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ADDRESS REPLY TO
FEDERAL RESERVE BOARD

October 16, 1917.

Dear Sir:

The Federal Reserve Board is about to begin the preparation of its annual report for the year 1917, to which reports from the Federal Reserve Agents will be added as a supplement. It is desirable that the reports of the Federal Reserve Agents be received in Washington not later than December 20, as minor alterations or additions covering developments or operations for the last ten days of the year, together with such changes in statistics as may be necessary, may be made either by mail or telegraph at any time not later than January 7. It is preferable that no entirely new matter be sent in after December 20, and that changes and additions be transmitted by mail rather than by telegraph wherever practicable. It is believed that this end can be accomplished by providing in the first draft of the report dummy or skeleton tables which will be completed when actual figures for the full operations of the year are available. The general lines of the reports for 1916 are satisfactory, although in some individual cases special suggestions will be made with the view of obtaining a standardization and harmony to a greater degree than was practicable in the reports of last year when the plan of uniform treatment was first attempted.

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It will be necessary however to add in the reports for 1917, a new section relating to the operation of the banks as fiscal agents of the Government, which will treat of their functions in connection with the flotation of Treasury certificates of indebtedness, transfers for Treasury account, and of their organization for receiving subscriptions in payment for the United States Liberty Loans. It is desired that the treatment of this subject be careful, moderate, and uniform in all the districts. The following outline of points to be covered in this section is suggested:

- (a) History of Liberty Loan organization; salient dates and names, for record purposes;
- (b) Compilations showing total amount of bonds subscribed for in district; total number of subscribers; and as far as practicable, the distribution among individuals, corporations, member and nonmember banks;
- (c) Amount of Treasury certificates of indebtedness which were subscribed for through the Federal Reserve Bank;
- (d) Extent of Federal Reserve Bank's ownership of Treasury certificates and Government bonds; and loans made by Federal Reserve Banks upon United States bonds or Treasury certificates as collateral;
- (e) Statement of expenditures in the conduct of Liberty Loan operations; number of new employes engaged in the bond departments; salaries, and the extent of the bank's reimbursement by the Treasury Department for the outlay.
- (f) General discussion of conditions growing out of the loans and the effect upon the banking institutions, industries, and commerce of the district. Exceptional care should be taken in writing this part of the report. No special praise or thanks should be extended to particular

individuals mentioned by name, nor should there be included in the report any suggestions relating to legislation or changes in administration. These may of course be made by letter to the Board, but should not be incorporated in the material for publication. The treatment throughout should be objective and historical, and accompanied by as little expression of opinion as possible.

It is also suggested that there be another new section dealing with the attitude of state banks and trust companies. In this section there should be a reference to the number and character of institutions in your district eligible for membership; the number which have become members or which have applied for membership; a discussion of the signs of interest in the matter of membership which have been manifested by others, with some analysis of your local situation as it may be affected by the ultimate position taken by the banks which are remaining out of the system.

Special attention may be directed to the question of earnings, showing how they have been affected by the unusual activities of the year, together with a forecast of the future reserve position and earning power of your bank.

Very truly yours,

Governor.