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FEDERAL RESERVE BOARD

WASHINGTON

November 15, 1918.

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W. M. IMLAY, FISCAL AGENT

ADDRESS REPLY TO  
FEDERAL RESERVE BOARD

X-1270

SUBJECT: PREPARATION OF ANNUAL REPORT.

Dear Sir:-

In the preparation of your Annual Report for 1918, it is suggested that you follow substantially the outlines adopted in 1916 with the incorporation of the additional data called for in 1917, eliminating, however, all reference to topics which have become obsolete and curtailing remarks regarding those which have proved of minor importance.

The work of the Federal reserve banks has been of exceptional importance during the past year, and your report should include a review of the activities of the Federal reserve bank in connection with public financing.

It will be recalled that hitherto the Federal Reserve Agents have used their own judgment as to the opening or introductory material embodied in their reports, thus varying to some extent the character of the matter submitted and destroying the harmony of the reports as related to each other. The Board does not desire to lessen in any way the freedom of action which may be necessary in the preparation of a satisfactory report, but it is suggested that as far as possible a standard outline be followed in order that these reports may admit readily of comparison, one with another.

It is particularly recommended that statistical tables be carried in the appendices except so far as brief tabular presentations may be necessary in the body of the text for illustrative purposes. The method of presenting statistics employed in the report of District No. 1 for the year 1917 is called to your attention as an example. Considerable statistical matter will appear in the appendices to the Board's own report, and as it is desirable that the

entire report covering the operations of the Board and the Federal reserve banks be contained in one volume of reasonable size, it is necessary to request the Federal Reserve Agents to keep to their text, avoiding unnecessary verbiage and prolixity. It is suggested that in most cases the reports should not exceed five or six thousand words. Some of the reports submitted last year were several times this length and it was necessary to edit them in order to bring them within reasonable limits.

It is suggested that in preparing your report that you endeavor to give stress to the particular commercial or financial developments which have special application to conditions in your own district. It does not appear to be essential that the reports from the several districts be given a national coloring; that being the scope of the Board's own report, but in each of the districts there will be some outstanding industrial or business developments upon which stress can properly be placed.

Your attention is invited to the general outline, enclosed herewith, which it is suggested be followed as far as practicable in order to secure uniformity in the character of the reports.

An attempt was made last year to have the reports in hand by December 20th, but it was found that this date was too early and that the inclusion of the figures at the end of the year delayed actual progress. The Board has accordingly decided this year that all reports be placed in its possession in completed form by January 8, 1919.

Very truly yours,

Federal Reserve Agent,  
Federal Reserve Bank,

Governor.

SUGGESTED OUTLINE OF TOPICS AND THE ORDER IN WHICH THEY SHOULD BE TAKEN UP BY THE FEDERAL RESERVE AGENTS IN THEIR ANNUAL REPORTS FOR 1918.

1. Financial results of operation;
  - (a) Earnings, expenses, dividends, etc.
  - (b) Comparative balance sheets for December 31, 1917 - 1918.
  - (c) Profit and loss statements for 1918.
  
2. General Business and Banking Conditions:
  - (a) Volume of business.
  - (b) Labor.
  - (c) Money Market.
  
3. Discount Operations:
  - (a) Rediscounts - Commercial Paper
  - (b) Rediscounts - Liberty Loan
  
4. Trade Acceptances
  
5. Acceptances
  - (a) Growth of open market for acceptances
  - (b) Policy on acceptance purchases
  
6. Reserve Position
  
7. Movement of Membership
  - (a) National Bank
  - (b) State Banks
  
8. Relations with National Bank Members
  - (a) Discount operations
  - (b) Trustee powers
  
9. Relations with State banks and trust companies:
  - (a) Discount operations
  - (b) Examinations
  - (c) Reserves

10. Fiscal Agency Operations

(a) For Treasury Department

1. Allotment of Treasury Certificates among banks in district
2. Deposits of Treasury funds with banks, and their withdrawal.
3. Flotation of Liberty Loans
4. Work in connection with sale of War Savings Certificates.

(b) War Finance Corporation

(c) Capital Issues Committee

11. Note Issues.

(a) Federal Reserve notes

(b) Federal reserve bank notes

12. Position of commercial banks as a result of war financing:

- (a) Increase of their obligations,
- (b) Effect on commercial paper of district.
- (c) Relation to, and effect on, general business.

13. Policy to be pursued in restoring liquidity of banks:

- (a) Probable time in which they can clear up their "war paper".
- (b) Policy of Federal reserve bank toward them meanwhile.

14. Operations of Federal Reserve Bank branches:

15. Miscellaneous: including:

- (a) Internal organization,
- (b) Clearings,
- (c) Collections
- (d) Gold Settlement Fund
- (e) Foreign accounts
- (f) Banking Quarters - new buildings.