5,968,440	\$ 3,881,600
Released	9,389,586	9,313,381	4,596,465	4,461,075
Held as of December 31.....	67,728,659	65,539,142	25,745,330	24,373,355

INVESTMENTS

The dollar volume of security transactions handled by the Investment Department at Chicago during 1952 was practically equivalent to that of the previous year. However, purchases were somewhat larger and sales somewhat smaller.

At the Detroit Branch, the dollar volume of securities purchased was approximately 11% less in 1952 than in the previous year whereas sales for 1952 exceeded 1951 figures by 56%.



DISCOUNTS AND OTHER CREDITS

Member bank borrowings from the Federal Reserve Bank expanded substantially in 1952. Borrowings by District banks during the year aggregated \$12,489,567,000 at the Head Office—almost 3½ times the previous year's amount—and \$1,854,780,000 at the Detroit Branch, somewhat less than twice the 1951 level. Weekly average outstanding borrowings were significantly greater in the second half of the year and hit a peak of close to 400 million dollars in December. This growth in total indebtedness reflected an increased number of borrowing banks requiring greater dollar amounts more frequently or for longer periods.

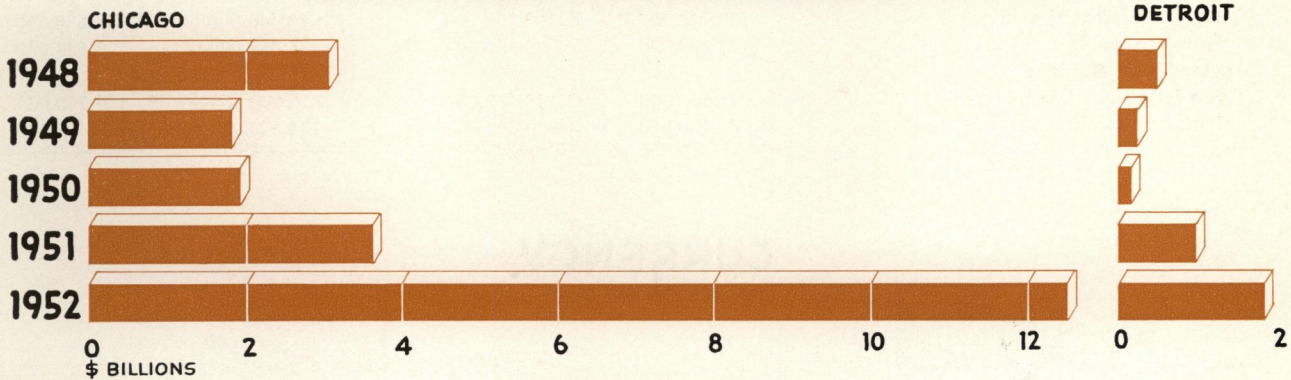
The step-up in borrowing activity, stemmed from increasingly high levels of economic activity, heavy bank loan expansion, and protracted periods of money market tightness particularly in the latter half of the year. Coupled with these developments was the Reserve System's general reluctance to purchase Government secur-

ities in the open market, an anti-inflationary policy consistent with the Treasury-Federal Reserve accord of 1951. Member banks, which had formerly sold securities, therefore, resorted to Reserve Bank loans and advances, largely secured by Government obligations, as a means of replenishing reserves.

Regulation V Loans Guaranteed for Defense Production

While the volume of guaranteed loans to industries engaged in defense production diminished somewhat during the year 1952, the program nevertheless was very active. Pursuant to the requirements of the Defense Production Act, the Federal Reserve Bank served as fiscal agent in administering Regulation V guarantees for the Departments of the Army, Navy, and Air Force, as well as for the General Services Administration and the Atomic Energy Commission.

ADVANCES TO MEMBER BANKS



EXAMINATION OF BANKS

Membership in the Federal Reserve System in the Seventh District totaled 1,008 on December 31, 1952. This membership was composed of national and state banks as follows:

National Banks	566
State Member Banks.....	442

Examinations of member banks during the year 1952 are summarized below:

Regular Examinations	442
Trust Department Examinations.....	153
Special Examinations	4
Other Investigations	34

Annual examinations of state member banks usually were made jointly with representatives of the state banking department concerned.

In addition to the regular examinations, field investigations were required in connection with applications to organize national banks, applications for the establishment of branch offices, and applications for permission to exercise trust powers.

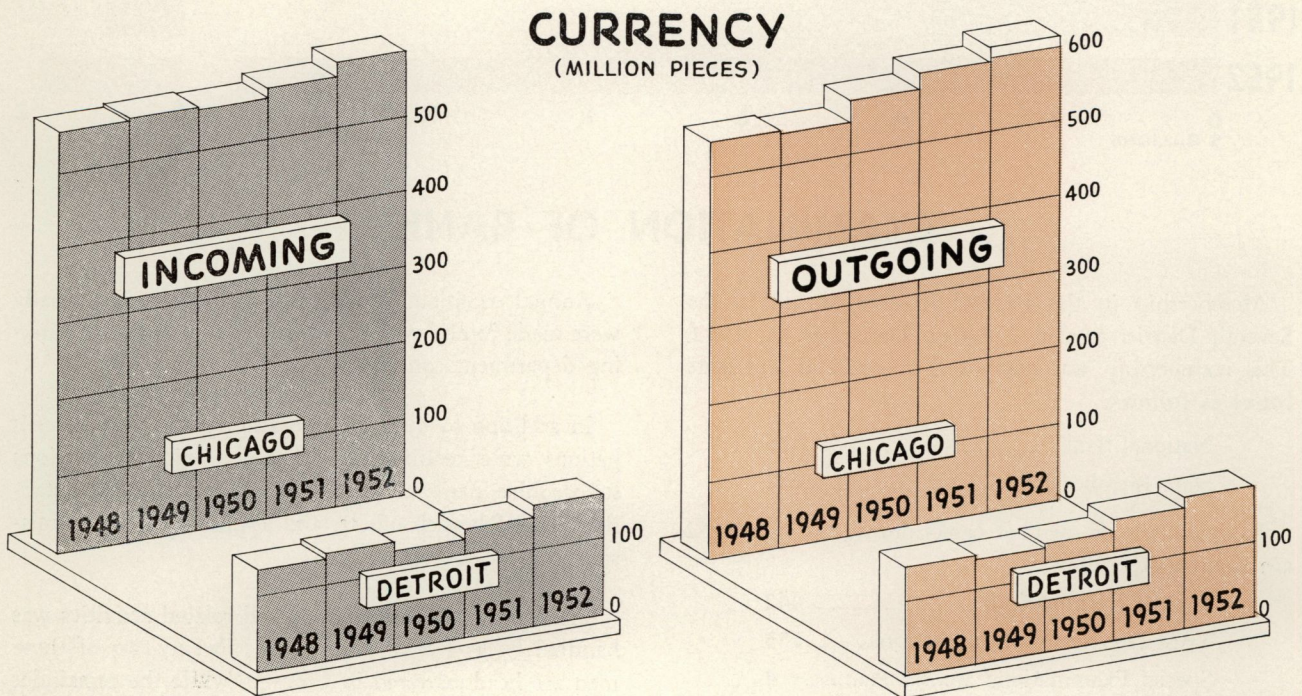
Field work on examinations and related activities was handled by a staff of forty men. Twenty-two of these men are headquartered in Chicago, while the remainder reside in various cities in Indiana, Iowa, and Michigan.

CURRENCY

During 1952, the upward trend in currency shipments continued. Shipments of currency to banks were greater than ever before measured either in dollar value or number of pieces. Aggregate receipts of currency were up somewhat from a year ago.

Further evidence of increased activity in currency operations was reflected by the \$4,997,357,000 in our Federal Reserve Notes in circulation on December 26, 1952—higher than ever before.

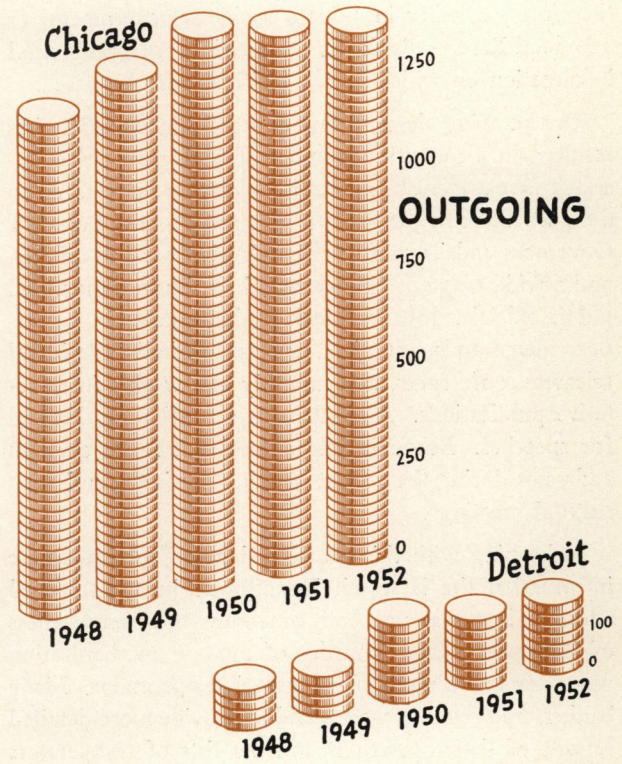
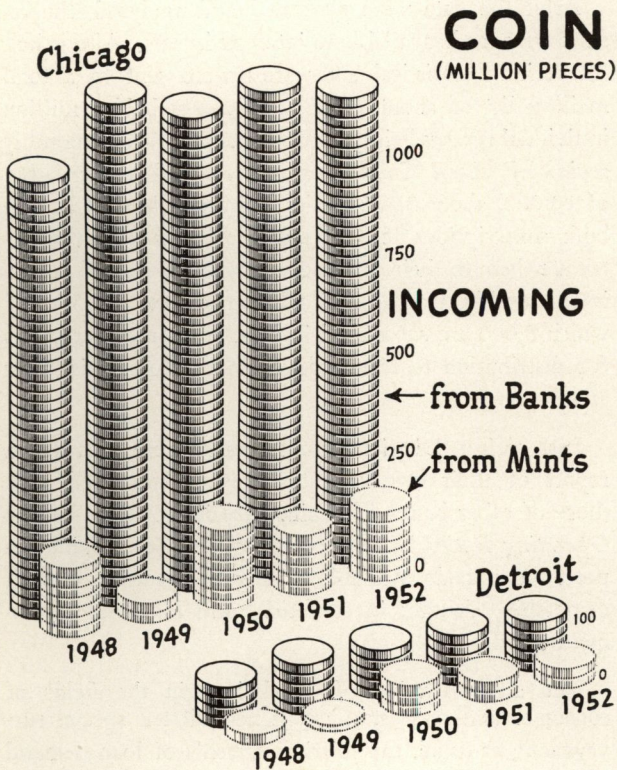
	CHICAGO		DETROIT BRANCH	
	1952	1951	1952	1951
PIECES				
Incoming from Banks.....	586,318,134	568,354,571	156,916,056	142,578,000
Incoming from U. S. Treasurer.....	163,348,000	168,708,000	30,564,000	41,356,000
Outgoing	612,680,757	595,210,696	173,256,679	159,368,000
Unfit—Forwarded for Redemption.....	209,936,266	160,874,176	34,580,552	32,001,000
Unfit—Retained in Reserve.....	—	47,050,000	—	—
DOLLAR VALUE OF PIECES				
Incoming from Banks.....	\$3,403,019,091	\$3,305,304,478	\$1,007,490,621	\$ 955,815,000
Incoming from U. S. Treasurer.....	230,404,000	215,960,000	43,332,000	54,468,000
Outgoing	3,699,344,500	3,591,359,000	1,142,896,611	1,054,240,000
Unfit—Forwarded for Redemption.....	785,279,091	535,958,978	141,806,754	145,444,000
Unfit—Retained in Reserve.....	—	260,550,000	—	—
FEDERAL RESERVE NOTE ISSUES—FEDERAL RESERVE AGENT				
Pieces				
Received from Washington.....	108,940,000	102,278,000	18,440,000	13,680,000
Issued to Bank.....	73,282,000	78,184,000	16,788,000	13,648,000
Dollar Value of Pieces				
Received from Washington.....	\$1,292,600,000	\$1,148,420,000	\$ 256,500,000	\$ 186,500,000
Issued to Bank.....	862,180,000	880,780,000	224,640,000	189,860,000



AND COIN

More widespread popularity of the coin wrapping service of the Cash Department marked the year 1952. During 1951, 59% of the outgoing coin from Chicago was wrapped. Increased demand for this service throughout the year resulted in 71% of the outgoing coin being

wrapped in 1952. At Detroit 47% of the coin shipped in 1952 was wrapped compared with 35% during the previous year. Dollar value of coin received from the Treasury Department during the current year was considerably greater at both Chicago and Detroit.



	CHICAGO		DETROIT BRANCH	
	1952	1951	1952	1951
PIECES				
Incoming from Banks—Counted	541,082,692	727,568,424	119,801,889	113,527,000
Incoming from Banks—Diverted to Coin Wrapping	632,237,000	484,194,000	—	—
Received from Mints	165,524,000	138,910,000	45,054,000	45,425,000
Received from Other F. R. Banks	4,100,000	3,240,000	425,000	231,000
Outgoing	1,334,890,333	1,360,753,205	176,063,189	173,142,000
Total Wrapped During Year	947,959,000	803,485,000	83,415,000	60,448,000
DOLLAR VALUE OF PIECES				
Incoming from Banks—Counted	\$ 48,749,560	\$ 64,091,237	\$ 12,130,572	\$ 11,302,000
Incoming from Banks—Diverted to Coin Wrapping	63,562,050	47,965,150	—	—
Received from Mints	12,481,200	7,665,000	2,332,000	1,190,000
Received from Other F. R. Banks	925,000	1,720,000	265,100	231,000
Outgoing	123,754,299	121,389,161	15,027,126	13,561,000
Total Wrapped During Year	82,352,600	77,612,150	7,516,650	5,537,000

ECONOMIC RESEARCH

As business and government executives encounter problems of increasing complexity, the role of economic research grows in importance. Effective policy decisions require a continuing flow of timely and dependable economic information. Questions of how much, where, when, and why are asked with ever increasing persistence. An important function of economic research therefore—whether in private business, government, or a Federal Reserve Bank—is the provision of background information on which policy decisions may be based.

The growing demand for economic information has resulted in a mounting number of inquiries to the Research Department by mail, phone, and in person. As in the past, three major groups were served—the Board of Governors and its staff, the Bank's directors and officers, and a wide range of Midwest bankers, businessmen, and public officials. Information is made available in numerous memoranda, special reports, periodic statistical releases, conferences, and monthly and weekly interpretative publications. Also, there is a continuing demand for speeches. Research officers and staff made over 90 addresses during the year at banking, business, and agricultural meetings.

In keeping with this growing demand for up-to-date information the Research Department in 1952 placed additional emphasis on both timeliness and completeness of its reports. The wizardry of modern mechanization was extended to more of the statistical operations. Many bankers and retailers were asked to provide more detailed reports of their operations and the lists of co-operators were re-examined to assure statistical results that would accurately reflect developments in the areas and subjects studied.

The raw material of economic research, of course, is the flow of reports from bankers, retailers, industrialists, and government units. Without the prompt co-operation of such groups up-to-date knowledge of business trends could be no broader than the first-hand knowledge of individuals, usually limited to a few lines of activity and covering a relatively small area.

Statistical material was received regularly on retail trade from firms representing about 2,500 stores, and data on instalment loans were received from about 500 firms other than commercial banks. Banking data were provided through the co-operation of the more than 1,000 Seventh District member banks.

After the data were processed and analyzed, the results were made available to interested users. Altogether, 39 periodic statistical summaries were sent to a total mailing list of about 13,000, with over half a million individual reports being distributed. The Bank's monthly review, *Business Conditions*, has reached a circulation of 23,000, about 8,500 copies being provided at cost in bulk subscriptions to 107 member banks which redistribute them to their customers. The *Agricultural Letter*, issued weekly, reached a circulation of about 11,500, of which 8,000 are subscribed in bulk by 68 member banks for distribution to farm leaders and customers in their area.

Last spring, District member banks were provided a report of their own operating results compared with those of other banks of similar size in a *Member Bank Operating Ratios* booklet. Also, other special bank reports were made available during the year on deposit ownership, changes in condition, and loan and investment trends.

The administration of regulations in the fields of consumer and real estate credit necessitated special surveys and, as usual, the shifting currents of loan demand at District banks stimulated continuing study of the requirements and uses of credit by business and other borrowers. Bank capital requirements were the subject of a detailed study.

In retail trade, the regular weekly and monthly releases on sales and stocks at department stores were supplemented by a *Retail Credit Survey*. Financial developments in agriculture were followed closely through a periodic sampling of country bankers' opinions and studies of trends in farm credit.



Typing Collection-Letter Forms

COLLECTION OF NON-CASH ITEMS

Collection-letter forms were prepared on new and improved equipment during 1952. Electric typewriters equipped with pin-feed platens replaced manual typewriters and fanfold billing attachments. Factory-interleaved carbon, precise alignment of all parts of each

form, clearly readable copies, and effortless typing are some of the advantages Collection Department personnel have been enjoying since the installation of this new equipment.

	CHICAGO		DETROIT BRANCH	
	1952	1951	1952	1951
Number of Transactions				
City	25,952	28,807	20,187	21,354
Country*	156,898	158,186	13,808	14,788
Coupon and Security	698,322	647,978	173,943	153,054
Totals	881,172	834,971	207,938	189,196
*Includes direct sendings to other Federal Reserve Banks by our member banks.....	103,676	105,101	5,311	5,775
Dollar Value of Transactions				
City	\$ 58,785,000	\$ 75,693,000	\$ 27,009,000	\$ 38,069,000
Country*	361,531,000	381,287,000	41,604,000	33,874,000
Coupon and Security	757,689,000	870,066,000	85,223,000	57,414,000
Totals	\$1,178,005,000	\$1,327,046,000	\$ 153,836,000	\$ 129,357,000
*Includes direct sendings to other Federal Reserve Banks by our member banks.....	\$ 282,339,000	\$ 302,840,000	\$ 35,490,000	\$ 25,175,000

SERVICING OF GOVERNMENT SECURITIES

The reduction in securities exchanged in 1952 was mainly due to a smaller volume of coupon bonds presented in exchange for registered bonds and likewise a much lesser amount of registered bonds exchanged for coupon bonds.

The additional activity in the Government bond market at various times during the year was reflected in the increase of about 16% in telegraphic transfers of securities handled in 1952.

Reissues of Savings Bonds remained high and followed the pattern of previous years.

Payments made by credit through Treasury Tax and Loan Accounts in 1952 exceeded the 1951 total by \$1.4 billion. This large increase was due to depositaries receiving credit for more tax money during the year and for the payment of new cash offerings of Treasury securities, including the 2 $\frac{3}{8}$ % Bonds of 1958.

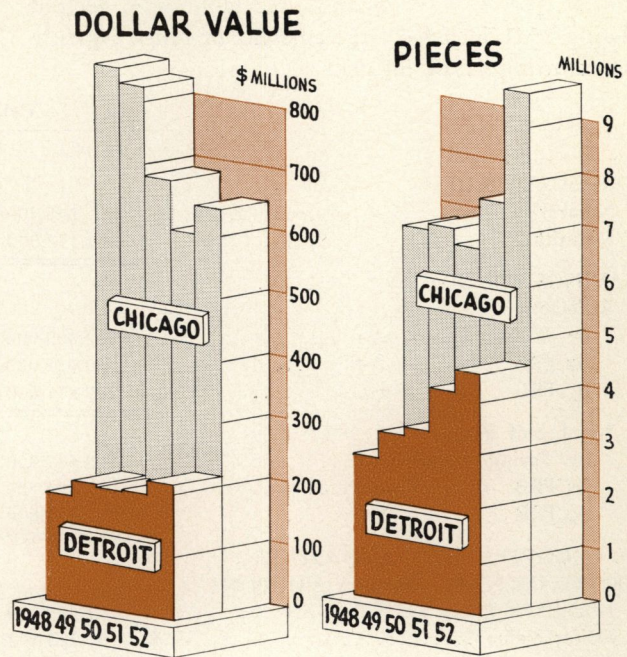
	CHICAGO		DETROIT BRANCH	
	1952	1951	1952	1951
MARKETABLE ISSUES				
DENOMINATIONAL AND OTHER EXCHANGES				
Par Value	\$2,637,696,800	\$3,341,627,100	\$ 46,359,250	\$ 79,186,000
Pieces	<u>143,500</u>	<u>147,800</u>	<u>4,177</u>	<u>3,480</u>
TELEGRAPHIC TRANSFERS (CPD)				
Par Value	\$9,971,755,000	\$8,843,888,300	\$2,417,025,000	\$1,773,850,300
Pieces	<u>115,900</u>	<u>112,300</u>	<u>15,100</u>	<u>15,600</u>
SAVINGS BONDS				
REISSUES				
Maturity Value	\$ 414,081,500	\$ 432,973,500	\$ 29,471,500	\$ 27,478,100
Pieces	<u>1,272,500</u>	<u>1,226,800</u>	<u>224,100</u>	<u>180,200</u>
DEPOSITARY BANKS—TREASURY TAX AND LOAN ACCOUNT				
Payments by Credit	\$5,700,000,000	\$4,700,000,000	\$1,950,000,000	\$1,600,000,000
Depository Balances as of December 31	623,421,000	398,702,000	211,088,500	129,825,600
Number of Entries to Deposit and Collateral Accounts	321,200	307,600	38,629	34,958
Number of Qualified Depositories as of December 31	<u>1,712</u>	<u>1,697</u>	<u>137</u>	<u>139</u>

ISSUANCE OF GOVERNMENT SECURITIES

SERIES E SAVINGS BONDS SOLD

Marketable securities issued at Chicago and Detroit increased about 12% in 1952. Larger weekly offerings of Treasury Bills and greater interest in these offerings because of higher yields accounted for this increase.

The decline in sales of Treasury Savings Notes during 1952, because of the greater attractiveness of other short term Treasury issues, accounted for the dollar reduction in savings securities issued. More Series E Bonds were sold by issuing agents, both in dollar value and number of pieces, the latter increasing over 22%.



	CHICAGO		DETROIT BRANCH	
	1952	1951	1952	1951
MARKETABLE SECURITIES				
Par Value Issued	\$12,012,001,000	\$10,580,908,000	\$ 735,451,000	\$ 560,614,000
Pieces Issued	132,000	115,200	10,976	11,884
Number of Subscribers.....	31,100	24,100	1,275	1,122
SAVINGS SECURITIES				
MATURITY VALUE				
Treasury Savings Notes.....	\$ 415,653,000	\$ 702,147,000	\$ 180,598,000	\$ 334,403,000
Series E—By Issuing Agents.....	621,004,850	553,549,575	208,045,000	189,339,000
Series E—By FRB.....	20,816,150	21,287,425	6,993,400	6,520,400
Other Savings Issues	208,099,300	171,670,850	25,111,600	19,410,500
Total Maturity Value.....	\$ 1,265,573,300	\$ 1,448,654,850	\$ 420,748,000	\$ 549,672,900
NUMBER OF PIECES				
Treasury Savings Notes.....	22,580	28,554	4,535	6,749
Series E—By Issuing Agents.....	9,197,543	7,092,416	4,259,000	3,877,000
Series E—By FRB.....	467,657	470,584	253,000	239,400
Other Savings Issues	130,900	141,204	14,272	14,251
Total Pieces	9,818,680	7,732,758	4,530,807	4,137,400
Number of Qualified Issuing Agents.....	3,096	3,109	349	366

REDEMPTION OF GOVERNMENT SECURITIES

Redemptions of Treasury Coupon Bonds in Chicago increased from \$7,842,000,000 in 1951 to \$9,715,000,000 in 1952, but total redemptions showed a decline because of decreases in redemptions of Registered Bonds and Armed Forces Leave Bonds. Redemptions in Detroit during 1951 included large amounts of called issues, a nonrecurring factor in 1952.

The decline noted in the volume of Savings Bonds redeemed in the District during 1952 followed the national downward trend of such redemptions.

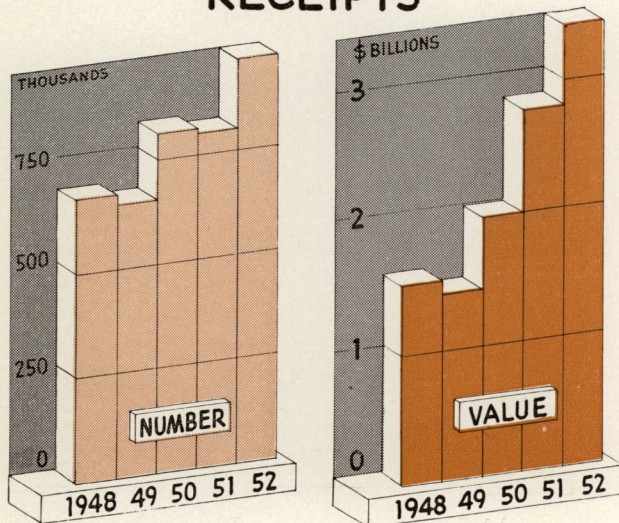
Over 1,600,000 coupons aggregating \$122,970,000 were forwarded to this bank and its branch for payment. This is an increase of about 8% in dollar value over 1951.

	CHICAGO		DETROIT BRANCH	
	1952	1951	1952	1951
TREASURY ISSUES*				
Number of Pieces.....	245,400	318,000	31,000	51,300
Maturity Value	\$10,281,552,000	\$ 8,808,678,400	\$ 1,971,692,700	\$ 2,503,894,300
SAVINGS BONDS				
Redemption Value				
By Paying Agents—A-E.....	\$ 582,408,000	\$ 687,699,200	\$ 167,263,300	\$ 188,285,900
By FRB —A-E.....	37,922,000	41,978,800	4,023,100	4,549,700
By FRB —F-G.....	207,271,600	239,808,000	19,613,500	17,020,900
Number of Pieces				
By Paying Agents—A-E.....	10,647,800	11,127,100	4,371,409	4,582,491
By FRB —A-E.....	291,500	281,100	49,549	43,727
By FRB —F-G.....	197,600	218,500	15,555	17,889
U. S. GOVERNMENT AND OTHER GOVERNMENTAL AGENCY COUPONS				
Number of Pieces.....	1,495,200	1,580,400	181,900	185,500
Dollar Value	\$ 102,026,392	\$ 94,728,276	\$ 20,943,600	\$ 19,771,300

*Includes Savings Notes and Armed Forces Leave Bonds.

COLLECTION OF FEDERAL TAXES

RECEIPTS



The dollar value of validated receipts processed during 1952 ran well over three billion dollars, an increase of 22% over the previous year. Instructions from Directors of Internal Revenue which changed remitting habits of many employers primarily were responsible for the 1952 increase in volume. Prior to April, 1952, many employers remitted quarterly to various offices of Directors of Internal Revenue. After April, these employers were instructed to remit tax payments monthly to Federal Reserve Banks. Statistics on receipts processed during 1952 and 1951 are as follows:

	1952	1951
Number	970,000	801,000
Dollar Value	\$3,424,000,000	\$2,797,000,000

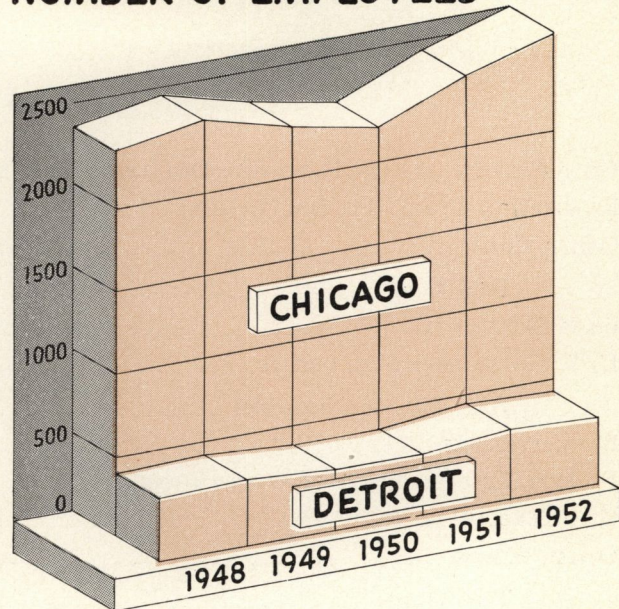
PERSONNEL

Defense demands for industrial workers and military personnel continued to encroach on available sources of clerical help. Increased wages, improved working conditions and transportation-free jobs in factories in outlying and suburban areas added to recruitment problems.

Comparative figures as of the last day of the year show an increase in personnel in Chicago of about 7.5% and a decrease in Detroit of about 3.6%. The continuing upward trend in Chicago was the result of a marked additional volume of work throughout the Bank. To meet demands for staff, advertising and solicitation of high school seniors for part time training was intensified. Training classes in proof machine and keypunch operation and in typing and page work were successfully conducted throughout the year.

An increase in salary structure to meet market conditions resulted in starting salaries showing a favorable comparison with those in effect in the district.

NUMBER OF EMPLOYEES



COMMUNICATIONS

Messages handled by the Codes and Telegrams Division increased slightly during the current year despite the loss of commercial wire facilities during April and May because of the strike of Western Union Telegraph Company employees.

Approximately 1,370,000 telegrams were processed during 1952 by the Chicago office of the Federal Reserve leased wire system—up 5% from the volume handled during 1951. Early in 1952, a new direct wire from

Chicago to New York was added to the leased wire system. This new wire reduced by 40% the messages formerly sent through the Washington relay center of the system.

Transfers of funds were up at Chicago and Detroit with both offices registering an increase of 13% in dollar amount. The number of pieces of mail received and dispatched approximated the record levels reached in 1951.

	CHICAGO		DETROIT BRANCH	
	1952	1951	1952	1951
TELEGRAMS PROCESSED				
Messages Received	111,307	113,448	28,269	28,621
Messages Dispatched	99,278	94,558	32,187	30,881
Total	<u>210,585</u>	<u>208,006</u>	<u>60,456</u>	<u>59,502</u>
WIRE TRANSFERS OF FUNDS				
Number of Transfers	224,591	216,256	48,350	45,299
Total Dollar Value	\$103,336,345,000	\$ 91,112,727,000	\$ 26,094,914,000	\$ 23,008,248,000
Average Value Per Transfer	\$ 460,109	\$ 421,319	\$ 539,709	\$ 507,920
MAIL VOLUME				
Pieces Received	2,332,921	2,332,279	306,672	302,617
Pieces Dispatched	4,477,856	4,706,444	323,149	335,007
Total	<u>6,810,777</u>	<u>7,038,723</u>	<u>629,821</u>	<u>637,624</u>

FEDERAL RESERVE BANK OF CHICAGO

COMPARATIVE STATEMENT OF CONDITION

DECEMBER 31, 1952, AND DECEMBER 31, 1951

ASSETS

	Dec. 31, 1952	Dec. 31, 1951
GOLD CERTIFICATES ON HAND AND DUE FROM U. S. TREASURY	\$4,430,854,137.32	\$4,221,263,933.92
REDEMPTION FUND—FEDERAL RESERVE NOTES	119,452,700.00	122,652,645.00
OTHER CASH	54,784,083.66	53,922,299.04
Total Cash	<u>\$4,605,090,920.98</u>	<u>\$4,397,838,877.96</u>
BILLS DISCOUNTED	7,360,500.00	340,600.00
U. S. GOVERNMENT SECURITIES	3,437,028,000.00	3,521,975,000.00
Total Bills and Securities	<u>\$3,444,388,500.00</u>	<u>\$3,522,315,600.00</u>
BANK PREMISES	6,680,636.02	6,342,488.93
FEDERAL RESERVE NOTES OF OTHER BANKS	23,133,000.00	22,180,500.00
UNCOLLECTED ITEMS	704,039,961.48	652,609,324.88
OTHER ASSETS	22,954,908.03	19,336,519.88
Total Assets	<u><u>\$8,806,287,926.51</u></u>	<u><u>\$8,620,623,311.65</u></u>

LIABILITIES

FEDERAL RESERVE NOTES IN ACTUAL CIRCULATION	\$4,971,415,290.00	\$4,764,080,565.00
DEPOSITS:		
Member Bank—Reserve Account	3,066,257,823.23	3,227,709,792.94
U. S. Treasurer—General Account	28,709,863.68	6,862,718.83
Other Deposits	85,944,791.80	102,613,235.40
Total Deposits	<u>\$3,180,912,478.71</u>	<u>\$3,337,185,747.17</u>
DEFERRED AVAILABILITY ITEMS	519,439,776.68	392,025,045.87
OTHER LIABILITIES	1,962,285.84	1,835,009.47
Total Liabilities	<u>\$8,673,729,831.23</u>	<u>\$8,495,126,367.51</u>

CAPITAL ACCOUNTS

CAPITAL PAID IN	\$ 32,341,950.00	\$ 30,375,250.00
SURPLUS (Section 7)	84,628,184.18	79,601,206.22
SURPLUS (Section 13b)	1,429,383.78	1,429,383.78
OTHER CAPITAL ACCOUNTS	14,158,577.32	14,091,104.14
Total Liabilities and Capital Accounts	<u><u>\$8,806,287,926.51</u></u>	<u><u>\$8,620,623,311.65</u></u>

FEDERAL RESERVE BANK OF CHICAGO

COMPARATIVE STATEMENT OF EARNINGS AND EXPENSES

YEAR ENDED DECEMBER 31, 1952, AND YEAR ENDED DECEMBER 31, 1951

	1952	1951
EARNINGS	\$ 67,492,987.62	\$ 58,699,425.22
EXPENSES:		
Operating Expenses	\$ 13,227,178.27	\$ 11,993,932.03
Assessment for Board of Governors.....	572,900.00	566,300.00
Cost of Federal Reserve Currency.....	1,755,196.48	1,540,691.88
Total Current Expenses.....	\$ 15,555,274.75	\$ 14,100,923.91
Current Net Earnings.....	\$ 51,937,712.87	\$ 44,598,501.31
ADDITIONS TO CURRENT NET EARNINGS:		
Profit on Sales of U. S. Government Securities.....	\$ 293,142.06	\$ —
Other Additions	6,171.30	18,330.10
Total Additions to Current Net Earnings.....	\$ 299,313.36	\$ 18,330.10
Total Current Net Earnings and Additions.....	\$ 52,237,026.23	\$ 44,616,831.41
DEDUCTIONS FROM CURRENT NET EARNINGS:		
Loss on Sales of U. S. Government Securities.....	\$ —	\$ 222,406.87
Other Deductions	77,357.86	68,599.16
Total Deductions from Current Net Earnings.....	\$ 77,357.86	\$ 291,006.03
Net Earnings	\$ 52,159,668.37	\$ 44,325,825.38
Paid United States Treasury (Interest on Federal Reserve Notes).....	45,238,680.03	38,297,505.75
Net Earnings After Payments to United States Treasury.....	\$ 6,920,988.34	\$ 6,028,319.63
Dividends Paid	1,894,010.38	1,772,556.58
Transferred to Surplus (Section 7).....	\$ 5,026,977.96	\$ 4,255,763.05

FEDERAL RESERVE BANK OF CHICAGO

SURPLUS ACCOUNT (Section 7)

YEAR ENDED DECEMBER 31, 1952, AND YEAR ENDED DECEMBER 31, 1951

	1952	1951
SURPLUS JANUARY 1	\$ 79,601,206.22	\$ 75,345,443.17
TRANSFERRED TO SURPLUS—AS ABOVE.....	5,026,977.96	4,255,763.05
SURPLUS DECEMBER 31.....	\$ 84,628,184.18	\$ 79,601,206.22

FEDERAL RESERVE BANK OF CHICAGO

STATEMENT OF EARNINGS AND EXPENSES

NOVEMBER 16, 1914 (Date of Commencing Business) TO DECEMBER 31, 1952

YEAR	CURRENT EARNINGS	CURRENT EXPENSES	CURRENT NET EARNINGS	ADDITIONS TO CURRENT NET EARNINGS	DEDUCTIONS FROM CURRENT NET EARNINGS	NET EARNINGS (See disposition, next page)
1914-15	\$ 268,885	\$ 245,584	\$ 23,301	\$ —	\$ 3,210	\$ 20,091
1916	665,937	237,731	428,206	—	25,000	403,206
1917	2,083,164	584,069	1,499,095	2,127	269,343	1,231,879
1918	8,481,747	1,478,310	7,003,437	—	198,356	6,805,081
1919	12,012,078	2,450,244	9,561,834	—	985,630	8,576,204
1920	30,303,218	4,164,176	26,139,042	69,307	332,600	25,875,749
1921	20,382,170	4,734,100	15,648,070	4,826	1,147,779	14,505,117
1922	6,748,863	4,080,057	2,668,806	572,019	1,835,610	1,405,215
1923	6,511,359	4,373,024	2,138,335	41,903	1,001,883	1,178,355
1924	5,202,169	3,946,436	1,255,733	27,857	374,467	909,123
1925	5,424,663	3,744,039	1,680,624	12,646	571,997	1,121,273
1926	6,567,043	3,824,437	2,742,606	13,098	501,781	2,253,923
1927	6,167,352	3,887,058	2,280,294	13,061	365,710	1,927,645
1928	8,936,418	3,696,679	5,239,739	11,833	488,143	4,763,429
1929	9,889,451	4,092,369	5,797,082	8,050	380,467	5,424,665
1930	4,834,153	3,805,117	1,029,036	298,510	273,218	1,054,328
1931	4,143,601	3,524,401	619,200	263,967	273,272	609,895
1932	5,613,671	3,432,693	2,180,978	874,264	812,517	2,242,725
1933	6,764,554	3,854,009	2,910,545	373,245	1,493,297	1,790,493
1934	8,152,371	3,551,838	4,600,533	1,611,990	4,808,032	1,404,491
1935	6,177,615	3,697,540	2,480,075	951,304	2,660,159	771,220
1936	4,423,476	3,453,380	970,096	1,526,060	1,563,978	932,178
1937	4,575,583	3,199,558	1,376,025	811,188	499,607	1,687,606
1938	3,954,026	3,318,002	636,024	1,637,141	1,182,207	1,090,958
1939	4,254,602	3,316,352	938,250	521,313	476,646	982,917
1940	4,831,217	3,471,164	1,360,053	1,530,021	282,100	2,607,974
1941	5,089,095	4,227,534	861,561	163,061	157	1,024,465
1942	6,590,508	5,177,403	1,413,105	386,898	602,842	1,197,161
1943	8,738,325	5,850,233	2,888,092	4,137,334	1,266,073	5,759,353
1944	14,204,919	6,757,377	7,447,542	383,895	—	7,831,437
1945	20,076,761	6,551,011	13,525,750	422,552	517,991	13,430,311
1946	21,235,190	7,789,344	13,445,846	243,136	328,214	13,360,768
1947	21,318,967	8,843,097	12,475,870	447,858	154,505	12,769,223
1948	43,407,727	10,843,513	32,564,214	1,115,619	5,961,421	27,718,412
1949	47,051,999	11,608,341	35,443,658	4,400,515	6,419,630	33,424,543
1950	41,659,635	11,909,847	29,749,788	5,139,640	56,411	34,833,017
1951	58,699,425	14,100,924	44,598,501	18,330	291,006	44,325,825
1952	67,492,988	15,555,275	51,937,713	299,313	77,358	52,159,668
Totals	<u>\$542,934,925</u>	<u>\$193,376,266</u>	<u>\$349,558,659</u>	<u>\$ 28,333,881</u>	<u>\$ 38,482,617</u>	<u>\$339,409,923</u>

FEDERAL RESERVE BANK OF CHICAGO

STATEMENT OF DISPOSITION OF NET EARNINGS

NOVEMBER 16, 1914 (Date of Commencing Business) TO DECEMBER 31, 1952

Year	Net Earnings (See detail, previous page)	TRANSFERRED TO SURPLUS			PAID U. S. TREASURY				Balance to Profit & Loss
		Dividends Paid	Section 7	Section 13b	Franchise Tax	Section 13b	Interest on F. R. Notes Outstanding	Other Transfers	
1914-15..	\$ 20,091	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 20,091
1916...	403,206	361,319	—	—	—	—	—	—	41,887
1917...	1,231,879	862,259	215,799	—	215,799	—	—	—	— 61,978
1918...	6,805,081	604,635	6,200,446	—	—	—	—	—	—
1919...	8,576,204	700,807	7,875,397	—	—	—	—	—	—
1920...	25,875,749	792,769	14,688,500	—	10,394,480	—	—	—	—
1921...	14,505,117	853,785	2,075,323	—	11,576,009	—	—	—	—
1922...	1,405,215	876,203	— 657,289	—	1,186,301	—	—	—	—
1923...	1,178,355	904,371	27,398	—	246,586	—	—	—	—
1924...	909,123	909,123	—	—	—	—	—	—	—
1925...	1,121,273	934,016	187,257	—	—	—	—	—	—
1926...	2,253,923	985,959	1,267,964	—	—	—	—	—	—
1927...	1,927,645	1,029,990	897,655	—	—	—	—	—	—
1928...	4,763,429	1,099,761	3,663,668	—	—	—	—	—	—
1929...	5,424,665	1,170,363	3,651,464	—	602,838	—	—	—	—
1930...	1,054,328	1,211,418	— 157,090	—	—	—	—	—	—
1931...	609,895	1,170,633	— 560,738	—	—	—	—	—	—
1932...	2,242,725	1,029,933	121,279	—	1,091,513	—	—	—	—
1933...	1,790,493	858,127	932,366	—	—	—	—	—	—
1934...	1,404,491	761,334	669,479	— 26,322	—	—	—	—	—
1935...	771,220	753,583	—	—	—	17,637	—	—	—
1936...	932,178	725,553	153,241	25,030	—	28,354	—	—	—
1937...	1,687,606	763,115	883,370	12,767	—	28,354	—	—	—
1938...	1,090,958	791,007	279,031	206	—	20,714	—	—	—
1939...	982,917	819,532	158,265	—	—	5,120	—	—	—
1940...	2,607,974	826,919	1,770,131	—	—	10,924	—	—	—
1941...	1,024,465	896,766	100,484	—	—	27,215	—	—	—
1942...	1,197,161	955,508	237,632	—	—	4,021	—	—	—
1943...	5,759,353	993,684	4,765,619	—	—	50	—	—	—
1944...	7,831,437	1,115,422	6,710,302	—	—	5,713	—	—	—
1945...	13,430,311	1,215,381	12,212,414	—	—	2,516	—	—	—
1946...	13,360,768	1,311,792	12,048,976	—	—	—	—	—	—
1947...	12,769,223	1,380,234	1,139,227	—	—	427	10,249,335	—	—
1948...	27,718,412	1,472,491	2,624,684	—	—	—	23,621,237	—	—
1949...	33,424,543	1,556,097	3,187,004	—	—	—	28,681,442	—	—
1950...	34,833,017	1,670,666	3,316,622	—	—	—	29,845,729	—	—
1951...	44,325,825	1,772,556	4,255,763	—	—	—	38,297,506	—	—
1952...	52,159,668	1,894,010	5,026,978	—	—	—	45,238,680	—	—
Totals...	\$339,409,923	\$38,031,121	\$99,968,621	\$ 11,681	\$25,313,526	\$151,045	\$175,933,929	\$ —	\$ —

ADJUSTMENTS—

—19,748,517 (1)		—19,748,517 (1a)							
19,748,517 (1)								19,748,517 (1b)	
1,417,702 (2)				1,417,702 (2)					
— 3,207,763 (3)		— 3,207,763 (3)							
7,615,843 (4)		7,615,843 (4)							
Totals...	\$345,235,705	\$38,031,121	\$84,628,184	\$1,429,383	\$25,313,526	\$151,045	\$175,933,929	\$19,748,517	\$ —

- NOTES: (1) F. D. I. C. Stock:
 (a) 1934—Purchase.
 (b) 1947—Retirement (proceeds to Treasury).
 (2) Payments from U. S. Treasury, Section 13b loans, Years 1934 and 1935.
 (3) Transferred from Surplus to Reserves for Contingencies, Years 1940, 1942, and 1943.
 (4) Transferred to Surplus (Section 7) from Reserves for Contingencies, Year 1945.

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