

ANNUAL REPORT ON THE FINANCES.

TREASURY DEPARTMENT,
Washington, December 1, 1913.

SIR: The Secretary of the Treasury has the honor to make the following report:

FINANCIAL AID TO DAYTON, OHIO.

In the latter part of March, 1913, a great storm swept over the Ohio Valley, causing disastrous floods, from which the city of Dayton, Ohio, became a special sufferer. So serious were the losses, that, as the waters began to recede, the banks in that city were afraid to reopen their doors because of the temporary impairment of confidence—subsequently happily dissipated—in the recuperative powers of the city and in the ability of the banks to meet the extraordinary demands which might be made upon them.

On the 4th of April, 1913, a telegram was received from the chairman of the Citizens' Relief Committee, asking that a representative of the Department "be sent right away to see about financing our banking institutions," etc. A national-bank examiner was immediately dispatched to Dayton, and within twenty-four hours after his arrival, and upon his recommendation, the Department designated every national bank in the city of Dayton as a Government depository, and announced that it would deposit in said national banks \$2,000,000 of Government funds, to be secured by State, municipal, or other local bonds acceptable to the Secretary of the Treasury. The effect of this action was to restore confidence at once. The banks reopened their doors, and instead of the anticipated need of \$2,000,000, the Treasury was called on for only \$182,000.

\$500,000,000 EMERGENCY CURRENCY ANNOUNCEMENT.

A special session of Congress convened on April 7, 1913, and immediately began to consider the important questions of tariff and currency reform. The vast economic changes involved in these two important questions had the natural effect of causing in many quarters apprehension as to the possible effects of the anticipated legislation. A feeling of unrest began to pervade business circles. This