

FEDERAL RESERVE BULLETIN

ISSUED BY THE
FEDERAL RESERVE BOARD
AT WASHINGTON

FEBRUARY, 1916



WASHINGTON
GOVERNMENT PRINTING OFFICE
1916

FEDERAL RESERVE BOARD.

EX OFFICIO MEMBERS.

WILLIAM G. McADOO,
Secretary of the Treasury,
Chairman.

JOHN SKELTON WILLIAMS,
Comptroller of the Currency.

CHARLES S. HAMLIN, *Governor.*
FREDERIC A. DELANO, *Vice Governor.*
PAUL M. WARBURG.
W. P. G. HARDING.
ADOLPH C. MILLER.

H. PARKER WILLIS, *Secretary.*
SHERMAN ALLEN, *Assistant Secretary.*

M. C. ELLIOTT, *Counsel.*

SUBSCRIPTION PRICE OF BULLETIN.

The Federal Reserve Bulletin is distributed without charge to member banks of the system and to the officers and directors of Federal Reserve Banks. In sending the Bulletin to others the Board feels that a subscription should be required. It has accordingly fixed a subscription price of \$2 per annum. Single copies will be sold at 20 cents. Foreign postage should be added when it will be required. Remittances should be made to the Federal Reserve Board. Member banks desiring to have the Bulletin supplied to their directors may have it sent to not less than ten names at a subscription price of \$1 per year.

TABLE OF CONTENTS.

	Page.
Work of the Board.....	51
Class C directors appointed.....	52
Meeting of governors of Federal Reserve Banks.....	52
Bound copies of Bulletin	53
Settlement of clearing-house balances	53
Receipts and disbursements of Federal Reserve Board	54
Earnings and expenses of Federal Reserve Banks.....	56
Gold-settlement fund	60
Informal rulings of the Federal Reserve Board.....	64
Agricultural-implement paper.....	67
Forms for reporting earnings and expenses.....	68
Table showing holidays in reserve-bank cities.....	68
Fiduciary powers granted	70
Intradistrict clearing system, additions to and withdrawals from.....	70
Law department.....	71
Business conditions throughout the 12 Federal Reserve Districts	75
Distribution of discounts.....	86
Acceptances.....	91
Federal Reserve Bank statements	93
Gold imports and exports.....	96
Capital and reserve deposits.....	98

FEDERAL RESERVE BULLETIN

VOL. 2

FEBRUARY 1, 1916

No. 2

WORK OF THE BOARD.

During the month of January the Federal Reserve Board has continued the preparation of its annual report to Congress, and has compiled full data regarding the work of the several Federal Reserve Banks during the past year. These data will be embodied in appendices supplementary to the annual report, which is now practically ready for publication.

Selection of additional class C directors, in order to complete the directorates of the several banks, has also been necessary, there being a number of vacancies not filled at the close of December, some having also occurred since that date. The directorates are now complete for the year 1916, except in so far as future vacancies not now foreseen may occur. Elsewhere in this issue is furnished a complete list of the new class C directors. It has been determined that henceforward Federal Reserve Agents and deputy Federal Reserve Agents shall be designated as such from year to year, their terms as directors being three years under the statute, but their designation in their official capacity being made from year to year, thereby affording greater flexibility and latitude, and securing more effective service in cases where vacancies occur before the expiration of a given term. In the same way it has been arranged that Federal Reserve Banks shall annually submit to the Board schedules of their staffs and salaries for approval, thereby placing members of such staffs practically upon a basis of appointment for terms not to exceed one year. The understanding is that within the year's period thus fixed the officers and employees of the banks shall hold office subject to the pleasure of the several boards of directors, but that the confirmation of the staffs, with their salaries, by the Federal Reserve Board, shall occur annually. This, of course, would be a pro forma matter so far as regards the ordinary routine or administrative appointments. Paralleling this decision, the Board

has voted that it will annually consider and confirm the salaries of national bank examiners, making report of the same to Congress each year, under the terms of the Federal Reserve Act, such determination being considered to be a compliance with the spirit of the law regarding the examination staff.

As a result of the resolutions passed by the Board during the month of January, changes have occurred in the Federal Advisory Council, the Governors of Federal Reserve Banks who were formerly members of that body having been replaced by other representatives elected by their respective boards of directors. In addition to the changes thus necessitated, one or two other changes of personnel have also occurred in the Advisory Council. Due to the delay incidental to effecting these changes and giving the usual notice thereof, the Advisory Council determined to defer its regular statutory meeting, which would otherwise have occurred on January 19, until February 15.

During the past month many inquiries have been received with respect to the question of refunding outstanding United States 2 per cent bonds bearing the circulation privilege into 3 per cent bonds. Numerous applications have been received from member banks desirous of converting at par under the \$25,000,000 limit provided under section 18 of the Federal Reserve Act, while Federal Reserve Banks have presented plans for the exchange and steady conversion of the bonds in question. The fact that the subject had thus presented itself in practical form led to a reopening of the matter, and the Treasury Department has for the past few weeks given detailed legal and financial investigation to the whole problem. The situation has also been carefully discussed by the Board itself, and it is expected that within a very short time the details of the policy to be pursued in regard to this refunding, both in so far as affects the Treasury Department and the Board as well, will be made known.

A conference with the Governors of Federal Reserve Banks was held in Washington on January 20, the purpose of the conference being discussion of various phases of administration on which joint and harmonious action appeared to be demanded.

Class C Directors Appointed.

Following is a list of Class C directors named by the Federal Reserve Board to fill vacancies caused by expiration of term of office, resignations, etc.:

Boston.—Allen Hollis.

New York.—George Foster Peabody. Designated as Deputy Federal Reserve Agent, in place of Charles Starek, disqualified because a national bank examiner. Mr. Starek continues as a Class C director.

Philadelphia.—Vance C. McCormick. Geo. W. Norris designated as Deputy Federal Reserve Agent, vice George La Monte, resigned.

Cleveland.—H. P. Wolfe.

Richmond.—M. F. H. Gouverneur.

Atlanta.—Edward T. Brown.

Chicago.—E. T. Meredith.

St. Louis.—William McC. Martin.

Minneapolis.—William H. Lightner. Designated as Deputy Federal Reserve Agent, vice P. M. Kerst, whose term expired December 31, 1915.

Kansas City.—R. H. Malone, F. W. Fleming. Mr. Fleming was designated as Deputy Federal Reserve Agent, vice A. E. Ramsey, resigned. In this district J. Z. Miller, formerly Federal Reserve Agent, was named as Governor, and Charles M. Sawyer, formerly Governor, was named as Federal Reserve Agent.

Dallas.—William F. Ramsey. Designated as Federal Reserve Agent, vice E. O. Tenison, resigned.

San Francisco.—Walton Moore. Appointed to succeed Charles E. Peabody, resigned. Designated as Deputy Federal Reserve Agent, in place of Claud Gatch, disqualified because a national bank examiner. Mr. Gatch continues as a Class C director.

Bulletin to Bank Directors.

Consideration has been given to a request that the Bulletin be supplied to all directors of member banks. It is found that this would increase the cost to an extent not felt to be warranted. Member banks which desire to have the Bulletin supplied to their directors will, however, be given a rate of \$1 per year for lists of not less than 10 names forwarded at the same time.

Governors of Banks Meet.

Governors of Federal Reserve Banks gathered in Washington for the exchange of ideas and discussion of problems of operation on January 19 and remained during the 20th and 21st. The trend of the discussion is indicated in the following press notice, which was issued by the Governors on Saturday, January 22:

The Sixth Conference of the Governors of the Federal Reserve Banks was held at the Shoreham Hotel, Washington, D. C., January 19 to 21, inclusive. The following Governors were present: Benjamin Strong, jr., Federal Reserve Bank of New York; J. B. McDougal, Federal Reserve Bank of Chicago; A. L. Aiken, Federal Reserve Bank of Boston; C. J. Rhoads, Federal Reserve Bank of Philadelphia; A. C. Kains, Federal Reserve Bank of San Francisco; Geo. J. Seay, Federal Reserve Bank of Richmond; R. L. Van Zandt, Federal Reserve Bank of Dallas; E. R. Fancher, Federal Reserve Bank of Cleveland; Theo. Wold, Federal Reserve Bank of Minneapolis; J. C. McCord, Federal Reserve Bank of Atlanta; Rollo Wells, Federal Reserve Bank of St. Louis; J. Z. Miller, Federal Reserve Bank of Kansas City; J. F. Curtis, counsel, Federal Reserve Bank of New York.

Conferences were held with the Federal Reserve Board and with the Federal legislative committee and the executive committee of the National Bank Section of the American Bankers' Association, but no action was taken upon any of the subjects submitted for discussion by the committees of the American Bankers' Association, this conference having been arranged for an exchange of views upon matters relating to the development of the Federal Reserve System.

Among the topics discussed at the meeting of Governors were the following: Collections and clearances; fiscal agency functions for the United States Government and the details of accounting, etc., in that connection; open-market operations, including a discussion of domestic acceptances, trade acceptances, and Government bonds; the gold settlement fund, including methods of accounting, audit, and transfers; methods of accounting, including method of calculating dividend payments; statistics; reserves of member banks; issues of Federal Reserve notes; Government bond purchases and conversions.

The meeting adjourned, subject to call, without setting any time or place for holding the next meeting.

Bound Copies of Bulletin.

Many inquiries have been received by the Federal Reserve Board for bound copies of the Federal Reserve Bulletin for 1915. The Board is not in a position to supply these volumes. It has had a very few copies bound, but only a sufficient number for the use of the members of the Board and its officers in Washington.

The June number of the Bulletin is practically exhausted. Copies of the June number should be carefully preserved.

Clearing-House Balances.

This memorandum on the settlement of clearing-house balances was submitted to the Federal Reserve Board on January 4 and was approved:

With one exception Federal Reserve Banks have the privilege of presenting items for payment through the local clearing house. In each city daily clearings are made and the rules call for a daily settlement of debit balances. In some Federal Reserve cities, however, as a matter of practice, daily settlements are not insisted upon, but are a matter of arrangement between the debtor and creditor banks. A Federal Reserve Bank should not be a party to deferred settlements. If a member bank requires a temporary advance, a means is provided through the rediscount privilege.

It is respectfully recommended that the Federal Reserve Banks be advised that, in the opinion of the Federal Reserve Board, debit balances arising out of transactions with clearing-house members should be settled daily, either in cash, by credit on the books of the Federal Reserve Bank, or in exchange acceptable to the creditor bank. Balances due to the Federal Reserve Bank should be settled daily, either in cash, by debit on the books of the Federal Reserve Bank, or in acceptable exchange on other cities. Certificates of indebtedness issued by the manager of a clearing house, or cashiers' checks which are given in exchange thereof, should be presented for payment and settled for on the day of issue.

Members of Advisory Council.

There is given below a list of members of the Federal Advisory Council of the Federal Reserve Board, notice of the election of whom

has been received by the Board from the Federal Reserve Banks:

- District No. 1, Boston—Daniel G. Wing, Boston, Mass.
- District No. 2, New York—J. P. Morgan, New York City.
- District No. 3, Philadelphia—Levi L. Rue, Philadelphia, Pa.
- District No. 4, Cleveland—W. S. Rowe, Cincinnati, Ohio.
- District No. 5, Richmond—J. W. Norwood, Greenville, S. C.
- District No. 6, Atlanta—Charles A. Lyerly, Chattanooga, Tenn.
- District No. 7, Chicago—J. B. Forgan, Chicago, Ill.
- District No. 9, Minneapolis—C. T. Jaffray, Minneapolis, Minn.
- District No. 10, Kansas City—E. F. Swinney, Kansas City, Mo.
- District No. 11, Dallas—T. J. Record, Paris, Tex.
- District No. 12, San Francisco—Herbert Fleishhacker, San Francisco, Cal.

Subscriptions to Bulletin.

A few days ago the Federal Reserve Board received a check for \$38 from the president of a leading trust and savings bank in the Middle West, with the request that the Federal Reserve Bulletin be sent for one year to 19 business men of his acquaintance. In requesting that the subscriptions be entered, the writer gave as his reason for sending the subscriptions that he was impressed with the value of the Bulletin to all business men who are interested in keeping abreast of business and financial conditions.

Statement for the Press.

There have been sent to the Federal Reserve Board from Federal Reserve Banks and various member banks of the system copies of an anonymous circular which is being sent out from Philadelphia to member banks of the Federal Reserve System, headed "Failure to comply with regulations."

The circular quotes the last paragraph of section 9 of the Act which permits the Federal Reserve Board to require the surrender of stock and return cash-paid subscriptions with interest.

The Federal Reserve Board has not sent out this circular and has no knowledge of its source. It appears to be the intent of those issuing it to create prejudice against the Federal Reserve Act and the Federal Reserve Board.

RECEIPTS AND DISBURSEMENTS OF FEDERAL RESERVE BOARD.

There is here given a detailed account of receipts and expenditures by the Federal Reserve Board. The expenses of the Reserve Bank Organization Committee were paid from an appropriation of \$100,000 made by Congress. Of this appropriation there is a balance of \$17,708.15 unexpended.

Under the Federal Reserve Act the Federal Reserve Board is authorized to make semi-annual assessments upon Federal Reserve Banks to cover its expenses. The first assessment for this purpose was made on November 2, 1914.

Disbursements for the Board were, until February 12, 1915, made by the Governor of the Board, on which date the moneys of the Board were deposited in the Treasury of the United States to the credit of a special fund, a bonded fiscal agent having been appointed by the Board and authorized to make collections and disbursements.

The funds of the Board are carried in a special account with the Treasurer of the United States and transfers are made by the Governor of the Board to the credit of the fiscal agent as necessary. The accounts of the Board pass through the hands of the Auditor for the State and other departments and are given the official examination required by the Government. The term "auditor's settlement by transfer" under "Disbursements" covers settlements made by transfers of credit authorized and directed by the auditor on the books of the Treasury Department. It is used by the Federal Reserve Board largely in connection with payments to the Bureau of Engraving and Printing for the preparation of Federal Reserve notes. The term "commitments" where used covers all obligations entered into by the Board.

Telegrams paid for by the Federal Reserve Board are billed at the Government rate. All payments for the Board are first approved

either by the Board or the Committee on Budget and Expenditures and the secretary of the Board.

RECEIPTS.

Unexpended balance Jan. 1, 1915.....	\$139,169.80
Second assessment (made July 1, 1915).....	108,283.64
Reimbursements.....	528.07
Bulletin, subscriptions to.....	521.84
Total available.....	248,503.35

DISBURSEMENTS.

By Governor of Board (Jan. 1 to Feb. 12, 1915).....	18,478.26
By fiscal agent (Feb. 13 to Dec. 31, 1915).....	172,731.19
Auditors' settlements by transfer (Jan. 1 to Dec. 31, 1915).....	20,004.13
Total disbursements.....	211,213.58
Balances on hand Dec. 31, 1915, with Treasurer of United States to credit of—	
Fiscal agent.....	\$12,268.81
Federal Reserve Board.....	25,020.96
	37,289.77
	248,503.35

GENERAL STATEMENT.

First assessment, including \$239,871.10 for Federal Reserve notes, made Nov. 2, 1914.....	431,768.40
Overpayments first assessment.....	106.43
	431,874.83
Amount assessed for Federal Reserve notes..	239,871.10
To credit of general expenses (including \$106.34 overpayment).....	192,003.73
Total disbursements to Jan. 1, 1915.....	52,833.93
Unexpended balance Jan. 1, 1916....	139,169.80
To credit general expenses, 1914.....	192,003.73
Total commitments to Dec. 31, 1914.....	62,498.08
Unencumbered balance Jan. 1, 1915..	129,505.65
Unexpended balance Jan. 1, 1915.....	139,169.80
Unencumbered balance Jan. 1, 1915.....	129,505.65
Unpaid commitments Jan. 1, 1915....	9,664.15
Available funds during 1915 as per statement.....	248,503.35
Unpaid commitments Jan. 1, 1915 \$9,664.15	
Commitments during 1915.....	207,722.71
	217,386.86
Unencumbered balance Dec. 31, 1915.....	31,116.49
Unpaid commitments Dec. 31, 1915 (estimated).....	6,173.28
Unexpended balance Dec. 31, 1915....	37,289.77

Detailed statement of expenses.

	To and including Dec. 31, 1914.	1915												Total for year 1915.
		January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.	
Personal services—Salaries:														
Board and its clerks.....	\$29,765.00	\$7,449.98	\$7,361.64	\$7,333.32	\$7,333.31	\$7,333.31	\$7,333.32	\$7,333.31	\$7,333.31	\$7,333.32	\$7,333.31	\$7,333.31	\$7,333.31	\$88,144.75
Secretary's office.....	6,641.09	2,563.87	2,472.92	2,408.32	2,388.32	2,358.32	2,312.77	2,318.32	2,318.32	2,359.98	2,406.15	2,337.21	2,323.32	28,007.82
Counsel's office.....	1,868.33	975.00	1,058.33	1,158.33	1,158.33	1,519.44	1,574.99	1,715.82	1,950.00	1,908.34	1,866.66	1,866.66	1,866.67	18,618.57
Division of audit and examination.....	1,635.01	1,183.33	1,183.33	1,183.33	976.65	1,128.33	1,133.33	1,164.16	1,164.16	1,464.16	1,426.16	1,404.16	1,404.16	14,815.26
Division of reports and statistics.....	602.22	476.66	605.28	597.50	596.66	541.66	558.33	610.83	633.33	633.33	633.33	608.33	633.33	7,128.57
Division of issue.....	3,027.87	1,613.68	1,130.01	1,293.36	1,739.31	1,872.66	1,837.68	651.66	651.66	651.66	616.66	651.66	651.66	13,361.66
Telephone operator.....	93.33	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	600.00
Messengers.....	788.30	405.00	375.00	355.00	355.00	355.00	355.00	425.00	425.00	425.00	440.00	375.00	315.00	4,605.00
Charwomen.....	117.99	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	720.00
	44,539.14	14,777.52	14,296.51	14,499.16	14,657.58	15,198.72	15,215.42	14,329.10	14,585.78	14,885.79	14,832.27	14,686.33	14,637.45	176,601.63
Nonpersonal services—Transportation and subsistence of persons:														
Board and its clerks.....	86.80		12.00	54.10	288.62	410.37	46.59	97.44	215.00		223.75		308.40	1,656.27
Secretary's office.....					13.80				28.00					41.80
Division of audit and examination.....	287.70		349.32	538.77	346.42	1,157.11	150.90	21.80	828.61	116.80	588.69	671.99	581.34	5,351.75
Counsel's office.....								27.22			14.90		11.70	53.82
Messengers (car fare).....	5.00	5.00			5.00		5.00		5.00			5.00		25.00
Transportation of things.....	1.49					1.72	.69	.24						2.65
Communication service:														
Telephone.....	709.59	45.08	69.48	36.61	58.80	67.46	62.50	57.69	81.15	44.52	* 43.00	* 40.00	* 40.00	646.29
Telegraph.....	1,201.61	140.66	239.31	226.42	300.33	277.20	311.23	253.71	* 250.00	* 250.00	* 250.00	* 250.00	* 250.00	2,998.86
Postage.....	51.00	23.50		27.50		55.00		20.00						176.00
Printing, binding, etc.....	3,350.91	1,714.96	245.89	155.77	2,573.14	1,462.66	767.64	990.63	689.87	736.16	798.28	728.14	* 1,649.47	12,512.61
Engraving.....	58.82			7.10	250.00									257.10
Advertising.....	39.15													
Contract repairs.....	38.45	6.67	48.00	.15		.50	6.00	1.00		11.65	8.00	1.58	18.35	101.90
Electricity.....	60.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	360.00
Steam (heat).....	30.00	15.00	15.00	15.00	15.00							15.00	15.00	90.00
Other (nonpersonal services).....	1,255.93	760.91	34.40		45.00	275.90	90.00					15.46		1,221.67
Supplies:														
Stationery.....	2,040.46	209.00	58.26	181.07	219.02	449.04	117.65	93.03	17.74	88.22	93.74	79.14	56.15	1,662.06
Periodicals.....	93.25	5.25	6.00	20.40	8.00	3.60		65.71	7.15	18.00	15.00		8.00	157.11
Other.....	646.02	12.78	14.57	7.45	8.58	40.69	31.12	8.86	8.63	2.20	16.45	22.43	33.98	207.74
Equipment:														
Furniture and office equipment.....	7,088.40	283.62	160.24	105.40	106.40	309.23	401.31	440.22	50.64	62.90	123.85	305.63	418.63	2,768.07
Books.....	27.00		5.58	15.00	25.00	1.25	92.85			6.40	27.25	136.31	72.43	382.07
Office changes and improvements.....	541.08	7.00									7.00			14.00
Reimbursable expenditures (including return of overpayments).....	346.28	106.43				47.80	56.60		19.30	2.00	115.39	85.79		433.31
	17,958.94	3,365.86	1,288.05	1,420.74	4,279.31	4,603.33	2,170.08	2,107.55	2,231.09	1,368.85	2,375.30	2,386.47	3,523.45	31,120.08
Total.....	\$62,498.08	18,143.38	15,584.56	15,919.90	18,936.89	19,802.05	17,385.50	16,436.65	16,816.87	16,254.64	17,207.57	17,072.80	18,160.90	207,722.71

¹ Correspondence division and division of mail and files abolished as divisions and made part of secretary's office Dec. 1, 1915.
² Estimated.

* Annual report for 1914 gave total expenses to Dec. 31, 1914, as \$59,229.87. This was necessarily an estimate. The actual payments were \$62,498.08.

EARNINGS AND EXPENSES OF FEDERAL RESERVE BANKS TO DECEMBER 31, 1915.

The following tables show the earnings and current expenses of each of the Federal Reserve Banks and the system as a whole for the past calendar year. Separate tables are given showing amounts charged to organization expenses, cost of Federal Reserve notes, and cost of furniture and equipment for the entire period since organization. The last table gives a recapitulation of earnings and expenses of the banks since organization, the excesses of earnings over current expenses, amounts amortized, dividends declared, also amounts carried to organization expenses, and, lastly, amounts carried to profit and loss.

The combined earnings of all the Federal Reserve Banks for the period since organization in November, 1914, to December 31, 1915, are given as \$2,193,755, and the current expenses for the same period as \$1,677,639, leaving an excess of earnings over current expenses of \$516,116. An informal ruling of the Board printed on page 12 of the January Bulletin provided that excesses of current expenses over earnings for the period to December 31, 1915, also the cost of Federal Reserve notes put in circulation by banks whose earnings were insufficient to take care of the cost of such notes in addition to current expenses should be carried to organization expenses upon the closing of the books after December 31, 1915.

Accordingly, organization expenses on January 1, 1916, include aggregate deficiencies of earnings to December 31, 1915, of \$113,667, the cost of Federal Reserve notes used to December 31, 1916, not offset by current earnings—\$105,401; depreciation of furniture and equipment not charged to current expenses, \$6,752; and, in addition, organization expenses for the period to Decem-

ber 31, 1915, totaling \$380,157. This latter total is made up of \$186,168—expenses of the banks prior to opening on November 16, 1914, and \$193,989—assessments to defray the expenses of the Board prior to July 1, 1916. From the total of the items named, viz, \$605,977, are deducted the amounts covered by the net surplus earnings of five banks, viz, \$112,017, which leaves a balance of \$493,960 as organization expenses on January 1, 1916.

The total cost of Federal Reserve notes, including the cost of transmittal to the banks, was \$804,705. Of this total, \$157,017 was carried to current expenses and \$105,401 to organization expenses upon the closing of the books for the past period, the sum of these items, \$262,418, representing the cost of used notes; i. e., notes put in circulation by the Federal Reserve banks. The remainder, \$542,287, represents the cost of notes not yet put in circulation by the banks.

The cost of furniture and equipment to December 31, 1915, is stated as \$284,620, upon which a depreciation allowance of \$14,628 was made at the close of the year, of which the larger portion, \$7,876, was charged to current expenses and the remainder, \$6,752, to organization expenses.

All the banks except St. Louis and Kansas City made their current expenses in the calendar year 1915, and all the banks except Cleveland, St. Louis, Kansas City, and San Francisco made their current expenses since organization.

A 5 per cent dividend, amounting to \$151,940, was paid to members by the Richmond Federal Reserve Bank at the end of the calendar year and a dividend, amounting to \$65,523, was declared by the Dallas Federal Reserve Bank on January 7, 1916. The Atlanta and Chicago Federal Reserve Banks, while not declaring dividends, show net profits for the period since organization of \$82,550 and \$20,091, respectively.

Earnings and current expenses of each of the Federal Reserve Banks during the calendar year 1915.

EARNINGS.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Bills discounted—members.....	\$9,859	\$22,855	\$17,445	\$29,555	\$312,907	\$227,212	\$76,495	\$44,836	\$50,489	\$62,715	\$239,558	\$61,707	\$1,155,633
Bills bought—bankers' acceptances.....	49,038	97,135	29,605	11,281	858	89	24,069	6,387	5,248	7,832	.....	13,122	244,664
Investments:													
United States bonds.....	6,351	.....	8,288	15,516	.....	.....	75,591	7,488	18,793	20,631	635	18,431	171,724
Warrants.....	57,916	192,520	54,156	55,972	601	1,541	62,431	16,325	20,931	9,575	289	18,432	490,689
Commissions received.....	2,402	10,547	.....	.....	201	.....	.....	.....	.....	.....	.....	.....	13,150
Sundry profits.....	9,161	23,782	824	484	4,609	14,823	3,105	4,148	648	1,505	1,508	64,597	.....
Total earnings.....	125,566	332,218	133,276	113,148	314,850	233,652	253,409	78,141	99,609	101,401	241,987	113,200	2,140,457
Deduct commission paid.....	998	1,110	1,540	1,410	.....	.....	2,338	771	819	861	.....	.....	9,847
Earnings.....	124,568	331,108	131,736	111,738	314,850	233,652	251,071	77,370	98,790	100,540	241,987	113,200	2,130,610

CURRENT EXPENSES.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Assessment account expenses of Federal Reserve Board since July 1.....	\$9,610	\$21,841	\$10,523	\$11,901	\$6,710	\$4,832	\$13,258	\$5,577	\$4,753	\$5,928	\$5,511	\$7,871	\$108,315
Federal Advisory Council.....	410	1,000	343	386	87	403	902	150	697	297	1,387	951	7,013
Governors' conferences.....	484	1,440	912	774	851	895	785	931	1,003	728	524	2,419	11,746
Federal Reserve Agents' conferences.....	283	267	218	244	202	224	317	422	339	717	169	897	4,299
Directors' fees.....	6,938	7,340	3,153	2,090	3,260	4,925	2,430	4,460	3,410	2,970	1,800	1,320	44,096
Legal fees.....	1,200	2,250	1,969	2,500	941	1,304	5,500	.....	1,924	1,501	2,871	.....	21,960
Salaries:													
Bank officers.....	32,050	68,033	32,580	30,083	25,978	26,444	50,000	51,858	27,542	25,500	32,373	40,750	443,191
Clerical staff.....	18,641	66,708	31,309	36,089	24,730	24,674	42,225	35,164	20,745	31,681	26,255	24,032	382,259
Special officers and watchmen.....	322	2,860	5,384	1,133	1,026	2,484	4,777	1,650	1,799	2,319	1,146	113	25,013
All other.....	.....	.....	.....	.....	1,389	3,434	1,185	.....	.....	.....	1,806	.....	7,814
Traveling expenses:													
Directors.....	1,072	2,859	1,174	2,170	1,951	3,579	1,468	1,380	953	3,854	1,866	168	22,494
Officers and clerks.....	755	930	217	1,115	455	1,463	927	935	674	369	1,022	1,306	10,168
Per diem allowance of directors.....	1,370	2,290	1,068	1,420	1,880	2,518	790	1,170	940	3,891	1,332	330	18,999
Telephone.....	1,017	1,614	959	894	306	291	1,264	767	543	537	581	407	9,180
Telegraph.....	125	410	63	190	271	504	529	663	274	359	346	203	3,937
Postage.....	1,983	4,228	2,848	3,234	2,911	3,468	4,311	4,892	1,864	9,372	3,047	1,471	43,629
Expressage.....	2,167	797	1,572	563	2,712	8	2,101	690	345	4	5,729	220	16,908
Rent.....	13,400	39,497	7,720	6,398	5,823	7,852	25,176	16,725	5,000	8,500	8,405	15,656	160,152
Insurance and premiums on fidelity bonds.....	1,345	1,603	2,761	2,298	1,862	1,852	2,731	1,822	1,144	1,188	5,401	667	24,674
Light, heat, and power.....	971	.....	1,138	.....	672	91	1,294	.....	68	986	178	260	5,658
Printing and stationery.....	2,788	10,782	3,291	1,375	4,039	4,729	7,507	4,833	3,808	7,721	5,116	4,875	60,864
Repairs and alterations.....	474	243	535	40	1,780	107	995	136	507	87	98	3,039	8,041
All other expenses not elsewhere specified.....	5,028	19,350	1,198	3,153	1,677	3,669	4,244	903	2,035	3,892	2,912	2,258	50,319
Total current expenses.....	102,433	256,342	110,935	108,050	91,519	96,316	176,965	136,313	80,367	112,401	109,875	109,213	1,490,729
Excess of earnings over current expenses.....	22,135	74,766	20,801	3,688	233,331	137,336	74,106	258,943	18,423	211,861	132,112	3,987	639,881

¹ Including \$20,503 appreciation on United States bonds.² Deficit of operation.*Expenses of the Federal Advisory Council and of the Conferences of the Governors and of the Federal Reserve Agents from date of organization to Dec. 31, 1915.*

Federal Reserve Bank.	Federal Advisory Council.	Governors' conferences.	Federal Reserve Agents' conferences.	Total.	Federal Reserve Bank.	Federal Advisory Council.	Governors' conferences.	Federal Reserve Agents' conferences.	Total.
Boston.....	\$410	\$543	\$283	\$1,236	St. Louis.....	\$150	\$931	\$422	\$1,503
New York.....	1,000	1,440	267	2,707	Minneapolis.....	848	1,181	339	2,368
Philadelphia.....	374	912	218	1,504	Kansas City.....	357	924	717	1,998
Cleveland.....	574	911	244	1,729	Dallas.....	1,387	524	169	2,080
Richmond.....	135	878	202	1,215	San Francisco.....	951	2,720	897	4,568
Atlanta.....	408	958	224	1,586					
Chicago.....	1,153	948	317	2,418	Total.....	7,742	12,870	4,299	24,911

Organization expenses of the Federal Reserve Banks and the system as a whole.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Expenses prior to Nov. 16, 1914.....	\$12,999	\$30,967	\$13,305	\$15,866	\$12,012	\$15,255	\$16,641	\$5,854	\$13,205	\$15,699	\$14,556	\$19,809	\$186,168
Assessment, account expenses Federal Reserve Board prior to July 1, 1915.....	17,266	41,368	18,396	21,511	11,556	8,342	23,307	9,849	8,533	9,880	10,164	13,817	193,989
Cost of Federal Reserve notes used prior to Jan. 1, 1916, not offset by current earnings.....	2,586	50,000		9,014				12,120	10,603	13,805		7,273	105,401
Deficiency in earnings to Dec. 31, 1915.....				9,383				69,346		23,479		11,459	113,667
Depreciation, furniture and equipment.....	1,752									5,000			6,752
Total.....	34,603	122,335	31,701	55,774	23,568	23,597	39,948	97,169	32,341	67,863	24,720	52,358	605,977
Less amounts charged against current earnings to Dec. 31, 1915.....			184		23,568	23,597	39,948				24,720		112,017
Organization expenses Jan. 1, 1916.....	34,603	122,335	31,517	55,774				97,169	32,341	67,863		52,358	493,960

¹ Cost of notes used from July 1 to Dec. 31, \$63,800, charged to current expenses.

Cost of Federal Reserve notes, November, 1914, to Dec. 31, 1915.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Cost of Federal Reserve notes up to Dec. 31, 1915.....	\$50,535	\$345,887	\$55,772	\$51,772	\$31,766	\$34,058	\$65,709	\$34,483	\$38,634	\$25,057	\$28,844	\$42,188	\$804,705
Less cost of notes used up to Dec. 31, 1915:													
Charged to current expenses.....	9,316	63,800	12,600		14,398	24,556	5,329		8,098		18,920		157,017
Charged organization expense.....	2,586	50,000		9,014				12,120	10,603	13,805		7,273	105,401
Total.....	11,902	113,800	12,600	9,014	14,398	24,556	5,329	12,120	18,701	13,805	18,920	7,273	262,418
Cost of unissued Federal Reserve notes Jan. 1, 1916.....	38,633	232,087	43,172	42,758	17,368	9,502	60,380	22,363	19,933	11,252	9,924	34,915	542,287

Cost of furniture and equipment (including vaults), November, 1914, to Dec. 31, 1915.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Cost of equipment.....	\$11,347	\$26,980	\$18,491	\$20,187	\$11,849	\$8,545	\$26,210	\$20,346	\$54,159	\$46,829	\$33,255	\$6,422	\$234,620
Depreciation allowance.....	1,752				2,349	2,317	3,210			5,000			14,628
Balance Jan. 1, 1916.....	9,595	26,980	18,491	20,187	9,500	6,228	23,000	20,346	54,159	41,829	33,255	6,422	269,992

Organization expenses, also cost of Federal Reserve notes and equipment for the period November, 1914, to Dec. 31, 1915.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Expenses prior to Nov. 16, 1914.....	\$12,999	\$30,967	\$13,305	\$15,866	\$12,012	\$15,255	\$16,641	\$5,854	\$13,205	\$15,699	\$14,556	\$19,809	\$186,168
Assessments, account expenses Federal Reserve Board, prior to July 1, 1915.....	17,266	41,368	18,396	21,511	11,556	8,342	23,307	9,849	8,533	9,880	10,164	13,817	193,989
Total organization expenses.....	30,265	72,335	31,701	37,377	23,568	23,597	39,948	15,703	21,738	25,579	24,720	33,626	380,157
Cost of Federal Reserve notes.....	50,535	345,837	55,772	51,772	31,766	34,058	65,709	34,483	38,634	25,057	28,844	42,188	804,705
Cost of furniture and equipment:													
Equipment.....	9,543	8,941	4,538	4,940	3,899	2,726	9,351	9,960	6,077	5,374	6,376	1,069	72,794
Vaults.....				9,540		1,496	6,960		44,351	15,071	19,466	600	97,484
Machines.....	1,804	8,145	9,291	4,372	7,297	4,323	7,364	10,013	3,682	12,314	7,388	4,753	80,746
Other.....		9,894	4,662	1,335	653		2,535	373	49	14,070	25		33,596
Total cost of furniture and equipment.....	11,347	26,980	18,491	20,187	11,849	8,545	26,210	20,346	54,159	46,829	33,255	6,422	284,620

Recapitulation of earnings and expenses of the Federal Reserve Banks and the system as a whole from organization to Dec. 31, 1915.

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Earnings:													
Nov. 16 to Dec. 31, 1914.....	\$391	\$13,927	\$2,739	\$2,077	\$4,730	\$2,808	\$17,814	\$9,463	\$1,322	\$1,934	\$2,679	\$2,761	\$63,145
Jan. 1 to Dec. 31, 1915.....	124,568	331,108	111,233	111,738	314,850	233,652	251,071	77,370	98,790	100,540	241,987	113,200	2,110,107
Appreciation on United States bonds.....			20,503										20,503
Total.....	125,459	345,035	134,475	113,815	319,580	236,460	268,885	86,833	100,112	102,474	244,666	115,961	2,193,755
Current expenses:													
Nov. 16 to Dec. 31, 1914.....	13,710	25,004	10,756	15,148	12,791	7,124	23,342	19,866	11,647	13,552	15,763	18,207	186,916
Jan. 1 to Dec. 31, 1915.....	102,433	256,342	110,935	108,050	91,519	96,316	176,965	136,313	80,367	112,401	109,875	109,213	1,490,729
Total.....	116,143	281,346	121,691	123,198	104,310	103,440	200,307	156,179	92,014	125,953	125,638	127,420	1,677,639
Excess of current earnings.....	9,316	63,689	12,784		215,270	133,020	68,578		8,098		119,028		516,116
Excess of current expenses.....				9,383				69,346		23,479		11,459	
Amortization:													
Cost of Federal Reserve notes used.....	11,902	113,800	12,600	9,014	14,398	24,556	5,329	12,120	18,701	13,805	18,920	7,273	262,418
Furniture and equipment.....	1,752				2,349	2,317	3,210			5,000			14,628
Total.....	13,654	113,800	12,600	9,014	16,747	26,873	8,539	12,120	18,701	18,805	18,920	7,273	277,046
Dividends declared.....					151,940						65,523		217,463
Organization expenses to Dec. 31, 1915.....	30,265	72,335	31,701	37,377	23,568	23,597	39,948	15,703	21,738	25,579	24,720	33,626	380,157
Total.....	43,919	186,135	44,301	46,391	192,255	50,470	48,487	27,823	40,439	44,384	109,163	40,899	874,666
Deduct excess earnings.....	9,316	63,689	12,784		215,270	133,020	68,578		8,098		119,028		516,116
Add deficit in earnings.....				9,383				69,346		23,479		11,459	
Organization expenses, Jan. 1, 1916.....	34,603	122,335	31,517	55,774				97,169	32,341	67,863		52,358	493,966
Profit and loss account credit.....					23,015	82,550	20,091				9,865		135,521
Profit and loss account debit.....		111											111

¹ Cost of Federal reserve notes used from July 1 to Dec. 31, 1915, and not offset by earnings—\$111—carried to profit and loss.

GOLD SETTLEMENT FUND.

Payments and transfers through the gold settlement fund have been numerous during the month of January and indicate its continued development. Federal Reserve Banks and Federal Reserve Agents are using the fund freely.

The amounts held to the credit of the Federal Reserve Banks on January 20, 1916, were \$84,230,000, while the amounts standing to the credit of the Federal Reserve Agents in the Federal Reserve Agents' fund on that date were \$58,030,000.

A condensed summary of transactions in the gold settlement fund from May 20 to December 31, 1915, is given below:

Condensed summary of transactions, May 20 to Dec. 31, 1915, both inclusive.

Federal Reserve Bank of—	Gold deposited.	With-drawn.	With-drawn by transfer to Federal Reserve Agent.	Total with-drawn.	Excess of—		Payments to and from other Federal Reserve Banks.				Balance to credit in fund Dec. 31, 1915.
					Deposits.	With-drawals.	Total debits.	Total credits.	Net debit.	Net credit.	
Boston.....	\$3,230,000				\$3,230,000		\$134,160,000	\$135,209,000	\$1,049,000	\$4,279,000	
New York.....	87,000,000				87,000,000		334,553,000	253,300,000	\$81,283,000	5,717,000	
Philadelphia.....	12,450,000	\$7,000,000	\$5,000,000	\$12,000,000	450,000		129,399,000	138,644,000	9,245,000	9,695,000	
Cleveland.....	3,200,000	270,000		270,000	2,930,000		17,194,000	25,306,000	8,112,000	11,042,000	
Richmond.....	9,770,000	1,110,000	9,550,000	10,660,000		\$890,000	67,879,000	78,644,000	10,765,000	9,875,000	
Atlanta.....	6,380,000		13,700,000	13,700,000		7,320,000	32,107,000	43,144,000	11,037,000	3,717,000	
Chicago.....	12,030,000	2,000,000	4,280,000	6,280,000	5,770,000		156,084,000	151,670,000	4,414,000	1,356,000	
St. Louis.....	3,220,000	2,000,000	5,000,000	7,000,000		3,780,000	101,517,000	111,369,000	9,852,000	6,072,000	
Minneapolis.....	1,400,000		4,000,000	4,000,000		2,600,000	6,141,000	13,096,000	6,955,000	4,355,000	
Kansas City.....	3,480,000	270,000	7,000,000	7,270,000		3,790,000	37,305,000	43,559,000	6,254,000	2,464,000	
Dallas.....	7,680,000	7,930,000	1,900,000	9,830,000		2,170,000	20,398,000	31,876,000	11,478,000	9,308,000	
San Francisco.....	5,980,000	5,000,000	2,050,000	7,050,000		1,070,000	15,882,000	26,832,000	10,950,000	9,880,000	
Total.....	155,800,000	25,580,000	52,460,000	78,040,000	77,760,000		1,052,649,000	1,052,649,000	85,697,000	85,697,000	77,760,000

Amount of clearings to Dec. 31, 1915.

	Total clearings.	Balances.
Previously reported.....	\$964,300,000	\$175,381,000
Settlement of Dec. 30, 1915.....	52,873,000	9,815,000
Total.....	1,017,173,000	185,199,000
Other transfers between banks.....	35,476,000	
Total payments between Federal Reserve Banks effected through gold settlement fund, to Dec. 31, 1915.....	1,052,649,000	

Amount of clearings and transfers between Federal Reserve Banks, from Jan. 1, 1916.

	Total clearings.	Balances.	Transfers.
Week ending—			
Jan. 6, 1916.....	\$46,957,000	\$5,297,000	\$5,900,000
Jan. 13, 1916.....	43,307,000	3,421,000	582,000
Jan. 20, 1916.....	42,904,000	5,500,000	519,000
Total.....	133,168,000	14,218,000	7,001,000

Payments for the Federal Reserve Bank of New York and the Federal Reserve Bank of Chicago to other Federal Reserve Banks were greater than their receipts, while each of the other 10 banks received payments in excess of those made. The net payments made by

the Federal Reserve Bank of Chicago were \$4,414,000, an amount relatively small in proportion to its total payments of \$156,084,000. The net payments made by the Federal Reserve Bank of New York were much heavier, both in amount and relatively, being \$81,283,000.

Among the causes which may be cited to explain this shifting in the ownership of the gold held in the gold settlement fund are the usual late summer and fall movement of funds from New York to the interior for crop-moving purposes and the movement of a part of the gold received from Europe in payment for exports in the course of its distribution among the interior points at which much of the export business originated. The movement of gold for crop-moving purposes is balanced in normal years by return shipments beginning in November and reaching their maximum about the first of the year. In the present situation it appears probable that the other factor mentioned has been sufficiently important to overbalance this normal return flow and that it may be considered as accounting for the

transfer of ownership of gold held in the gold settlement fund from the Federal Reserve Bank of New York to other Federal Reserve Banks. This movement did not terminate with the close of the year 1915, but continued through the first week in January, so that the highest point was reached on January 6, when the net amount thus transferred stood at \$86,293,000. The settlements of January 13 and 20 have, however, both been favorable to the Federal Reserve Bank of New York, so that the net amount of the movement at the latter date was only \$82,674,000.

It is interesting to note that, with the exception of New York, the banks which have handled the largest transactions through the gold settlement fund show net payments or receipts much smaller with relation to total payments made and received than do those banks which have handled the smaller aggregate sums. For example, the Federal Reserve Bank of Chicago, which ranks second in amount of total payments, had total debit

items of \$156,084,000, while its credits were only \$4,114,000 less; Boston, next in order, received payments aggregating \$135,209,000 and made payments only \$1,049,000 less; Philadelphia and St. Louis, which ranked next in volume of transactions, had balances also relatively small; while Minneapolis, San Francisco, and Cleveland, which handled the smallest volume of transactions, were all creditors by amounts large in proportion to the total amount of transactions handled by them.

The table following shows the amounts of the deposits and withdrawals made by each Federal Reserve Bank through the United States Treasury, subtreasuries, or mints. No shipments of gold between the various offices of the Treasury have been necessary in connection with the operations of the fund, as with the exception of the New Orleans Subtreasury and the Denver Mint the deposits at each point have exceeded the withdrawals, and in these cases the Treasury Department had ample funds on hand to make the payments desired.

Deposits and withdrawals by Federal Reserve Banks, and where made, May 20 to Dec. 31, 1915.

[000's omitted.]

Subtreasury or mint at—	Federal Reserve Bank of—													
	Boston.		New York.		Philadelphia.		Cleveland.		Richmond.		Atlanta.		Chicago.	
	Deposited.	Withdrawn.	Deposited.	Withdrawn.	Deposited.	Withdrawn.	Deposited.	Withdrawn.	Deposited.	Withdrawn.	Deposited.	Withdrawn.	Deposited.	Withdrawn.
Boston.....	\$3,230													
New York.....			\$87,000											
Philadelphia.....					\$12,450	\$7,000					\$110			
Cincinnati.....							\$1,500							
Washington.....							1,700							
Chicago.....								\$270	\$9,770	\$1,110	\$6,270		\$12,030	\$2,000
Total.....	3,230		87,000		12,450	7,000	3,200	270	9,770	1,110	6,380		12,030	2,000

Subtreasury or mint at—	Federal Reserve Bank of—											
	St. Louis.		Minneapolis.		Kansas City.		Dallas.		San Francisco.		By all banks.	
	Deposited.	Withdrawn.	Deposited.	Withdrawn.	Deposited.	Withdrawn.	Deposited.	Withdrawn.	Deposited.	Withdrawn.	Deposited.	Withdrawn.
Boston.....											\$3,230	
New York.....											87,000	
Philadelphia.....								\$0.5			12,560	\$7,000.5
Cincinnati.....											1,500	
Washington.....						\$270	\$4,150				21,890	1,650
Chicago.....			\$1,400								13,430	2,000
St. Louis.....	\$3,220	\$2,000			\$3,480						6,700	2,025
New Orleans.....							3,510	7,810			3,510	7,810
San Francisco.....									\$5,980	\$5,000	5,980	5,000
Denver.....								94.5				94.5
Total.....	3,220	2,000	1,400		3,480	270	7,660	7,930	5,980	5,000	155,800	25,580

¹ Includes a deposit of \$5,000,000 made by the Treasury Department.

² Includes a deposit of \$4,000,000 made by the Treasury Department.

³ In addition to the amount shown, \$4,400,000 has been deposited with the assistant treasurer of the United States at San Francisco, to the credit, however, of the Federal Reserve Agent at San Francisco.

Gold settlement fund—Summary of transactions Dec. 24, 1915, to Jan. 20, 1916.

Federal Reserve Bank of—	Balance last statement, Dec. 23, 1915.	Gold.		Transfers.		Settlement of Dec. 30, 1915.				Dec. 30, 1915, balance in fund after clearing.
		With-drawn.	Deposited.	Debit.	Credit.	Net debits.	Total debits.	Total credits.	Net credits.	
Boston.....	\$3,331,000						\$5,637,000	\$6,585,000	\$945,000	\$4,279,000
New York.....	6,613,000		\$10,000,000	\$845,000		\$9,051,000	18,268,000	9,217,000		6,717,000
Philadelphia.....	5,169,000				\$845,000		5,602,000	8,283,000	2,681,000	8,695,000
Cleveland.....	10,410,000						854,000	1,486,000	632,000	11,042,000
Richmond.....	9,205,000	\$400,000					4,433,000	5,503,000	1,070,000	9,875,000
Atlanta.....	2,720,000						1,640,000	2,637,000	997,000	3,717,000
Chicago.....	1,698,000				154,000	596,000	9,557,000	8,961,000		1,256,000
St. Louis.....	6,243,000					171,000	5,205,000	5,034,000		6,072,000
Minneapolis.....	3,988,000						95,000	462,000	367,000	4,355,000
Kansas City.....	1,722,000	50,000					1,229,000	2,021,000	792,000	2,464,000
Dallas.....	9,319,000	150,000		154,000			210,000	603,000	393,000	9,408,000
San Francisco.....	9,942,000	2,000,000					143,000	2,081,000	1,938,000	9,880,000
Total.....	70,360,000	2,600,000	10,000,000	999,000	999,000	9,818,000	52,873,000	52,873,000	9,818,000	77,760,000

Federal Reserve Bank of—	Balance last statement, Dec. 30, 1915.	Gold.		Transfers.		Settlement of Jan. 6, 1916.				Jan. 6, 1916, balance in fund after clearing.
		With-drawn.	Deposited.	Debit.	Credit.	Net debits.	Total debits.	Total credits.	Net credits.	
Boston.....	\$4,279,000			\$1,500,000		\$1,176,000	\$4,941,000	\$3,765,000		\$1,603,000
New York.....	6,717,000		\$8,000,000	4,000,000	\$1,000,000	\$3,010,000	11,726,000	8,716,000		8,707,000
Philadelphia.....	8,695,000	\$5,000,000			5,500,000	298,000	6,037,000	5,739,000		8,897,000
Cleveland.....	11,042,000				50,000		1,168,000	1,737,000	569,000	11,661,000
Richmond.....	9,875,000					53,000	4,636,000	4,583,000		9,822,000
Atlanta.....	3,717,000					396,000	1,876,000	1,480,000		3,321,000
Chicago.....	1,256,000			50,000	450,000		9,782,000	10,498,000	716,000	2,372,000
St. Louis.....	6,072,000						4,588,000	6,096,000	1,508,000	7,580,000
Minneapolis.....	4,355,000			350,000		61,000	125,000	64,000		3,944,000
Kansas City.....	2,464,000	10,000				308,000	1,662,000	1,359,000		2,151,000
Dallas.....	9,408,000			1,100,000			323,000	827,000	504,000	8,812,000
San Francisco.....	9,880,000						93,000	2,093,000	2,000,000	11,880,000
Total.....	77,760,000	5,010,000	8,000,000	7,000,000	7,000,000	5,297,000	46,957,000	46,957,000	5,297,000	80,750,000

Federal Reserve Bank of—	Balance last statement, Jan. 6, 1916.	Gold.		Transfers.		Settlement of Jan. 13, 1916.				Jan. 13, 1916, balance in fund after clearing.
		With-drawn.	Deposited.	Debit.	Credit.	Net debit.	Total debit.	Total credits.	Net credits.	
Boston.....	\$1,603,000						\$3,973,000	\$4,457,000	\$484,000	\$2,087,000
New York.....	8,707,000				\$500,000		10,612,000	10,658,000	46,000	9,253,000
Philadelphia.....	8,897,000					\$805,000	5,512,000	4,707,000		8,092,000
Cleveland.....	11,661,000				50,000		1,254,000	1,556,000	302,000	12,013,000
Richmond.....	9,822,000	\$360,000	\$600,000				6,332,000	6,844,000	512,000	10,574,000
Atlanta.....	3,321,000						2,174,000	2,379,000	205,000	3,526,000
Chicago.....	2,372,000		9,000,000	\$50,000	32,000	1,190,000	7,171,000	5,981,000		10,164,000
St. Louis.....	7,580,000					1,383,000	4,257,000	2,874,000		6,197,000
Minneapolis.....	3,944,000					43,000	77,000	34,000		3,901,000
Kansas City.....	2,151,000	60,000					1,569,000	2,262,000	693,000	2,784,000
Dallas.....	8,812,000	440,000		32,000			332,000	1,498,000	1,166,000	9,506,000
San Francisco.....	11,880,000	1,060,000		500,000			44,000	57,000	13,000	10,333,000
Total.....	80,750,000	1,920,000	9,600,000	582,000	582,000	3,421,000	43,307,000	43,307,000	3,421,000	88,430,000

Federal Reserve Bank of—	Balance last statement, Jan. 13, 1916.	Gold.		Transfers.		Settlement of Jan. 20, 1916.				Jan. 20, 1916, balance in fund after clearing.
		With-drawn.	Deposited.	Debit.	Credit.	Net debits.	Total debits.	Total credits.	Net credits.	
Boston.....	\$2,087,000					\$817,000	\$5,063,000	\$4,246,000		\$1,270,000
New York.....	9,253,000	\$2,000,000					9,314,000	12,387,000		10,328,000
Philadelphia.....	8,092,000					2,579,000	7,192,000	4,613,000	\$3,073,000	5,513,000
Cleveland.....	12,013,000						2,337,000	1,216,000		11,892,000
Richmond.....	10,574,000	50,000	\$660,000			121,000	5,783,000	6,533,000	750,000	11,934,000
Atlanta.....	3,526,000						1,486,000	1,320,000		3,360,000
Chicago.....	10,164,000						5,785,000	7,067,000	1,282,000	11,859,000
St. Louis.....	6,197,000				\$413,000		5,387,000	3,850,000		4,766,000
Minneapolis.....	3,901,000				106,000	1,537,000	5,387,000	3,850,000		3,641,000
Kansas City.....	2,784,000	10,000				260,000	325,000	65,000		3,114,000
Dallas.....	9,506,000			\$519,000			850,000	1,190,000	340,000	8,967,000
San Francisco.....	10,333,000	2,800,000				20,000	285,000	265,000		7,588,000
Total.....	88,430,000	4,860,000	660,000	519,000	519,000	5,500,000	42,904,000	42,904,000	5,500,000	84,230,000

Federal Reserve agents' fund—Summary of transactions, Dec. 24, 1915, to Jan. 20, 1916.

Federal Reserve Agent at—	Dec. 23, 1915.	Week ending Dec. 30, 1915.		Week end- ing Jan. 6, 1916. ¹	Week ending Jan. 13, 1916.			Week ending Jan. 20, 1916.		
	Balance.	Deposited.	Balance.		With- drawn.	Deposited.	Balance.	With- drawn.	Deposited.	Balance.
Philadelphia.....	\$5,000,000		\$5,000,000				\$5,000,000			\$5,000,000
Richmond.....	9,150,000	\$400,000	9,550,000		\$600,000	\$360,000	9,310,000	\$500,000	\$50,000	8,860,000
Atlanta.....	13,700,000		13,700,000				13,700,000			13,700,000
Chicago.....	4,260,000		4,260,000				4,260,000			4,260,000
St. Louis.....	5,000,000		5,000,000				5,000,000			5,000,000
Minneapolis.....	4,000,000		4,000,000				4,000,000			4,000,000
Kansas City.....	7,000,000		7,000,000				7,000,000			7,000,000
Dallas.....	1,750,000	150,000	1,900,000				1,900,000			1,900,000
San Francisco.....	6,450,000		6,450,000			1,060,000	7,510,000		800,000	8,310,000
Total.....	56,310,000	550,000	56,860,000		600,000	1,420,000	57,680,000	500,000	850,000	58,030,000

¹ No change.**DISCOUNT RATES.***Discount rates of each Federal Reserve Bank in effect Jan. 27, 1916.*

	Maturities of 10 days and less.	Maturities of over 10 to 30 days, inclusive.	Maturities of over 30 to 60 days, inclusive.	Maturities of over 60 to 90 days, inclusive.	Agricultural and live-stock paper over 90 days.	Trade acceptances.		Com- modity paper.
						To 60 days, inclusive.	Over 60 to 90 days, inclusive.	
Boston.....	3	3½	4	4	5	3½	3½	1 3½
New York.....	3	4	4	4	5	3½	3½	
Philadelphia.....	3	4	4	4	4½	3	3	1 3
Cleveland.....	3½	4	4	4½	5	3½	4	
Richmond.....		4	4	4	5	3½	4	1 3
Atlanta.....		4	4	4	5	3½	3½	3
Atlanta (New Orleans branch).....						2 3½-4	2 3½-4	
Chicago.....	3½	4	4	4½	5			3
St. Louis.....	3	4	4	4	5	3½	3½	3
Minneapolis.....		4	4	4½	5			3
Kansas City.....	3½	4	4	4	4½	3½	3½	3
Dallas.....		4	4	4	4½	3½	3½	
San Francisco.....	3	3½	4	4½	6	3	3½	(¹) 3

¹ Rate for commodity paper maturing within 90 days.² Rate for trade acceptances bought in open market without member bank indorsement.³ A rate of 2 to 4 per cent for bills with or without member bank indorsement has been authorized.⁴ Rate for commodity paper maturing within 30 days, 3½ per cent; over 30 to 60 days, 4 per cent; over 60 to 90 days, 4½ per cent; over 90 days 5 per cent.

INFORMAL RULINGS OF THE BOARD.

Below are reproduced letters sent out from time to time over the signatures of the officers of the Federal Reserve Board, which contain information believed to be of general interest to Federal Reserve Banks and member banks of the system:

Purchase of United States Bonds.

In answer to your letter dated December 23, asking whether Government bonds bought by the Federal Reserve Bank of St. Louis prior to January 1, 1916, may be deducted from its proportionate share of the bonds allotted under the provisions of section 18 at the end of the first quarter of 1916, I have to advise you that the Federal Reserve Board, in a ruling printed on page 217 of the August Bulletin, ruled that bonds bought by Federal Reserve Banks prior to December 31, 1915, shall not be considered eligible for deduction in this manner.

The only question to be considered in this connection is whether the bonds bought in the open market bear the circulation privilege; if they do, they are eligible as a deduction from the amount of bonds allotted under the provisions of section 18 whether or not they are actually securing circulation at the time of purchase; if they do not bear that privilege, they have no relation to the provisions of section 18 and can not be considered in making the deduction from the amount of bonds allotted under that section.

DECEMBER 31, 1915.

Acceptance Securities.

Your letter addressed to Hon. C. S. Hamlin, Governor of the Federal Reserve Board, under date of December 16, has been duly considered by the Board, and I am instructed to advise you that the Attorney General, in an opinion some time ago (17 Op. A. G., 471), reached the conclusion that while national banks did not have the power to accept drafts and bills of exchange at that time, if there were no other legal objections to such acceptance, it would not come within the restriction contained in section 5200. The Federal Reserve Board in its letter to the Governor of the Federal Reserve Bank of New York relating to agreements for acceptance securities, printed on page 269 in the September Federal Reserve Bulletin, stated that—

"It should be understood, of course, that the 10 per cent limitation imposed by section 5200 of the United States Revised Statutes is not intended to apply to the mere acceptance of a bill of exchange, but that the provisions of section 5200 of the United States Revised Statutes would apply to the indebtedness arising between the drawer of the bill and the accepting bank in case the drawer fails to furnish funds with which to meet the acceptance at maturity."

It is, therefore, the opinion of this office that the objections incurred by the mere acceptance of a draft do not come within the provisions of section 5200.

JANUARY 3, 1916.

Status of Employees of Reserve Banks.

Your letter of January 3 was submitted to the Board, and I am directed to say to you that the Board is in accord with the views expressed therein.

As you stated, the real point is that the list of all salaries should be submitted to the Board once a year for its approval, and the month of January would seem to be the natural time for such approval, as that is the usual month when changes in salaries are made.

The Board does not wish to convey the idea that it desires that all clerks should have definite terms of office. These appointments may be for an indefinite term provided they are terminable at the pleasure of the board of directors of the bank. While the general custom is that clerks are appointed by the officers of the bank, the officers, senior and junior, as a rule, are appointed or elected by the board of directors of the bank, generally to serve for the ensuing year. It would appear, therefore, that this general practice ought to be observed also by the Federal Reserve Banks and senior and junior officers ought to be appointed from year to year and their salaries, as all others, should be subject to annual approval by the Federal Reserve Board.

JANUARY 6, 1916.

Eligibility of State Banks.

In reply to your letter of December 29, 1915, requesting an opinion as to whether a Michigan State bank in a city of approximately 5,000 inhabitants, could become a member of the Federal Reserve System, with a capital of less

than \$50,000, you are advised that section 5138, United States Revised Statutes, as amended in 1900, provides, in substance, that no association shall be organized with a capital of less than \$100,000 except in cities (1) where the population does not exceed 6,000, banks with a capital of not less than \$50,000 may be organized with the approval of the Secretary; (2) where the population does not exceed 3,000, banks with a capital of not less than \$25,000 may be organized with the sanction of the Secretary of the Treasury. If the population exceeds 50,000 the capital must be not less than \$200,000. As the population of Bessemer, Mich., is more than 3,000, but less than 6,000, it would come under exception (1).

While the statute vests in the Secretary of the Treasury a discretion as to whether national banks in cities of from 3,000 to 6,000 may organize with capital of less than \$100,000, but more than \$50,000, the minimum is conclusively fixed by law at \$50,000, and State banks located in a city of approximately 5,000 population can not become member banks with a capital stock of less than that minimum. No power is vested in the Secretary of the Treasury or any other executive officer to reduce this minimum.

JANUARY 6, 1916.

Circulating Notes.

In further reply to your letter of November 9, 1915, you are advised that counsel for the Federal Reserve Board has ruled that there is nothing in the provisions of the Federal Reserve Act or of the National Bank Act which prevents a national bank which has reduced the amount of its circulating notes by the sale of bonds in the manner provided in section 18 of the Federal Reserve Act, from taking out additional circulation on the security of other bonds bought in the open market.

JANUARY 6, 1916.

Cattle Paper.

Your letter of January 4, stating that a large cattle loan company has taken up with a New York banking institution an arrangement under which it may draw drafts with maturities to 90 days, attaching to the draft a chattel mortgage on cattle securing the amount, has had the consideration of the Federal Reserve Board.

It is the view of the Board that cattle should be considered as a readily marketable commodity and that the Federal Reserve Bank of St. Louis may consider as eligible a bankers' acceptance secured by a chattel mortgage on cattle.

JANUARY 6, 1916.

Eligible Acceptances.

The Federal Reserve Board recently received a telegram from a Federal Reserve Bank stating that the bank was offered acceptances drawn by a manufacturer on and accepted by a trust company in the city in which the bank is located. The trust company is not a member of the Federal Reserve System. It was stated that the proceeds were to be used for the purchase of raw material and the payment of labor used in manufacturing. The goods had not been sold, and the drawer could not, therefore, comply with sub-section d, section 3, regulation S, and furnish to the Federal Reserve Bank warehouse receipts or other instruments desired.

While these acceptances were stated by the bank to be a safe investment it was held by the Federal Reserve Board, after careful consideration, that they were not of a kind eligible to be taken by a Federal Reserve Bank.

JANUARY 8, 1916.

Status of Class C Directors.

In reply to a letter sent out from this office under date of January 5, the Federal Reserve Board has been informed that, in several of the Federal Reserve Banks, class C directors are placed in a position with reference to the administration of the bank's affairs, through the provisions of the by-laws, which is different from that of directors of classes A and B. The matter has been carefully investigated and legal advice obtained in respect to it, with the result that the Board has directed me to express to you the opinion that the Federal Reserve Act does not warrant any discrimination by by-laws against class C directors, but that they are regarded as being eligible to the same appointments and subject to the same duties as other directors.

Will you kindly bring this letter to the attention of your board of directors and advise me of the result of its action?

JANUARY 14, 1916.

Paper of Suspended Banks.

Your correspondence with the receiver of a national bank has been brought to the attention of the Board. It appears that the receiver, in considering his plans for the reorganization of the bank, desires assurances from you that the Federal Reserve Bank will, upon the reopening of the national bank, rediscount eligible paper for it freely, without requiring the indorsement of the directors or other additional security. He further intimates that upon such assurances will depend the success of the plans for the reorganization of the bank. In the opinion of the Board you have very properly declined to give such assurances.

The fact that the bank has suspended and that it is necessary to reorganize it is evidence that its affairs have not hitherto been prudently conducted. In many cases it is customary for small banks, in securing accommodations from their reserve agents, to offer the note of the bank secured by bills receivable aggregating considerably more than the face of the note offered for discount, thus giving the rediscounting bank a good margin of security. The Federal Reserve Banks are not permitted under the Act to discount notes for their member banks secured in this way, but in granting accommodation must discount each note or bill separately. Discount operations, however, are not mandatory upon the Federal Reserve Banks.

Section 13 of the Act provides that "upon the indorsement of any of its member banks, with the waiver of demand notice and protest by such bank, any Federal Reserve Bank may discount notes, drafts, and bills of exchange arising out of actual commercial transactions." There is nothing in the Act that prohibits guaranties or the deposit of additional security under a collateral agreement. Nearly all of the Federal Reserve Banks in their transactions with over-extended member banks, have required additional security or guaranties, although they have complied with the letter of the Act by discounting notes separately with the indorsement of the member bank.

It is difficult in many cases for directors of Federal Reserve Banks to form definite conclusions as to the strength of paper offered and many accommodations that have been granted

would doubtless have been refused but for the additional security offered. There are many banks where the management is concentrated in one officer and where the directors do not actually direct. In such cases there is an obvious advantage in securing the indorsement or guaranty of the directors, for besides the added strength that is given by the names of well-to-do directors, the liability incurred by them in indorsing, brings about a closer supervision on their part of the bank's affairs. The Board feels, however, that Federal Reserve Banks in dealing with member banks will, as far as possible, comply with the terms of the Act and where the bank making offerings for discount is in good standing and well managed, and where the paper conforms to the regulations of the Board and appears to be unquestionably good, a guaranty of directors should not be required, but it is clear, none the less, that your position in declining to give the assurances asked for by the receiver, is well taken. It is assumed, of course, that should the national bank resume business your board of directors will consider its offerings upon their merits, and will discount, without the personal indorsement of its directors, such paper as may be entirely satisfactory.

JANUARY 18, 1916.

Farm Land Loans.

Replying to your letter of January 20, relating to the limit imposed by law on farm-land loans, you are advised that the provisions of section 5200 of the Revised Statutes are applicable to money borrowed on the security of farm land under the provisions of section 24 of the Federal Reserve Act, and that, in consequence, no real estate loan should be made to any one individual in excess of 10 per cent of the capital and surplus of the lending bank. You are also advised that the provisions of section 5200 refer to the total liabilities of any one association, person, company, or corporation, and that, therefore, any other liability of a borrower on his personal note should be included in estimating the maximum amount which can be loaned on the security of real estate.

JANUARY 24, 1916.

Agricultural Implement Paper.

Upon the question, whether notes given by farmers in payment of agricultural implements may be rediscounted at Federal Reserve Banks, the Federal Reserve Board on December 30, 1915, made answer as follows:

The question put is a very close one. The law permits the rediscount of six months' paper that has been "drawn or issued for agricultural purposes, or the proceeds of which have been used or are to be used for agricultural purposes."

There can not be any doubt that a bill drawn by a dealer on a farmer in payment for agricultural implements purchased by the farmer is a bill that has been "drawn or issued for agricultural purposes and the proceeds of which have been used or are to be used for agricultural purposes."

The question then arises—does such paper comply in addition to this requirement, with those prescribed by the Federal Reserve Board by Regulation B, of which II (a) prescribes that "no bill is 'eligible,' the proceeds of which have been used or are to be used for permanent or fixed investments of any kind, such as land, buildings, machinery (including therein additions, alterations, or other permanent improvements, except such as are properly to be regarded as costs of operation)."

It is a very close question whether agricultural implements are to be considered as permanent improvements or as part of the cost of operation. However, it must be considered that machinery of this kind is not of a permanent character. It wears out rapidly and in most cases has to be replaced within a comparatively short time, so that it may be assumed that a certain amount of money would be spent annually and regularly for the purchase and replacement of machinery of this kind. As the Board by its regulations does not desire unnecessarily to restrict, but rather to encourage, the facilities to be given, as far as that may be done consistently with prudence, it would appear that the wider interpretation in this case should be given, and a ruling by the Board would appear entirely appropriate which would permit notes and bills of exchange drawn by implement dealers on a farmer against a sale to him of agricultural implements, to be considered as drawn or issued for agricultural purposes.

This would answer, in the affirmative, question 1:

"Are the notes of farmers or consumers given for the purchase price of farm tools, agricultural machinery, or other farm-operating equipment discountable under the section 13 of the Federal Reserve Act providing for notes, bills, or drafts, drawn or issued for 'agricultural purposes'?"

Question 2 reads as follows:

"Will the fact that such notes, drafts, or bills are presented by the dealer with his indorsement for rediscount, change their classification from the rating given them if presented by the maker (the farmer); if so, why?"

It is to be assumed that the clause permitting the rediscount of agricultural six months' paper was enacted by Congress for the purpose of giving special facilities to farmers. If the note were purchased from a dealer, it would appear that the facility is not given to the farmer but to the dealer. However, there is no doubt that the language of the law plainly would permit the rediscount of such paper and, inasmuch as, indirectly, the farmer would profit by the rediscount to the dealer—inasmuch as otherwise the farmer would have to borrow, and probably borrow at a higher rate for a single-name note than the money could be secured upon the double-name bill of exchange drawn by the dealer—it is to be expected that the advantage of the lower discount rate and of the cheaper credit will indirectly result to the benefit of the farmers.

It would appear, therefore, that from every point of view, question 2 should be answered in the negative.

Question 3 reads:

"What provisions or marks of identification, if any, must be placed upon notes, drafts, or bills to have them properly classified as 'issued for agricultural purposes' and render them discountable if their maturity does not exceed six months?"

The nature of the bill, the name of the acceptor, and the name of the drawer would probably indicate that a farmer was the purchaser and an implement dealer the seller of the goods. However, the purchasing member bank will have to satisfy itself in some satisfactory way that the bill is substantially of an agricultural character. A simple memorandum attached to the bill, stating that the bill

was drawn in payment of agricultural imple-
ments, signed either by the acceptor or the
drawer, would probably be considered sufficient
evidence by the member bank and the Federal
Reserve Bank.

Question (4) reads:

"What is the limit, in amount, that a Fed-
eral Reserve Bank may rediscount of notes,
drafts, or bills where taken for 'agricultural
purposes' as provided in section 13?"

The law prescribes that in the aggregate the
total amount of agricultural paper purchased
by a Federal Reserve Bank should not exceed
a percentage of its capital stock, the percentage
to be fixed from time to time for each Federal
Reserve Bank by the Federal Reserve Board.
The percentage fixed by the Board differs in
the various districts. Whenever a district has
applied, the maximum limit has been granted,
which has been considered to be 99 per cent of
the capital stock.

Federal Reserve Bank Holidays.

This table of holidays, which will be ob-
served by the 12 Federal Reserve Banks, has
been made up from advices received from
them.

Bank.	Jan.	Feb.	Mar.	Apr.	May	June
Boston.....		22		19	30	17
New York.....	1	12, 22			30	
Philadelphia.....	1	12, 22		21	30	
Cleveland.....	1	22			30	
Richmond.....	1, 19	22			30	
Atlanta.....	1, 19	22		26		3
New Orleans branch.....	1, 8	22	7	18, 23		3
Chicago.....	1	12, 22, 29		4, 11	30	5
St. Louis.....	1	22			30	
Minneapolis.....	1	12, 22		21	30	
Kansas City.....	1	22		14	30	
Dallas.....	1	22	2	21	30	3
San Francisco.....	1	12, 22			2, 30	

Bank.	July.	Aug.	Sept.	Oct.	Nov.	Dec.
Boston.....	4		4	12	30	25
New York.....	4		4	12	7, 30	25
Philadelphia.....	4		4	12	7, 30	25
Cleveland.....	4		4	12	7, 30	25
Richmond.....	4		4		7, 30	25
Atlanta.....	4		4		30	25
New Orleans branch.....	4		4		1, 7, 30	25
Chicago.....	4		4, 13	12	7, 30	25
St. Louis.....	4	1	4		7, 30	25
Minneapolis.....	4		4		7, 30	25
Kansas City.....	4	1	4		1, 7, 30	25
Dallas.....	4		4	12	30	25
San Francisco.....	4		4, 9	12	7, 30	25

¹ Usually a holiday.

Treatment of Earnings and Expenses.

On January 22 the Federal Reserve Board
sent out the following letter and attached form
which will in the future be used by Federal
Reserve Banks in reporting their earnings and
expenses.

Inclosed please find 50 copies of revised
forms Nos. 286b and 287b for reporting the
monthly earnings and expenses of your bank.
No change has been made in the form of the
report for the earnings except that the reading
of the first two captions has been modified to
agree with the reading of the corresponding
items on Form 34. Under the second head
should be included, therefore, the earnings
from all open-market purchases of trade ac-
ceptances, bankers' domestic acceptances, and
bankers' foreign trade acceptances. No pro-
vision has been made for reporting separately
"Commissions paid." Such commissions, in
accordance with informal ruling of the Board
under date of September 22, 1915 (see p. 309
of the October Bulletin), should be treated as
part of the purchase price or cost of the invest-
ment.

Under the head of current expenses the fol-
lowing observations would seem pertinent:

1. Assessments on account of expenses of
Federal Reserve Board should be apportioned
to each month (regardless of the dates when
paid) and cumulative figures of amounts
charged since January 1, 1916, shown in the
second column.

2. The expenses of the several advisory
bodies, including the Federal Advisory Council,
the Governors', and the Federal Reserve
Agents' conferences, should be segregated,
these expenses to include fees, per diem
allowances, traveling and other incidental
expenses.

3. Items to be apportioned over a period
should on day of payment, be charged to ac-
count "Expenses paid in advance" on Form 34,
pro rata amounts to be transferred to current
expenses on the last day of each month and to
be included, under proper headings, on monthly
report of expenses (Form 287b).

4. Under the general head of organization
expenses please report, in accordance with
informal ruling of December 10, 1915 (p. 12
of the January Bulletin), in short column the

cost of Federal Reserve notes issued by the bank prior to January 1, 1916, not offset by current earnings, and all other organization expenses shown on Form 34 after closing of books for calendar year 1915. The total of these two items should equal the amount shown at the beginning of the year against item "Expense—Organization" on Form 34. Attention is called to the provisions of the Board's informal ruling of December 10, 1915, regarding the methods of amortizing the cost of Federal Reserve notes and other organization expenses.

5. A separate account is set up for depreciation of furniture and equipment. This account is to show amounts written off in accordance with paragraph 5 of informal ruling of December 10, 1915.

6. The amount of item "Total current expenses" shown at the foot of Form 287b should equal the amount shown against item "Expense—Current" on Form 34 as at close of business on the last day of each month.

Items shown in memorandum on Form 286b represent amounts expended during the month on account of Federal Reserve notes printed and shipped, including expressage, insurance, etc.; also amounts paid during the month for furniture and equipment. As indicated in the heading, the figures in the second column against items "Total cost of furniture and equipment" and "Cost of Federal Reserve notes unissued by bank" in this memorandum should equal amounts shown against items "Furniture and equipment" and "Cost of unissued Federal Reserve notes" on Form 34 as at close of business on the last day of the report month.

Copies of the monthly report of earnings and expenses should be sent to us on or before the 7th of each month.

Earnings of the Federal Reserve Bank of ——— for the month of ———, 1916.

	Total for month.	Total since Jan. 1, 1916.
Earnings from:		
Bills discounted and bought—		
Bills discounted for member banks.....		
Bills bought in open market.....		
Investments—		
United States bonds.....		
Municipal warrants.....		
Commissions received.....		
Sundry profits.....		
Total earnings.....		

Earnings of the Federal Reserve Bank of ——— for the month of ———, 1916—Continued.

MEMORANDUM.

	Total for month.	Cumulative totals. ¹
Cost of Federal Reserve notes unissued by bank (including expressage, insurance, etc.).....		
Cost of furniture and equipment:		
Furniture and fixtures.....		
Vaults.....		
Machines.....		
Other.....		
Total cost of furniture and equipment.....		

¹ Totals for items "Cost of Federal reserve notes unissued, etc.," and of "Cost of furniture and equipment" should agree with totals for corresponding items on Form 34, as at close of business on the last of the report month.

Expenses of the Federal Reserve Bank of ——— for the month of ———, 1916.

	Total for month.	Total since Jan. 1, 1916.
I. Current expenses:		
Assessments account expenses Federal Reserve Board (monthly proportion).....		
Federal Advisory Council (fees and traveling expenses).....		
Governors' conferences (including traveling expenses).....		
Federal Reserve Agents' conferences (including traveling expenses).....		
Salaries:		
Bank officers.....		
Clerical staff.....		
Special officers and watchmen.....		
All other.....		
Directors' fees:		
Per diem allowance.....		
Traveling expenses.....		
Officers' and clerks' traveling expenses (less amounts included in items Federal Reserve Agents' and Governors' conferences).....		
Legal fees.....		
Rent.....		
Telephone.....		
Telegraph.....		
Postage.....		
Expressage.....		
Insurance and premiums on fidelity bonds.....		
Light, heat, and power.....		
Printing and stationery.....		
Repairs and alterations.....		
All other expenses, n. s.....		
Total expenses of operation.....		
II. Cost of Federal Reserve notes issued by bank during month (including expressage, insurance, etc.).....		
III. Organization expenses:		
Organization expenses Jan. 1, 1916—		
Cost of Federal Reserve notes used prior to Jan. 1, 1916, not offset by earnings.....		
All other.....		
Total.....		
Amortization of Federal Reserve notes, monthly proportion (not less than one-thirtieth cost of notes).....		
All other organization expenses, monthly proportion (not less than one-twenty-fourth of "All other").....		
IV. Depreciation of furniture and equipment.....		
Total current expenses.....		

Fiduciary Powers.

The applications of the following banks for permission to act under section 11 (k) of the Federal Reserve Act have been approved since the issue of the January Bulletin, as follows:

DISTRICT No. 1.

Trustee, executor, administrator, and registrar of stocks and bonds:

First National Bank, Springfield, Vt.

Trustee, executor, and registrar of stocks and bonds:

First National Bank, Bangor, Me.

Bath National Bank, Bath, Me.

Manufacturers National Bank, Lewiston, Me.

Canal National Bank, Portland, Me.

Trustee and registrar of stocks and bonds:

Second National Bank, Nashua, N. H.

DISTRICT No. 2.

Trustee, executor, administrator, and registrar of stocks and bonds:

First National Bank, Morristown, N. J.

Bloomfield National Bank, Bloomfield, N. J.

Lambertville National Bank, Lambertville, N. J.

North Ward National Bank, Newark, N. J.

Second National Bank, Paterson, N. J.

DISTRICT No. 3.

Trustee, executor, administrator, and registrar of stocks and bonds:

Atlantic City National Bank, Atlantic City, N. J.

DISTRICT No. 4.

Trustee, executor, administrator, and registrar of stocks and bonds:

First National Bank, Brooksville, Ky.

First National Bank, Williamsburg, Ky.

Trustee and registrar of stocks and bonds:

City National Bank, Columbus, Ohio.

DISTRICT No. 5.

Trustee, executor, administrator, and registrar of stocks and bonds:

Farmers & Merchants National Bank, Lake City, S. C.

Edisto National Bank, Orangeburg, S. C.

DISTRICT No. 7.

Trustee, executor, administrator and registrar of stocks and bonds:

First National Bank, Casey, Ill.

Milliken National Bank, Decatur, Ill.

State National Bank, Bloomington, Ill.

Citizens National Bank, Kokomo, Ind.

First National Bank, Humboldt, Iowa.

Trustee, executor, and administrator:

First National Bank, Moweaqua, Ill.

First National Bank, Indianola, Iowa.

Oskaloosa National Bank, Oskaloosa, Iowa.

DISTRICT No. 8.

Trustee, executor, administrator, and registrar of stocks and bonds:

Citizens National Bank, Lebanon, Ky.

Exchange National Bank, Columbia, Mo.

DISTRICT No. 9.

Trustee, executor, administrator, and registrar of stocks and bonds:

Great Falls National Bank, Great Falls, Mont.

First National Bank, Clintonville, Wis.

DISTRICT No. 10.

Trustee, executor, administrator, and registrar of stocks and bonds:

First National Bank, Anthony, Kans.

Burnes National Bank, St. Joseph, Mo.

Trustee, executor and administrator:

First National Bank, Evanston, Wyo.

DISTRICT No. 11.

Trustee, executor, administrator, and registrar of stocks and bonds:

State National Bank, Albuquerque, N. Mex.

Intradistrict Clearing System.

Additions to and withdrawals from the system since the publication of the lists in previous issues of the Bulletin are as follows:

DISTRICT No. 3.

Withdrawals:

First National Bank, Dunmore, Pa.

Second National Bank, Altoona, Pa.

DISTRICT No. 4.

Additions:

Farmers National Bank, Arcanum, Ohio.

Withdrawals:

First National Bank, Munhall, Pa.

DISTRICT No. 5.

Withdrawals:

Enterprise National Bank, Laurens, S. C.

DISTRICT No. 6.

Additions:

National Branch Bank of Kentucky, Frankfort, Ky.

Withdrawals:

First National Bank, Brownsville, Tenn.

DISTRICT No. 11.

Additions:

Farmers & Merchants National Bank, Achille, Okla.

Withdrawals:

First National Bank, Aylesworth, Okla.

First National Bank, Bokchito, Okla.

Durant National Bank, Durant, Okla.

First National Bank, Kenefick, Okla.

Hall County National Bank, Memphis, Tex.

First National Bank, Sonora, Tex.

LAW DEPARTMENT.

The following opinions of counsel have been authorized for publication by the Board since the last edition of the Bulletin:

Transportation Charges on Federal Reserve Notes.

Each Federal Reserve Bank must pay all expenses incident to the issue and retirement of its own Federal Reserve notes, including transportation charges on notes returned to the bank of issue from any other Federal Reserve Bank or from the Treasury of the United States where they have been redeemed.

JANUARY 18, 1916.

SIR: I have carefully read your letter of the 11th, submitting for consideration by this office the question of expense involved in returning notes redeemed either by the Treasurer or by one of the Federal Reserve Banks to the Federal Reserve Bank of issue.

In order to answer the specific questions submitted, it is necessary to consider those provisions of the Act which relate to both the issue and redemption of these notes. Some confusion of thought results from the fact that the Act provides for two distinct stages of issue and two, and possibly three, stages of redemption.

It must be remembered that under the terms of the statute a Federal Reserve note is an obligation of the United States; that is to say, it is a promise by the United States to pay to the holder on demand a fixed amount in gold. This note may be said to be issued as soon as this obligation is created, or, in other words, as soon as the liability of the Government to pay upon presentation the amount stipulated, has become fixed. It is in determining this stage of issue that confusion first results.

These notes are prepared by the Bureau of Engraving and Printing and stored in the Treasury or subtreasuries or mints of the United States. So long as they remain in storage no obligation has been created on the part of the United States, and the notes can not be said to have been issued. When a Federal Reserve Bank applies for an issue of such notes under the terms of the Act the applying bank must undertake to furnish the gold to the

Government to pay any notes issued to it which are presented to the Treasurer for redemption before the Government will issue such notes to the applying bank. In other words, the Government merely undertakes to lend its credit to the Federal Reserve Bank upon the bank's furnishing the necessary security provided for in the Act. This security consists of commercial paper in an amount equal to the face or par value of the notes issued to the bank, such commercial paper being deposited with a duly authorized agent or custodian designated Federal Reserve Agent.

Section 16 of the Federal Reserve Act provides in part that—

Notes presented for redemption at the Treasury of the United States shall be paid out of the redemption fund and returned to the Federal Reserve Banks through which they were originally issued, and thereupon such Federal Reserve Bank shall, upon demand of the Secretary of the Treasury, reimburse such redemption fund in lawful money; or, if such Federal Reserve notes have been redeemed by the Treasurer in gold or gold certificates, then such funds shall be reimbursed to the extent deemed necessary by the Secretary of the Treasury in gold or gold certificates, and such Federal Reserve Bank shall, so long as any of its Federal Reserve notes remain outstanding, maintain with the Treasurer in gold an amount sufficient in the judgment of the Secretary to provide for all redemptions to be made by the Treasurer.

It thus appears that the Federal Reserve Bank through which these notes are issued undertakes the redemption of such notes whether this redemption takes place at its own counter, at the counter of another Federal Reserve Bank, or at the office of the Treasurer of the United States.

When the Federal Reserve Bank places these notes in circulation and they come into the hands of third parties, the holders or owners of such notes may present them for redemption—

- (a) To the Federal Reserve Bank of issue;
- (b) To any other Federal Reserve Bank; or,
- (c) To the Treasurer of the United States.

If they are presented to any Federal Reserve Bank other than the bank of issue and are either redeemed in gold or lawful money or credited to the account of the owner presenting them, such Federal Reserve Bank is required by law to return them to the Federal Reserve Bank of issue for redemption. In doing this the Federal Reserve Bank receiving such notes, either for credit or for redemption in lawful money, is performing a service for the Federal Reserve Bank of issue which has undertaken to furnish funds for the redemption of such notes and it is, in effect, acting as the agent for the Federal Reserve Bank of issue. For this service it not only does not receive any compensation but incurs some expense, since it loses the use of its funds during the period that such notes are being returned to the Federal Reserve Bank of issue.

It seems clear, therefore, that the Federal Reserve Bank of issue, for which this service is performed, should defray all expenses of transportation.

In like manner, where notes are redeemed by the Treasurer of the United States, the Treasurer is performing a service for the Federal Reserve Bank of issue and all expenses incident to such redemption should be borne by that bank.

Answering specifically the questions submitted by you, this office is of the opinion—

(1) That the Act clearly contemplates that each Federal Reserve Bank must redeem its own notes and the notes of any other Federal Reserve Bank.

(2) That no distinction is made by the Act between the receipt of Federal Reserve notes in due course of business and the receipt of such notes for redemption. The duty performed for the Federal Reserve Bank of issue is the same in either case and the expenses incident to the return for redemption or credit should, in both cases, be borne by the Federal Reserve Bank of issue.

(3) Where Federal Reserve notes unfit for circulation are returned to the Comptroller for cancellation and new notes issued, the expenses of this new issue are paid in the same manner as in the case of an original issue.

Section 16 provides in part that—

The expenses necessarily incurred in executing the laws relating to the procuring of such notes, and all other expenses incidental to their issue and retirement, shall be paid by the Federal Reserve Banks.

This has been construed to mean that each bank pays the expenses incident to the issue and retirement of its own notes and so whether the transportation charges are included in the assessment levied by the Federal Reserve Board or not the Federal Reserve Bank of issue should be required to defray this expense.

Respectfully,

M. C. ELLIOTT, *Counsel.*

To Hon. CHARLES S. HAMLIN,
Governor Federal Reserve Board.

Right of a National Bank to Increase the Amount of Its Circulating Notes.

There are no provisions of law which prohibit a national bank from increasing the amount of its outstanding circulating notes merely because it has withdrawn circulation since the passage of the Federal Reserve Act under the provisions of section 18 of that Act.

DECEMBER 4, 1915.

SIR: I have your memorandum asking—

(1) Is there anything in the Federal Reserve Act or in its construction by the Board or the Treasury that prohibits a national bank from increasing its circulation over the amount it has outstanding?

(2) Is there anything that prohibits a national bank which has since the passage of the Act withdrawn circulation from again taking out circulation up to or beyond the amount it had outstanding when the act was passed?

In reply I beg to advise that the provision of the Federal Reserve Act which amends the the previous statutes relating to circulation reads as follows:

SEC. 17. So much of the provisions of section fifty-one hundred and fifty-nine of the Revised Statutes of the United States, and section four of the Act of June twentieth, eighteen hundred and seventy-four, and section eight of the Act of July twelfth, eighteen hundred and eighty-two, and of any other provisions of existing statutes as require that before any national

banking association shall be authorized to commence banking business it shall transfer and deliver to the Treasurer of the United States a stated amount of United States registered bonds is hereby repealed.

It will be observed that this section repeals only those provisions of certain statutes which "require that before any national banking association shall be authorized to commence banking business it shall transfer and deliver to the Treasurer of the United States a stated amount of United States registered bonds." The effect of this amendment is that national banks are not required as a condition precedent to doing business to take out circulation, but it does not provide that banks which do take out circulation shall not be subject to those statutes which contain the conditions and limitations relating to the issue of national-bank notes.

In answer to your inquiries, therefore, it is the opinion of this office that national banks may increase their circulation to an amount equal to the capital stock of such banks by deposit of the necessary bonds and that this may be done whether a national bank has reduced its circulation since the passage of the Federal Reserve Act or not. I understand that this practice is being approved by the office of the Comptroller of the Currency.

Respectfully,

M. C. ELLIOTT, *Counsel.*

To Hon. CHARLES S. HAMLIN,
Governor Federal Reserve Board.

Right of a National Bank to Write Insurance Through Its Officers.

National banks have no express or implied power to write fire, cyclone, liability, or other kinds of insurance, or to receive the profits from insurance contracts entered into by its officers.

JANUARY 13, 1915.

SIR: The question has been raised whether, it is lawful for the officers of a national bank to write fire, cyclone, liability, and other kinds of insurance, all the profits derived from such business being turned into the bank.

The powers of national banks are defined by section 5136, United States Revised Statutes Article VII of which provides:

To exercise by its board of directors, or duly authorized officers or agents, subject to law, all such incidental powers as shall be necessary to carry on the business of banking; by discounting and negotiating promissory notes, drafts, bills of exchange, and other evidences of debt; by receiving deposits; by buying and selling exchange, coin, and bullion; by loaning money on personal security; and by obtaining issuing, and circulating notes according to the provisions of this title.

The power to write insurance, act as insurance agent or broker, is not specifically enumerated in this section, and unless such business can be considered as incidental to some of the enumerated powers of national banks it is illegal and prohibited by implication as clearly as if by expression. (*Logan County National Bank v. Townsend*, 139 U. S., 67.)

In *Farmers & Merchants National Bank v. Smith* (77 Fed., 129) it was held that it is not within the powers of a national bank to engage in the business of selling mortgage bonds on commission.

Circuit Court Judge Thayer, on page 137, said:

The brokerage business is entirely distinct from the business of banking which it was authorized to transact. If a national bank can lawfully act as a broker in selling farm mortgages for a commission, no reason is perceived why it may not act in the same capacity in selling any other species of property, real or personal. The national bank act does not, in terms, or by necessary implication, authorize national banks to act as brokers in negotiating the sale of securities, and it is generally agreed that they can not lawfully engage in such business.

In *Pepperday v. Citizens National Bank* (183 Pa. St., 519, 524) the Supreme Court of Pennsylvania said:

It is no part of the business of a national bank to engage in the selling of stocks for anybody. It was a transaction outside of its regular banking business and not within its chartered powers.

In *Weckler v. First National Bank* (42 Md., 581) the court said, on page 593:

Nor can we perceive it is in anywise necessary to the purpose of their existence, or in any

sense incidental to the business they are empowered to conduct, that they should become bond brokers or be allowed to traffic in every species of obligations issued by the innumerable corporations, private and municipal, of the country.

By analogy it would seem that writing insurance on commission is in no sense incidental to any of the enumerated powers of a national bank.

It is contended that the national bank, in the instance under consideration, is not acting as agent for the insurance company, but that its officers write the insurance in their individual capacities and turn in all the profits to the bank.

If the bank receives all the profits of writing the insurance, its officers are, in substance, acting as agents for the bank, and the bank is estopped to deny that it is engaging in the insurance business.

In *Schuyler National Bank v. Gadsden* (191 U. S., 451) it was held that the taking of real-estate security by the president of a national bank in his individual name for the benefit of the bank was in legal effect but the taking of security by the bank itself, and the president acted as its agent.

Where a national bank retains and enjoys the proceeds of a transaction, it is estopped to deny that the act of the officer who enters into the transaction is its own. (*Peoples Bank v. National Bank*, 101 U. S., 181.) National banks, as such, must of necessity act through their officers or other agents.

Inasmuch, therefore, as this class of business does not come within either the expressed or implied powers of national banks, an administrative board or officer can not authorize it. Any such extension of the powers of national banks must be left to the consideration of Congress.

Respectfully,

M. C. ELLIOTT, *Counsel*.

To Hon. C. S. HAMLIN,
Governor Federal Reserve Board.

Consolidation of Two or More National Banks—Right to Operate Branches.

A national bank may purchase the assets of other liquidating national banks, but such consolidation does not give the right to such national bank to operate branches anywhere in the United States.

JANUARY 8, 1916.

SIR: The following question has been referred to this office for an opinion: Whether the Federal Reserve Board would permit the establishment of branch banks under the following circumstances:

"The capital of the A National Bank, at present, is \$300,000, and it is contemplated increasing the capital to \$500,000. In doing so, it is proposed to take over, with the increased capital, the present capital stock of the B National Bank, which is \$100,000, and the C National Bank, which is \$50,000. The balance of the increase in the capital stock of the A National Bank to be distributed as the stockholders elect."

It is not entirely clear, from the question submitted, just what method of procedure is proposed. If it is contemplated that the A National Bank, as a corporation, is to become the purchaser of the stock of the other two banks, such an arrangement would be contrary to the provisions of the national-bank act, which do not permit national banks to hold stock in other corporations. If, on the other hand, it is proposed to purchase from the B National Bank and the C National Bank their assets, paying therefor with stock in the A National Bank, such a course will involve the liquidation of the two banks purchased, and the A National Bank, as the surviving corporation, can not, under the law, establish branches in the city in which it is located or anywhere in the United States.

I am of opinion, therefore, that the plan submitted can not be carried out without violating the provisions of the national-bank act.

Respectfully,

M. C. ELLIOTT, *Counsel*.

To Hon. CHARLES S. HAMLIN,
Governor Federal Reserve Board.

GENERAL BUSINESS CONDITIONS.

General business and banking conditions are described in reports made by Federal Reserve Agents for the 12 Federal Reserve Districts, as of approximately January 22.

Below are given in detail digests of conditions in the various districts substantially as reported by Federal Reserve Agents.

DISTRICT NO. 1—BOSTON.

Business has continued its upward trend throughout the month and improvement is reported in nearly all lines of trade. The longer established and more conservative merchants, however, are proceeding with caution. Manufacturers are scrutinizing orders and there is a very general inclination to restrict production to actual requirements, refraining from anything bordering on speculation.

The labor situation is again causing uneasiness, largely due to the fact that certain manufacturers, more especially those having foreign orders on which large profits are expected, are yielding to the demand of their employees for increases rather than run the risk of having their output retarded. This influence has unsettled labor working on regular domestic orders.

The money market is dull and rates continue low. Call money is 3 per cent; commercial paper $2\frac{1}{2}$ to 3 per cent for short dates and 3 to 4 per cent for six months; town notes, six months, 2 to $2\frac{1}{4}$ per cent, longer periods, $2\frac{1}{2}$ to 3 per cent; 90-day bankers' acceptances 2 per cent upward.

Loans and discounts of Boston Clearing House banks show a decrease of \$4,521,000 from last month, and demand deposits have increased \$164,000 in the same time. The amount "Due to other banks" on January 15 was \$128,008,000, an increase of \$11,396,000 during the last month. The excess reserve of these banks has increased from \$31,584,000 on December 18, 1915, to \$43,329,000 on January 15, 1916. Exchanges of the Boston Clearing House for the week ending January 15, 1916, were \$197,134,000 as compared with \$157,873,678 for the corresponding week last year

and \$192,350,968 for the week ending December 18, 1915.

Building and engineering operations in New England from December 15, 1915, to January 12, 1916, were \$14,789,000, the largest for over 10 years, and an increase of \$8,686,000 over the same period last year.

Exports at the port of Boston for December, 1915, were \$10,805,887, an increase of \$499,782 over December, 1914, and over double those of December, 1913. Imports at the port of Boston during December, 1915, were \$18,905,580, an increase of \$10,527,432 over the same month last year, and \$6,087,890 more than in December, 1913.

Receipts of the Boston post office for December, 1915, show an increase of over \$70,000 or about 8 per cent over December, 1914. The first 15 days of January, 1916, show an increase over the same period last year of \$47,423, or about 13 per cent.

The two most important railroad systems in this district continue to report increased earnings; the Boston & Maine Railroad reporting "net after taxes" for the five months ending December 1 as \$5,991,179, an increase of \$1,828,429 over the same months last year; and the New Haven reporting "net after taxes" for the same period as \$10,714,858, an increase of \$3,041,808. All the railroads in this section have had much difficulty in handling the increased amount of freight offered them, and in some cases this has necessitated an embargo.

There were 85 failures in this district during December, 1915, with liabilities of \$977,033 as compared with 166 failures with liabilities of \$1,367,200 during the same month last year.

Both the woolen and worsted mills report increased business and are running at capacity. The heavy-weight season, which is just commencing, opened auspiciously, and the prospects are for good business.

The boot and shoe industry continues to improve, domestic orders becoming more and more a factor each month. The high price of leather, the changing styles, and the uncertainty of the future, have caused manufacturers to

caution the retailer against purchasing beyond his present needs.

Activity is reported in the dry goods market, due to the extraordinarily large retail holiday trade and the necessity of replenishing depleted stocks of merchandise.

The cotton mills are running full. The market for fine and fancy goods is strong, and the mills are well sold up. Buyers are placing forward orders, and in some goods there is an active demand for early shipments, which are hard to obtain. There is a good demand for print cloths at rising prices. Mill men are anxious for forward orders at present price levels, with cotton and other manufacturing materials high and rising.

The market for bonds is steadier and a large volume of business is being done, a good demand coming from banks, corporations, and private investors.

DISTRICT NO. 2—NEW YORK.

Wholesale, jobbing, and retail trade were all very active during December, and in the latter trade the holiday business was of record volume. Interviews and correspondence with many public service corporations, manufacturers, and business houses have confirmed the marked improvement and unusual activity of trade and industry reported in recent months. Some observers have noticed a tendency to overbuy. Collections are generally good. Announcements have been made of a number of important wage increases.

Congestion of export freight traffic in and near New York was somewhat relieved last week by a reduction of approximately 3,000 cars of export package and piece freight from the quantity of the previous week. But the railroads estimate that between 45,000 and 50,000 cars of freight are still held up in terminals or on the tracks. In many cases new embargoes have been imposed, while old ones are modified or abolished.

During the year 1915 there were cleared from the port of New York 4,915 ships, an increase of 873 over 1914. Their tonnage of 13,094,230 shows a decrease of 457,274 tons

from the previous year, owing to the withdrawal of the larger trans-Atlantic liners.

New York Clearing House banks on January 15, 1916, reported loans, etc., \$3,263,860,000, deposits \$3,510,286,000, and excess reserves \$172,518,370. Since November 27, 1915, loans, etc., have increased \$130,625,000, deposits have increased \$148,149,000, and excess reserves have decreased \$10,958,970.

Other statistics for December, 1915, compared with December, 1914, are the following: Exchanges through the New York Clearing House \$12,331,140,315, an increase of \$5,801,464,857. Transactions on the New York Stock Exchange: Par value of bonds sold \$122,142,000, an increase of \$86,715,000, but decreased \$4,834,000 from the previous month. Transactions in stocks 13,732,300 shares, an increase of 11,857,318, but decreased 3,742,463 from previous month. New incorporations in the Eastern States of companies capitalized at \$1,000,000 or over, \$135,125,000, an increase of \$29,675,000. New York State failures 347, with liabilities of \$4,606,373, a decrease of 45 in number and \$875,927 in liabilities. New York City building permits \$11,189,188, an increase of \$7,559,987. Exports from the port of New York \$216,809,179, an increase of \$118,939,854. Imports at New York \$94,792,790, an increase of \$28,551,429.

Acceptances of the national and State banks and trust companies in this district on December 31, 1915, aggregated \$69,635,261.

Five million dollars 6 per cent Kingdom of Norway bonds were underwritten in New York and offered to the public on January 19 at 101½.

Renewal rates for call money ranged from 1¼ to 2 per cent, and the high rates for the day advanced to 2½ per cent toward the end of December. Time money on collateral was 2¼ to 3 per cent for 60 days to 4 months, and 3 to 4 per cent for 6 to 12 months' loans. Bankers' acceptances were quoted from 2 to 2¾ per cent and commercial paper ranged from 2¾ to 3½ per cent, with prime six months' notes readily salable at 3 per cent.

In December, Sterling exchange quotations at closing rates strengthened from 4.70¾ to

4.73 $\frac{3}{4}$. Paris checks fluctuated between 5.81 and 5.87 $\frac{3}{4}$. Berlin checks declined from 79 $\frac{3}{4}$ to 75 $\frac{3}{4}$ and demand bills on Amsterdam moved from 41 $\frac{1}{2}$ to 43.37.

DISTRICT NO. 3—PHILADELPHIA.

On account of the belief that much of the business, with which the manufacturing plants of this district are now engaged, is of a temporary character, there is not the underlying confidence in trade conditions that the existing industrial activity may seem to justify. Except for this feeling on the part of the community, there is no change in conditions from those reported one month ago. The great holiday trade, and some difficulty in obtaining goods, has emphasized the necessity of dealers carrying larger stocks, and increased orders are being placed.

Some of the indices as to business conditions at this time are as follows:

Favorable features.—Continuance of the unprecedented foreign trade; tendency to minimize effects of munition business and emphasize development of domestic trade; extra large business in steel and iron products, at high prices; improvement in railroad earnings—record figures in some cases; gain in amount of new building construction; enlargement of many manufacturing plants; 1915 crops better than 1914; bank clearings running ahead of 1914; good collections; less unemployment and increased wages in some industries; brisk retail buying—high priced goods being bought instead of lowest priced; backward deliveries of merchandise.

Unfavorable features.—Railroad freight tie-up at eastern terminals, with embargoes on certain classes of freight at certain cities; insufficient railroad equipment to handle freight; lack of ships for foreign trade; high price of building materials which may curtail operations; threatened anthracite coal strike and Wilkes-Barre traction strike; rising costs of manufacture, including labor and raw materials, especially dyestuffs; a certain lack of con-

fidence in the continuance of the stability of business conditions.

One of our industries which has never been more prosperous than at present is the silk industry. The market value of the 1912 output in Pennsylvania alone is stated by the Bureau of Industrial Statistics of this State to have been \$81,500,000, which is an increase of about \$18,000,000 over the value of the product in 1911. There has been a steady increase in the number of plants and the output, so that the silk industry has become a very important one. The demand for silk garments has increased so rapidly that at this date most of the mills are running full time, where labor is obtainable, and many are operating day and night. Considerable numbers of new mills and additions to plants are reported. The throwsters and weavers both report business active with the best prices for a number of years. Raw materials, especially dyestuffs, have increased in price, and this is slightly affecting the amount of sales. There is a steady demand for broad silks, the ribbon silk business is still depressed. The question of securing labor is a serious one, and some of the mills are continually advertising for help. Earnings are said to be satisfactory, and collections good.

Conditions among the laboring classes are better than for several years. It is generally reported that the demand for skilled labor, especially mechanics, exceeds the supply, and unskilled labor can secure all the work desired. A scarcity of unskilled labor is reported from certain sections, partly due to the exodus of a large per cent of foreign labor, because of the war, and also to the demand for workers in munitions plants in other cities. Wages for all classes of labor are good, averaging 10 to 15 per cent higher than 18 months ago. Common laborers, "pick and shovel men," are being paid 17 to 20 cents an hour and other laborers of a slightly better grade are receiving 25 to 30 cents an hour.

So long as labor is satisfactorily employed, the consumption of goods by the workers will

be large, and general business consequently must be good.

DISTRICT NO. 4—CLEVELAND.

The situation in the steel trade may be said to be the determiner of general business conditions of District No. 4. Therefore the reports on all kinds of business at this time continue to be favorable.

Every operation which can turn out either pig iron or steel is running to capacity without satisfying the unusual demand. The price situation is a little feverish, and the high point of \$1.90 for shapes and bars and \$2 for plates has been reached. Coke is selling at \$5. The unfilled orders on the books of the steel corporation at the opening of 1916 were 7,806,220 tons, the largest ever reported under the present method. One of the first fruits of this over-swift return of prosperity was the steel strike at Youngstown early in January. It presented an ugly situation for a few days, and the settlement has resulted in an increase in wages amounting approximately to 10 per cent. This with other announced increases means some falling off in net earnings of the larger concerns, but with a continuance of present volume and prices, profits even with the increase in wages will be satisfactory.

Money is still plentiful, the lowest rates ever recorded for commercial loans in this district being offered in the centers. In the smaller communities the demand is spotted. Some report a good demand at usual rates, while others report a slow demand at lower rates. It is becoming quite the practice in the agricultural districts of Ohio to option or contract for sale of land for March 1 delivery. These transactions take quite an amount of money and will stimulate demand in certain localities. The member banks in the Reserve Cities of this district on December 31, 1915, reported total deposits of \$459,014,000, an increase of \$97,154,000 over December 31, 1914. The clearings in the six largest cities for the first half of January, 1916, totaled \$380,313,140.04, against \$296,705,763.59 for the same period of 1915, an increase of 28.2 per cent.

Post-office receipts in the same cities for December, 1915, show an increase of 14.1 per cent, the totals for that month being \$1,357,018.47 against \$1,189,513.41 for 1914.

There were 2,407 building permits issued in these six cities in December, 1915, compared with 1,640 for December, 1914, representing an increase of 30.3 per cent in valuations. The total valuation of building operations in these cities for 1915 was \$75,978,345, compared with a total for 1914 of \$70,602,676.

The head of one of the largest coal companies in this district reports that the present condition of the coal business is superior to any similar period for 8 or 10 years.

Improvement in the railroad situation over the holiday season in respect to the car congestion has permitted freer operations among several important industries and has added to coal mining and coke production.

Every form of glass trade is increasing in volume, with window glass the most active. Additions and extensions to the plants and new works and factories are reported all over the district, especially in the steel and rubber industries.

Mercantile lines show continued strength in volume of business. Credit men report lines in many instances being extended considerably beyond those heretofore granted, but reports in general show accounts in first-class shape, with no developed evidences of overbuying.

The approximate figures of commercial failures in this district as reported by R. G. Dun & Co. are \$773,600 for December, 1915, and \$6,716,000 for 1914.

The prosperity of the farmers has reflected itself in the making of improvements. Many farmers in this district are building modern houses, barns, silos, and new fencing.

The outlook for all lines of industry and trade in this district appears reasonably clear for at least the first half of 1916.

DISTRICT NO. 5—RICHMOND.

General business conditions in the Fifth Reserve District during the past 30 days have been very satisfactory in almost every line of

activity. Retailers report that routine business is good, and further advise that holiday sales were gratifying in both quantity and quality. Both city and country merchants are placing orders with manufacturers and jobbers more freely than for two or three years, especially in the metal industries.

In the Carolinas, farmers generally are in better position both in relation to their debts and future prospects than for a long time. Last year's crops brought good prices, permitting wholesale liquidation, while diversification tended to make farms self-sustaining. A good acreage has again been planted in wheat, and while many farmers announce their purpose to plant a large crop of corn, it is possible that with a continuance of the present high prices for cotton the acreage of spring planted grains will be diminished.

For the reason that essential chemicals can not be had in supply sufficient to permit the employment of usual formulæ in the manufacture of fertilizers in normal quantity manufacturers and consumers during this year will operate under most unusual conditions. In 1915, the farmers used little more than half the amount of commercial fertilizer to which they had been accustomed. The consequence of forced diminution in the use of chemicals, particularly potash, may be shorter crops than could otherwise be expected.

The cotton movement has been very light. Its holders are unwilling to sell even at present prices. While it is admitted that current quotations mean good profits, it is a very generally held opinion that the coming crop will not be large and that in consequence prices will further advance.

Tobacco growers hold a like opinion, reasoning that it would be impossible for them to make their crops without certain chemicals which they will not this season be able to obtain as usual.

Lumber is now in strong position and mills are committed to advance orders which will keep them busy for some time in the future.

Cotton milling on the whole showed fair results during the past year, with immediate

prospects of better conditions, particularly where the mills are not called upon to use dyestuffs. Some properties which a year ago bought cotton in quantity at 8 cents a pound or under have shown flattering results.

At export points there has been a congestion of grain, awaiting shipment, due to the lack of transportation facilities. Given an adequate supply of ocean carriage, both the railroads and their terminals can easily care for the situation. Grain is, however, becoming congested under existing conditions and has caused embarrassment not only to the shippers of grain but to the railroads and their customers in other lines. One effect has been that ocean freights are now from 100 to 150 per cent higher than last year in some directions. For some commodities the increase has been even greater.

The corn crop has only begun to move from the West, and it is feared that congestion in the movement, after the grain has reached the seaboard, will result in conditions injurious to the trade, particularly should another great crop of grains be grown this year.

Money is in plentiful supply throughout the district, a condition evidenced in part by the fact that member banks in the district now owe less for borrowed money than is usual even in January. The loan line of its reserve bank is now \$1,800,000 below its amount as reported in August last. Individual banks in the Carolinas report that they are loaning some share of their funds at a rate as low as $4\frac{1}{2}$ per cent. Present very easy conditions are apt to continue until the general spring demands are met in March next.

DISTRICT NO. 6—ATLANTA.

Reports from business centers in this district indicate that the temporary improvement in the fall months has crystallized into a more permanent prosperity. Money is plentiful and many new industries are reported under way. Labor is quite fully employed. The railroads are letting contracts for new work, and with the recent increase in rates it is expected that they will make large improvements.

There is a strong undercurrent of optimism among real-estate dealers following the period of great inactivity for the past 18 months. The building records show quite an improvement, and builders have made plans for the erection of many large structures in the new year and are confident that the record of the past 12 months will be exceeded by a substantial margin.

Collections are reported as good. Wholesalers of dry goods report exceedingly good trade for this season of the year, with the statement that the only real hindrance is to get hold of the right kind of goods, owing to the shortage of dyestuffs and the embargo on wools. The hosiery mills of Tennessee are reported running behind on orders.

In the Chattanooga district nearly all manufacturing plants are running full time. Five new manufacturing plants have been put under way within the past month, and it is estimated the capital invested represents \$1,500,000, giving employment to 2,500 men.

In the Birmingham district iron and steel industries continue to do a big business. More iron is being sold than is being produced, and the production is the heaviest in the history of the industry. Prices continue to range from \$15.50 to \$16.50 per ton. All the iron that was sold several months ago at the minimum price has been delivered, so that all iron now being shipped is at a good profit. In view of the shortage of coke a number of old ovens have been put in operation. New ore mines are being opened. In the steel plants all are running at a maximum output, and labor is assured of steady employment in the district.

In the Tennessee tobacco district very little of the 1915 crop has been brought to market, with a considerable percentage of the 1913 and 1914 crops still in the warehouses. The grade of the 1915 tobacco is below the average, and while the prices obtained are comparatively low with last season they are considered fairly good for the quality of tobacco. In view of the good-sized crop and low grade a decline is expected in prices. Shipment to foreign countries is hampered by lack of shipping facilities and high freight rates.

In the Savannah naval-stores district there is a brighter outlook for the future. Strenuous efforts have been made during the past 18 months with a view to reducing production, the result showing a decrease, and the trade is feeling the effect of upward prices. At present the supply of both turpentine and rosin is assuming a more normal state and the industry is in a much more healthy condition.

New Orleans reports general conditions throughout that section as unusually good. Interest rates have shown no particular change and are still low, with little demand for loans. The weather has been favorable for cane production, and with the considerable increase in acreage a much larger crop is expected. The sugar market has shown some improvement lately and a more active market is expected. Offerings of spot cotton from the interior have been limited and local factors are not offering freely. Cotton at New Orleans in presses are 409,805 bales as against 272,430 this date, 1915; on shipboard 34,174 against 89,478 for 1915. While Liverpool continues to advance owing to the actual general demand for cotton by British spinners and the scarcity of the article on the other side of the Atlantic, American markets remain practically at a standstill owing to the inability to export cotton because of lack of shipping facilities and prohibitive freight rates. The general cotton market remains unchanged, with a big holding movement in force.

The domestic lumber market continues to advance. Increased buying by railroads and building industries does much to replace the normal export shipment. While the demand is yet below possible production the market is in a much more healthy and stable condition and present prices permit profitable production, with tendency to higher levels. Altogether the outlook in this line is encouraging.

DISTRICT NO. 7—CHICAGO.

Reports in the Seventh Federal Reserve District indicate generally increasing activity. The large steel companies show a demand in excess of the capacity of the mills, with prices proportionately firm. Building is quite active,

noticeably so in those localities which are benefiting by the present conditions, while other cities report improving prospects. Lumber is more in demand, prices are better, and a still further improvement is anticipated.

Study of the grain markets shows that prices have been well maintained, due to a good demand from abroad, the speculative sentiment of the farmers, and the possibility that before long Europe will require some of our corn crop. One interesting comment is to the effect that the statisticians figure, as a general rule, the United States, Canada, Australia, and Argentina have between them about 250,000,000 bushels of wheat more than the importing countries which can import will require. Winter wheat is reported as in satisfactory condition, with an acreage slightly less than last year, but it is too early to make an accurate forecast as to the result of the crop.

The movement of live stock to market is heavy, with good prices and a steady demand. One authority advises us that the supply of hogs in the district has been large, but they have been marketed freely, which may cause a shortage next summer.

The wholesale dry-goods business is brisk, with purchasers anticipating their wants on account of the possibility of higher prices and scarcity of merchandise. Dyed and printed goods are in short supply, wool is scarce, and this may have the effect of retarding the volume of business next fall unless the situation is relieved. Inclement weather has somewhat decreased the business of the Chicago department stores of late, but the trade as a whole reports increasing retail purchases, and collections are satisfactory. The grocery business claims improving prospects, although many sections report that it is barely normal. Hardware is in good demand, and furniture manufacturers are optimistic in view of increased orders. Automobile sales are well maintained, and it is the general impression that this section will, at least for the coming year, continue to absorb a substantial number of cars.

The piano business, usually a good trade barometer, indicates an improvement in the

manufacturing and retail departments, with the likelihood of an increase in price owing to the higher cost of materials.

Coal mining in Illinois is active, due to the requirements of the steel and allied industries. The agreement of the United Mine Workers with the coal operators expires April 1 next, and a considerable quantity of coal is being purchased for storage by the railroad companies. The freight movement in this district is heavy considering the car shortage.

Chicago clearings from January 1, and including January 19, showed an increase over the same period last year of more than \$100,000,000, while 18 other cities in the district showed clearings for the first 15 days of January of \$201,000,000, as against \$162,000,000 for the first 15 days in 1915. Large Chicago savings banks report smaller proportionate withdrawals during the course of the January interest period than has been the case in some years.

A survey of the situation shows improvement in almost all lines, although Iowa is suffering somewhat from the result of its partial crop failure last year. This is being noticed in some localities by collections below normal, without distinct promise of present improvement. The other States are faring better, with collections from fair to good.

DISTRICT NO. 8—ST. LOUIS.

The healthy, prosperous business condition which has developed in this district in the past few months continues. Reports received from practically every branch of industry in the district show a general increase in shipments. In only a very few cases have shipments been reported below the normal, and many firms report gains as high as 40 per cent. Reports made to this office contain many statements such as:

Fort Smith.—On account of the large feed crop which we have in this section, we feel that our community is at least 30 per cent better off than it has been since the 1910 crop.

Little Rock.—Shipments increased 25 per cent. Another report says: Collections 10 per

cent better this year. Past due accounts 20 per cent less.

Louisville.—The last three months of 1915 especially showing an increase over any corresponding month of any year before.

Memphis.—Our business $33\frac{1}{2}$ per cent increase in December, and collections about 40 per cent increase. Another report says: Past due accounts considerably fewer than the three-year average.

St. Louis.—Shipments 120 per cent and collections 119 per cent of average last three years. Another report says: Sales for December 43 per cent above normal.

Retail merchants throughout the district experienced a large and profitable holiday trade. They report that the attitude of their customers has changed. A few months ago, the general public was buying the more popular priced and cheaper grades of merchandise, whereas to-day they are making their selections from the better grades. The customary reaction after the holidays does not seem to be as severe as usual.

The public utility companies report an increase in the total number of passengers carried for every quarter of the year. This fact seems to be of some significance, for the prevailing opinion is that the general use of automobiles has affected the street car companies, especially in the smaller cities and the interurban lines.

A study of the gross and net railroad earnings for December furnishes additional testimony as to the general revival of all business. Practically all of the railroads operating in this district show increases both in gross and net earnings for December. This is particularly true of the railroads operating in the northern section, where really substantial gains have been made. Authorities on railroad operations contend that while a part of this gain represents a recovery of the loss in 1914, the improvement far outshadows the falling off, and this is at least in part due to the fact that railroads are operating on the economical basis which they were forced to establish a year or more ago. There is a shortage of cars in this

district, and the movement of freight toward the east is somewhat hampered by lack of terminal facilities.

Building permits also show substantial increases, St. Louis alone reporting a gain of about 68 per cent for December, 1915, as compared with the same month a year ago. This revival, of course, affects the business of lumbermen, contractors, hardware, and allied lines.

The decrease in the number and total of liabilities of commercial failures in 1915 furnishes a striking index to business conditions.

Period.	Number.	Liabilities.
First quarter.....	1,418	\$33,000,000
Second quarter.....	1,047	13,000,000
Third quarter.....	936	9,885,000
Fourth quarter.....	928	8,000,000

While the total number of failures for the entire year is greater than either 1913 or 1914, it appears that the total of the liabilities has been very materially decreased.

The banking interests of the district still hold excess reserves, particularly in the larger centers and are in excellent position to take care of all legitimate business demands. In fact, the larger banks are actively in the market for commercial paper, and in many cases have been forced to invest their surplus funds in bonds and other securities in which they do not normally invest. There has been no increase in bank rates to customers or on commercial paper. The bank rate to customers in the larger centers seems to be fixed at $4\frac{1}{2}$ to 5 per cent, with the rate in smaller communities somewhat higher and subject to local conditions.

Commercial paper is selling freely at 3 and $3\frac{1}{2}$ per cent, and brokers report a scarcity of available paper. The bond market shows the influence of bank purchases and is correspondingly active.

In December this bank cleared 202,876 items for a total of \$84,559,718.57, by far the biggest month both as to number of items cleared and total of amount.

DISTRICT NO. 9—MINNEAPOLIS.

Business in all lines is on a very solid foundation, with large orders ahead and output guaranteed for at least the first half of the year. This is especially true of the flour-milling industry, the iron and steel concerns, and the lumber and paper mills.

The Comptroller's call of December 31 showed a good increase in loans and discounts of the banks at the larger centers in this district, and since the first of the year there has been an obvious improvement in the demand for money, but without changes in rates, which are still at a very low level.

The Calumet & Hecla has announced 10 per cent wage increases guaranteed until June 1, covering 12,000 men in the northern Michigan copper industry. The Steel Corporation has made a similar announcement covering its northern Minnesota mines, and the larger independent operators have taken similar action. Increases have been granted by a number of smaller concerns, and labor is fully employed at good wages.

The lumber business is the last to return to a normal basis, but is very active. The mills are working full time against orders which guarantee large production for practically all of 1916. The local yards, which bought cautiously during all of 1915, find their stocks are low, and are buying freely. Prices have advanced \$3 to \$3.50 per thousand on the grades representing the larger volume of sales, with still better advances on better grades.

Cattle and hogs on soft-corn feed have not done well, and the immense forage crop proves to have only a moderate value. As a result there have been very heavy shipments of light hogs and cattle to the South St. Paul and Chicago markets, and many farmers have been forced to bring in corn at 75 cents to carry stock through the winter. There will probably be a shortage of spring beef, and the marketing of light hogs is an unfavorable condition, indicating future high retail prices.

Crop-year receipts at Minneapolis and Duluth aggregate 184,009,000 bushels of grain, as against 117,915,000 for the same period a year

ago, an increase of 66,094,000 bushels. Even with this remarkable increase in receipts elevator stocks are still behind last year, amounting to 25,863,000 bushels, as against 27,146,000 bushels, and as against 31,371,000 bushels in 1914. Terminal stocks have been increasing during the month, but are still very far short of capacity. Flour production is still very heavy.

The price situation as to wheat is remarkable. Cash grain has commanded a premium since the beginning of the crop year, and while the daily fluctuations have been erratic each week has brought an advance. Farmers who have been and are holding wheat have realized excellent profits. In the face of very heavy receipts, the price has stubbornly advanced by degrees, with no present indications of receding. The very favorable market has put an immense sum of money into the hands of the farmers, and this is reflected in good collections and active trade at country points, with a correspondingly beneficial influence upon wholesale lines.

DISTRICT NO. 10—KANSAS CITY.

Weather conditions prevailing generally throughout District No. 10 have been seasonal and normal. Heavy snows, which are so essential to the growth of winter wheat and to furnishing a supply of water for irrigation purposes during the ensuing summer, have fallen in almost all parts of the district, and there has been no untimely or excessive cold.

The movement of grain to the market centers has been accelerated during the past 30 days, and while it has not been abnormal, it has been a movement which has been retarded up to this time by reason of farmers holding their wheat and other grains for higher prices.

This movement of grain to the markets has caused considerable liquidation, has added largely to the deposits in the banks of the district, and has lessened the demand for money. Most of the banks of the district have an excess of loanable funds and are amply able to take care of legitimate requirements of their customers.

Rates of discount show no material change during the past 30 days and rule from 5 to 8 per cent according to locality and security offered.

Probably at no previous time in the history of the district has the wholesale and retail trade assumed such large proportions. The holiday trade was unprecedented and cash was paid for most purchases, and all lines of industry report exceptionally good collections.

The movement of live stock to the market centers is normal with prices fairly satisfactory except upon dressed beef cattle. Unless there is an improvement in prices, cattle feeders will almost without exception lose upon the season's operations. There is an abundance of forage and grain and the winter loss will be very much below the average.

Kansas City is probably the world's largest hay market and this year the market has been peculiarly active, both in the assembling of supplies and in their distribution. Alfalfa from Kansas, Colorado, Nebraska, Wyoming, and New Mexico is marketed at this center and distributed throughout the New England States, the Carolinas and Virginias, and Gulf Coast States, as well as all intervening territory. Prairie hay from Kansas, Colorado, Oklahoma, and Nebraska is regularly handled here, and this city has supplied at different times almost every important market in the country, North, East, and South, and has exported to Cuba, Isthmus of Panama, the Philippines, and to Europe.

The receipts of hay for the crop year of 1914-15 aggregated about 35,000 cars, and, in addition to this, there were about 10,000 cars handled by Kansas City firms direct from producers to consumers.

The mid-continent oil field continues exceptionally active. New leases are being taken and an unusual amount of drilling and prospecting is under way. The demand for timbers and structural steel is strong, occasioned by the high prices being paid for the crude product. The prevailing price in this field is a trifle in excess of \$1.20 per barrel.

High prices for lead and zinc have stimulated production and this industry is experiencing the greatest prosperity in its history.

The district is practically free of labor disturbances, and while there are some idle men in the large cities of the district, as is always the case at this season of the year, all lines of labor, both common and skilled, are very generally employed.

DISTRICT NO. 11—DALLAS.

The general outlook in this district is optimistic. Preparations for the 1916 crops are under way, and if the weather permits, rapid progress will now be made in this direction. There are a few reports that the recent cold weather has killed some small grain, but they are not sufficient to affect the crop outlook generally.

It is, of course, too early to make a forecast as to the fruit crop. The cold of the past month, however, has been sufficiently severe to do some damage to the citrus fruits and vegetable gardens of southern Texas. The cold weather was beneficial in destroying the insect pests that are always harmful in the agricultural districts during mild winters.

Optimism prevails among manufacturers. While this district has not benefited as much as some of the others in recent heavy purchases of saddlery and harness, horses and mules, its normal output has been materially increased. There has been a good demand for goods locally and factories are running on full time.

Member banks continue to experience only a normal demand for loans. This is to be expected at this season, and it will probably be 60 days yet before this condition changes. There has been very little change in rates during the past month, and they continue easy. Statements of our member banks show largely increased deposits over last year. Comparison of the deposits of the banks in the Texas reserve cities alone, excluding nonmember banks, shows an increase of approximately \$28,000,000 over 1914. A large increase in clearings is also reported from practically all of the larger cities of the district. Dallas banks showed an increase of approximately \$48,000,000 over a year ago.

All sections of the district report a holiday trade almost unprecedented in volume, and the demand for high-grade goods was especially

noticeable. Our information is that in many instances stocks were almost cleared, and wholesalers have enjoyed one of the largest seasons in their history. Collections are reported as improving and are above the average for this season.

Reports from Oklahoma indicate that practically all the cotton crop has been marketed. In Texas, however, it is estimated that 25 per cent of the crop is still held. It is not thought that there will be any material reduction in the acreage in 1916.

Good prices are obtaining for rice, and it is believed that 65 to 75 per cent of the 1915 crop has passed from the farmers' hands. The balance is being held for higher prices. Rough rice is active at present prices, but clean rice is not moving so well.

Operations in the oil fields of the district continue active, and the prices obtaining are the best in the history of the fields. Production in the northwestern Louisiana districts, composed of Caddo, Red River, and De Soto Parishes, amounted in the aggregate to 14,881,022 barrels, compared with 12,210,598 barrels in 1914. Present prices for the product are stimulating operations.

Railroads report an increase in freight traffic of 15 per cent over the previous year. Passenger traffic is good, and shows a slight increase over the corresponding period last year.

Larger cities of the district report an increase in post-office receipts of approximately 25 per cent.

Recent bad weather conditions have affected building operations. Considerable work is under way, and with open weather prevailing there should be renewed activity.

Labor continues in good demand, and there is no evidence of any unemployment.

DISTRICT NO. 12—SAN FRANCISCO.

Pacific coast precipitation is principally included in four months, December to March, with annual averages ranging from approximately 16 inches at Los Angeles to 35 at Seattle. Abundant precipitation is counted a sure forerunner of good crops, a confident expectation of which for the current year is based upon

a rainfall materially above the seasonal average at this date. There is also an unusual depth of snow in the mountains, assuring irrigation next summer.

Reports from throughout this district confirm the harvesting and profitable marketing of large crops during the past year, with a consequent general expansion of trade not infrequently reaching new records in volume and profits. Wheat, barley, sugar beets, hops, beans, oranges, prunes, raisins, apples, have all given good net profits to growers. Table grapes were also profitable, approximately 10,000 carloads being shipped by California alone. Peach and apricot growers have profited less, but are now organizing for cooperative marketing to secure more economical and uniform distribution. In this they have adopted the successful methods of growers of citrus fruits and raisins. Alfalfa is said to have yielded as much as \$15 per ton when fed to stock.

Live-stock interests are doing well.

The petroleum industry of California is benefiting by advancing prices, occasioned both by broadening markets and expanding consumption, and by a decline in production of 13,000,000 barrels last year, as compared with 1914. Metal mining—gold, silver, copper, lead—is very active.

The stimulus which activity of one industry transmits to another is well illustrated by the purchase for Arizona mines of 10,000,000 feet of timbers. Important purchases of lumber, particularly for mines, railroads, and for export to Australia, have advanced prices from \$1 to \$3 per thousand, and brought much encouragement to the lumber sections. From 100 to 150 sailing vessels are now carrying lumber from Pacific coast ports to Australia, and a number of vessels are building for this trade. All shipyards are exceedingly busy and rapidly extending their operations.

The Comptroller's last call shows an increase of more than \$80,000,000 in deposits in the national banks of the seven reserve cities of this district during the past year. Conservatism is evidenced by the fact that loans and investments during the same period increased only \$8,000,000. Credit conditions are consequently easy.

DISTRIBUTION OF DISCOUNTS BY SIZES AND MATURITIES.

The total of commercial paper, exclusive of bankers' acceptances, discounted during December, 1915, amounted to \$15,412,000, a total of 15 per cent below the total for November, but larger than for any other month of the past year. Of the total amount of discounts reported, the share of the three southern banks was 62.3 per cent; the share of Kansas City, 11.7 per cent; and that of Chicago, 14.4 per cent. Out of the 12, only 5 banks appear to have been active in the rediscount field during the report month, these 5 banks reporting 88.4 per cent of the total discounts granted during the month by all the reserve banks, as against 86.7 per cent in November. Chicago is the only bank which reports a considerable increase in discounts for the past month.

Commodity paper, \$2,939,500, mostly secured by cotton, constitutes 19.1 per cent of the total discounts for the month, compared with 23.9 per cent for November, and 13.7 per cent in October. About 62.2 per cent of this paper was handled by the Atlanta bank and its New Orleans branch and 30.5 per cent by the Richmond bank. A total of \$514,000 of trade acceptances was discounted during the month by six banks, and in addition \$31,600 of this class of paper was purchased by the Boston bank in the open market.

The total of paper discounted during the past calendar year by the 12 banks was \$161,353,000, of which about two-thirds was handled by the three southern banks, less than 20 per cent by the four western banks, a little over 10 per cent by the four eastern banks, and 4.6 per cent by San Francisco.

The total number of bills discounted during the month was 8,095, compared with 9,652 in November and 9,285 in October. The average size of the paper discounted in December by all the banks was slightly less than \$1,904, as against \$1,893 in November, \$1,621 in October, and \$1,249 in June, marking the gradual and steady increase in the average size of the paper handled. During the past year the monthly average varied in the case of the more active banks from \$1,500 for Richmond to \$2,415

for Atlanta and New Orleans and \$2,430 for Chicago.

About 36.5 per cent of the total number of bills and 49.6 per cent of the total amount discounted during December were bills in amounts ranging between 1,000 and 5,000 dollars. Bills of the largest size (i. e., in amounts over \$10,000) constituted 17.6 per cent of the total discounts for the month, as against 22 per cent shown for the month before. In the case of Atlanta and its New Orleans branch the share of these largest-size bills was 31.3 per cent of the monthly total, being largely commodity paper secured by cotton and discounted at the 3 per cent rate. Small bills (in denominations up to \$250) constituted over 19 per cent of the entire number, though less than 1.5 per cent of the total amount of the paper discounted during the month. The Richmond bank reports 571 and the Atlanta bank 387 of such bills. Over 60 per cent of the number and amount of all small bills discounted during the month were handled by these two banks.

Of the total amount of paper discounted during December, 1.9 per cent was 10-day, 16.4 per cent 30-day, 32.9 per cent 60-day, and 34.2 per cent 90-day paper. Over 2.25 millions, or 14.6 per cent, was agricultural and live-stock paper, maturing after 90 days at the time of rediscount. The largest amounts of 10-day and 30-day paper were discounted during December by the Chicago bank. Richmond reports the largest amounts of 30-day and 60-day paper, while Dallas leads in the amount of 6-month paper handled during the month.

The number of member banks which rediscounted with the Federal Reserve Banks during December was 725, compared with 837 in November, 796 in October, and 762 in September, and constituted about 9.5 per cent of the entire number of member banks shown at the end of the year. About one-half of the rediscounting banks were southern banks. The largest absolute and relative number of banks accommodated is shown for the Atlanta district, viz, 131 out of 387, or 33.8 per cent of the total. This total is 50 less than in November, a relative decrease about equal to the relative decrease shown for the total amount of paper discounted by the bank and its branch during December of the past year.

Commercial paper, exclusive of bankers' acceptances, rediscounted by each of the Federal Reserve Banks during the month of December, 1915, distributed by sizes.

NUMBER OF PIECES AND AMOUNTS.

[In thousands of dollars.]

Bank.	To \$100.		Over \$100 to \$250.		Over \$250 to \$500.		Over \$500 to \$1,000.		Over \$1,000 to \$2,500.		Over \$2,500 to \$5,000.		Over \$5,000 to \$10,000.		Over \$10,000.		Total.		Per cent.	
	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.
Boston.....	2	0.2	10	2.0	13	5.3	14	12.1	11	19.4	22	96.2	6	49.0	.....	.....	78	184.2	1.0	1.2
New York.....	4	.4	31	5.1	31	11.8	27	18.3	25	34.7	12	47.4	2	14.0	.....	.....	132	131.7	1.6	.9
Philadelphia.....	14	1.3	31	4.6	37	14.7	38	30.6	21	38.8	7	27.6	.....	.....	.....	.....	148	117.6	1.8	.8
Cleveland.....	.....	.....	15	2.5	21	7.6	11	8.9	16	32.5	12	47.1	3	21.3	1	10.2	79	130.1	1.0	.8
Richmond.....	157	13.7	414	73.8	530	212.5	511	418.7	431	733.9	295	1,211.5	95	749.7	16	261.7	2,449	3,675.5	30.2	23.9
Atlanta.....	139	10.3	248	41.7	219	84.2	218	173.5	267	478.1	231	953.8	95	694.9	52	1,110.5	1,460	3,547.0	18.1	23.0
Chicago.....	64	4.1	71	12.0	116	46.8	177	143.1	249	448.0	171	747.4	51	442.4	15	377.0	914	2,220.8	11.3	14.4
St. Louis.....	6	.6	21	3.8	56	21.3	54	42.6	79	128.3	48	187.0	19	138.1	5	72.8	288	574.5	3.6	3.7
Minneapolis.....	1	.1	25	4.5	58	21.2	103	75.7	109	161.1	20	65.9	7	50.2	3	30.7	326	409.4	4.0	2.7
Kansas City.....	12	1.1	80	15.5	129	49.0	221	159.8	256	401.1	132	507.3	41	284.4	17	390.1	888	1,808.3	11.0	11.7
Dallas.....	58	4.1	156	27.3	202	78.6	231	174.3	290	488.4	186	696.8	62	480.4	26	430.0	1,211	2,379.9	15.0	15.4
San Francisco.....	1	.1	9	1.4	6	2.1	21	15.3	51	73.6	14	49.4	9	58.5	2	32.6	113	233.0	1.4	1.5
Total.....	458	36.0	1,111	194.2	1,418	555.1	1,626	1,272.9	1,805	3,037.9	1,150	4,617.4	390	2,982.9	137	2,715.6	8,095	15,412.0	100.0	100.0

PERCENTAGES OF AMOUNTS OF EACH CLASS TO TOTAL.

Bank.	To \$100.	Over \$100 to \$250.	Over \$250 to \$500.	Over \$500 to \$1,000.	Over \$1,000 to \$2,500.	Over \$2,500 to \$5,000.	Over \$5,000 to \$10,000.	Over \$10,000.	Total.
Boston.....	0.1	1.1	2.9	6.6	10.5	52.2	26.6	.....	100.0
New York.....	.3	3.9	9.0	13.9	26.3	36.0	10.6	.....	100.0
Philadelphia.....	1.1	3.9	12.5	26.0	33.0	23.5	.....	.....	100.0
Cleveland.....	.....	1.9	5.9	6.8	25.0	36.2	16.4	7.8	100.0
Richmond.....	.4	2.0	5.8	11.4	20.0	32.9	20.4	7.1	100.0
Atlanta.....	.3	1.2	2.4	4.9	13.4	26.9	19.6	31.3	100.0
Chicago.....	.2	.5	2.1	6.4	20.2	33.7	19.9	17.0	100.0
St. Louis.....	.1	.7	3.7	7.4	22.3	29.1	24.0	12.7	100.0
Minneapolis.....	.....	1.1	5.2	18.5	39.4	16.1	12.2	7.5	100.0
Kansas City.....	.1	.8	2.7	8.8	22.2	28.1	15.7	21.6	100.0
Dallas.....	.2	1.1	3.3	7.3	20.5	29.3	20.2	18.1	100.0
San Francisco.....	.....	.6	.9	6.6	31.6	21.2	25.1	14.0	100.0
Total.....	.2	1.3	3.6	8.3	19.7	30.0	19.3	17.6	100.0

Commercial paper, exclusive of bankers' acceptances, discounted during December by each of the Federal Reserve Banks, distributed by States and maturities as of date of discount.

[In thousands of dollars.]

Districts and States.	Number of member banks.	Number of banks accommodated.	Paper maturing within 10 days.	Paper maturing after 10 days but within 30 days.	Paper maturing after 30 days but within 60 days.	Paper maturing after 60 days but within 90 days.	Paper maturing after 90 days.	Total commercial paper discounted.
District No. 1—Boston:								
Connecticut.....	73	1	.....	3.2	13.8	20.0	.....	37.0
Maine.....	70	3	4.2	6.0	.....	13.3	.....	23.5
Massachusetts.....	168	2	25.0	11.0	9.5	39.5	.....	85.0
New Hampshire.....	56	1	.....	.....	1.0	2.3	.....	3.3
Rhode Island.....	18	.....	.....	.....	.....	.....	.....	.....
Vermont.....	48	2	15.4	3.0	17.0	.....	.....	36.4
Total.....	433	9	44.6	23.2	41.3	75.1	.....	184.2
District No. 2—New York:								
New Jersey.....	132	1	1.1	5.0	2.2	.5	.....	8.8
New York.....	483	11	.....	16.6	58.3	47.1	0.9	122.9
Total.....	615	12	1.1	21.6	60.5	47.6	.9	131.7
District No. 3—Philadelphia:								
Delaware.....	24	.....	.....	.....	.....	.....	.....	.....
New Jersey.....	70	1	3.5	35.8	.....	.....	.....	39.3
Pennsylvania.....	534	12	10.1	15.8	26.4	19.0	7.0	78.3
Total.....	628	13	13.6	51.6	26.4	19.0	7.0	117.6
District No. 4—Cleveland:								
Kentucky.....	72	2	1.6	11.0	25.7	39.5	.....	77.8
Ohio.....	375	5	.....	7.5	9.2	13.8	9.6	40.1
Pennsylvania.....	301	4	.....	6.8	5.4	.....	.....	12.2
West Virginia.....	14	.....	.....	.....	.....	.....	.....	.....
Total.....	762	11	1.6	25.3	40.3	53.3	9.6	130.1
District No. 5—Richmond:								
District of Columbia.....	14	1	.....	10.2	32.9	31.3	.....	74.4
Maryland.....	98	6	.....	2.8	67.4	96.9	1.0	168.1
North Carolina.....	81	32	9.7	305.4	583.8	671.4	21.7	1,592.0
South Carolina.....	74	35	12.9	124.4	529.2	496.9	9.2	1,172.6
Virginia.....	137	32	1.0	87.2	268.0	209.4	50.0	615.6
West Virginia.....	104	6	.....	5.2	22.0	25.6	.....	52.8
Total.....	508	112	23.6	535.1	1,503.3	1,531.5	81.9	3,675.5
District No. 6—Atlanta:								
Alabama.....	95	31	.....	58.0	245.0	403.0	142.1	848.1
Florida.....	55	12	5.0	44.4	75.3	158.7	.....	283.4
Georgia.....	117	52	.....	118.3	650.5	603.6	231.4	1,603.8
Louisiana.....	5	5	.....	.....	165.0	170.2	.....	335.2
Mississippi.....	18	7	.....	12.1	64.7	.....	.....	76.8
Tennessee.....	97	24	.2	55.0	168.5	174.8	3.2	399.7
Total.....	387.0	131	5.2	287.8	1,367.0	1,510.3	376.7	3,547.0
District No. 7—Chicago:								
Illinois.....	317	13	121.5	763.8	295.8	51.4	34.5	1,267.0
Indiana.....	197	14	.....	26.0	123.2	101.1	58.6	308.9
Iowa.....	348	50	.....	18.9	81.7	266.2	219.2	586.0
Michigan.....	77	4	.....	.....	31.3	4.3	4.3	39.9
Wisconsin.....	51	2	.....	.....	12.0	5.0	2.0	19.0
Total.....	990	83	121.5	808.7	544.0	428.0	318.6	2,220.8
District No. 8—St. Louis:								
Arkansas.....	62	6	.....	6.0	18.5	12.3	5.8	42.6
Illinois.....	157	11	.....	.....	11.2	39.0	26.6	76.8
Indiana.....	61	4	.....	.....	17.9	43.9	.....	61.8
Kentucky.....	69	7	.....	6.3	54.9	21.3	.....	82.5
Mississippi.....	17	5	.....	85.8	75.0	17.9	.....	178.7
Missouri.....	81	8	6.2	4.8	15.8	24.2	21.5	72.5
Tennessee.....	20	4	.4	19.3	23.8	13.6	2.5	59.6
Total.....	467	45	6.6	122.2	217.1	172.2	56.4	574.5
District No. 9—Minneapolis:								
Michigan.....	31	1	.....	.....	20.0	.....	.....	20.0
Minnesota.....	279	26	.....	6.4	22.3	44.6	102.1	175.4
Montana.....	66	1	.....	.....	4.1	.....	3.1	7.2
North Dakota.....	152	20	.....	.....	8.3	19.9	22.8	51.0
South Dakota.....	119	14	2.6	.....	12.6	18.4	67.7	101.3
Wisconsin.....	88	19	26.5	10.6	1.5	15.2	.7	54.5
Total.....	735	81	29.1	17.0	68.8	98.1	196.4	409.4

Commercial paper, exclusive of bankers' acceptances, discounted during December by each of the Federal Reserve Banks, distributed by States and maturities as of date of discount—Continued.

[In thousands of dollars.]

Districts and States.	Number of member banks.	Number of banks accommodated.	Paper maturing within 10 days.	Paper maturing after 10 days but within 30 days.	Paper maturing after 30 days but within 60 days.	Paper maturing after 60 days but within 90 days.	Paper maturing after 90 days.	Total commercial paper discounted.
District No. 10—Kansas City:								
Colorado.....	119	2	.....	4.9	12.4	12.0	14.7	44.0
Kansas.....	220	23	5.0	193.0	249.0	73.1	110.0	630.1
Missouri.....	53	8	40.0	189.1	266.1	41.2	65.9	602.3
Nebraska.....	206	29	.....	17.2	73.8	143.1	65.5	305.6
New Mexico.....	9	.....	.....	.....	.....	.....	.....	.....
Oklahoma.....	308	21	.....	9.6	50.9	65.0	100.8	226.3
Wyoming.....	33	.....	.....	.....	.....	.....	.....	.....
Total.....	948	83	45.0	413.8	652.2	340.4	356.9	1,808.3
District No. 11—Dallas:								
Arizona.....	6	1	.....	1.8	2.5	6.5	9.2	20.0
Louisiana.....	26	4	.....	6.5	72.1	85.9	.....	164.5
New Mexico.....	28	7	.....	11.0	.....	7.0	105.4	123.4
Oklahoma.....	42	10	.....	7.5	21.2	22.8	24.5	76.0
Texas.....	545	96	.....	183.7	422.0	743.3	647.0	1,996.0
Total.....	647	118	.....	210.5	517.8	865.5	786.1	2,379.9
District No. 12—San Francisco:								
Alaska.....	1	.....	.....	.....	.....	.....	.....	.....
Arizona.....	7	.....	.....	.....	.....	.....	.....	.....
California.....	266	16	5.0	7.0	17.2	60.3	53.5	148.0
Idaho.....	58	2	.....	.....	7.2	9.7	.....	16.9
Nevada.....	10	.....	.....	.....	.....	.....	.....	.....
Oregon.....	86	5	.....	2.1	2.5	35.5	8.4	45.5
Utah.....	23	.....	.....	.....	.....	.....	.....	.....
Washington.....	78	4	.....	2.8	6.0	14.2	1.6	24.6
Total.....	529	27	5.0	11.9	32.9	119.7	63.5	233.0

RECAPITULATION.

Districts and cities.	Total number of member banks reported.	Number of banks accommodated.	Paper maturing within 10 days.	Paper maturing after 10 days but within 30 days.	Paper maturing after 30 days but within 60 days.	Paper maturing after 60 days but within 90 days.	Paper maturing after 90 days.	Total commercial paper.	Per cent.
No. 1.—Boston.....	433	9	44.6	23.2	41.3	75.1	.....	184.2	1.2
No. 2.—New York.....	615	12	1.1	21.6	60.5	47.6	0.9	131.7	0.9
No. 3.—Philadelphia.....	628	13	13.6	51.6	26.4	19.0	7.0	117.6	0.8
No. 4.—Cleveland.....	762	11	1.6	25.3	40.3	53.3	9.6	130.1	0.8
No. 5.—Richmond.....	508	112	23.6	535.2	1,503.3	1,531.5	81.9	3,675.5	23.9
No. 6.—Atlanta.....	387	131	5.2	287.8	1,367.0	1,510.3	376.7	3,547.0	23.0
No. 7.—Chicago.....	990	83	121.5	808.7	544.0	428.0	318.6	2,220.8	14.4
No. 8.—St. Louis.....	467	45	6.6	122.2	217.1	172.2	56.4	574.5	3.7
No. 9.—Minneapolis.....	735	81	29.1	17.0	68.8	98.1	196.4	409.4	2.7
Kansas City.....	948	83	45.0	413.8	652.2	340.4	356.9	1,808.3	11.7
Dallas.....	647	118	.....	210.5	517.8	865.5	786.1	2,379.9	15.4
San Francisco.....	529	27	5.0	11.9	32.9	119.7	63.5	233.0	1.5
Total for December.....	7,649	725	296.9	2,528.8	5,071.6	5,260.7	2,254.0	15,412.0	100.0
Per cent.....	.....	9.5	1.9	16.4	32.9	34.2	14.6	100.0	.....
Totals for—									
November.....	7,646	837	214.2	2,516.6	6,242.0	6,791.2	2,505.7	18,269.7	.....
October.....	7,649	796	165.2	1,995.2	5,327.4	5,671.0	1,892.0	15,050.8	.....
September.....	7,630	762	131.7	1,698.2	6,180.0	5,306.5	1,088.6	14,405.0	.....
August.....	7,610	693	320.2	1,380.1	4,990.9	4,520.1	1,022.4	12,233.7	.....
July.....	7,606	796	103.4	1,612.4	4,512.5	5,294.3	1,715.4	13,238.0	.....
June.....	7,607	785	1,810.3	.....	3,905.3	5,187.2	2,503.2	13,406.0	.....
May.....	7,605	716	1,631.5	.....	3,800.8	4,331.1	2,382.3	12,145.7	.....
April.....	7,611	617	1,239.0	.....	3,500.9	4,166.4	1,643.0	10,549.3	.....
March.....	7,614	570	1,798.6	.....	5,257.4	5,162.9	1,180.8	13,399.7	.....
February.....	7,617	469	2,957.4	.....	5,421.8	3,265.8	885.3	12,530.3	.....
January.....	7,610	398	4,109.3	.....	3,627.0	2,365.1	611.4	10,712.8	.....

Amount of trade acceptances discounted by each Federal Reserve Bank from Sept. 2, date of first discount, to Dec. 31, 1915.

[In thousands of dollars.]

Federal Reserve Bank.	Trade acceptances discounted during month of—				
	Sep-tem-ber.	Octo-ber.	Novem-ber.	Decem-ber.	Total.
New York.....	.....	4.8	0.9	.....	5.7
Cleveland.....	1.6	2.7	.6	.....	4.9
Richmond.....	10.6	100.1	145.7	194.1	450.5
Atlanta (including New Orleans branch).....	259.2	402.6	205.6	139.7	1,007.1
St. Louis.....	12.3	37.1	13.8	104.6	167.8
Kansas City.....	4.5	.....	71.8	11.5	87.8
Dallas.....	2.5	59.4	37.9	61.0	160.8
San Francisco.....	28.8	22.4	19.9	3.1	74.2
Total.....	319.5	629.1	496.2	514.0	1,958.8

¹ In addition to the total shown above, the Boston Federal Reserve Bank, on Dec. 31, 1915, held also \$31,600 of trade acceptances bought in the open market.

Amounts of commodity paper discounted by each Federal Reserve Bank from Sept. 8, date of first discount, to Dec. 31, 1915.

[In thousands of dollars.]

Federal Reserve Bank.	Commodity paper discounted during month of—				
	Sep-tem-ber.	Octo-ber.	Novem-ber.	Decem-ber.	Total.
Richmond.....	96.0	364.4	1,523.4	897.6	2,881.4
Atlanta (including New Orleans branch).....	807.3	1,657.2	2,739.1	1,828.7	7,032.3
St. Louis.....	.....	31.2	15.0	53.6	99.8
Minneapolis.....	.....	1.5	12.5	11.3	25.3
Dallas.....	2.3	4.8	83.7	148.3	239.1
San Francisco.....	.....	35.7	1.5	.....	37.2
Total.....	905.6	2,094.8	4,375.2	2,939.5	10,315.1

Classes of commodity paper discounted by each Federal Reserve Bank from date of first discount to close of business on Dec. 31, 1915.

	Richmond.	Atlanta (including New Orleans branch).	St. Louis.	Minneapolis.	Dallas.	San Francisco. ¹	Total.
Cotton.....	\$2,880,816	\$6,378,867	\$800	.....	\$237,573	.....	\$9,498,056
Rice.....					1,522	.....	1,522
Cottonseed cake.....		75,000	.....	.....	.....	.....	75,000
Cottonseed.....		36	.....	.....	.....	.....	36
Sugar.....		313,332	.....	.....	.....	.....	313,332
Yarn.....		20,000	.....	.....	.....	.....	20,000
Peaches (evaporated).....		10,000	.....	.....	.....	\$35,701	45,701
Wheat.....		80,188	25,000	\$20,075	.....	.....	125,263
Seed.....			10,000	.....	.....	.....	10,000
Corn.....		2,100	.....	.....	.....	.....	2,100
Oats.....		3,000	.....	.....	.....	.....	3,000
Grain.....						1,539	1,539
Timber.....		529	.....	.....	.....	.....	529
Pig iron.....		20,000	.....	.....	.....	.....	20,000
Apples.....		3,492	.....	.....	.....	.....	3,492
Peanuts.....		600	.....	.....	.....	.....	600
Hay.....		100	.....	.....	.....	.....	100
Miscellaneous.....	673	125,000	63,962	5,217	.....	.....	194,842
	2,881,489	7,032,244	99,752	25,292	239,095	37,240	10,315,112

¹ All discounted at regular rates.

Amounts of commercial paper, exclusive of bankers' acceptances, held by each Federal Reserve Bank on Dec. 30, 1915, distributed by maturities.

[In thousands of dollars.]

Federal Reserve Bank.	Paper maturing within 10 days.	Paper maturing after 10 days but within 30 days.	Paper maturing after 30 days but within 60 days.	Paper maturing after 60 days but within 90 days.	Paper maturing after 90 days.	Total.	Per cent.
Boston.....	58.3	66.5	91.7	19.0	.....	235.5	0.7
New York.....	37.5	98.7	82.5	18.9	.....	237.6	0.7
Philadelphia.....	41.5	64.6	36.7	17.6	11.7	172.1	0.5
Cleveland.....	169.0	99.6	170.1	67.9	32.5	539.1	1.7
Richmond.....	1,028.8	2,717.5	2,752.9	933.1	74.4	7,506.7	23.2
Atlanta, including New Orleans branch.....	1,131.8	1,973.5	2,722.3	1,273.0	1,030.8	8,131.4	25.1
Chicago.....	486.5	1,234.8	876.2	720.5	687.4	4,005.4	12.4
St. Louis.....	249.9	393.0	374.3	132.8	104.9	1,254.9	3.9
Minneapolis.....	217.3	163.9	196.4	211.7	510.2	1,299.5	4.0
Kansas City.....	630.4	1,056.2	841.1	521.4	532.4	3,581.5	11.1
Dallas.....	1,092.9	1,056.6	1,079.2	693.6	1,035.2	4,957.5	15.3
San Francisco.....	86.0	86.8	130.8	83.9	62.9	450.4	1.4
Total.....	5,229.9	9,011.7	9,354.2	4,693.4	4,082.4	32,371.6	100.0
Per cent.....	16.2	27.8	28.9	14.5	12.6	100.0	.....

ACCEPTANCES.

Bankers' foreign-trade acceptances, by classes, held by the Federal Reserve Banks each week.

[In thousands of dollars.]

Date.	Member banks.	Nonmember banks.		Private banks.	Total.
		Trust companies.	State banks.		
December 27, 1915.....	13,790	5,697	292	820	20,599
January 3, 1916.....	15,494	7,160	362	822	23,838
January 10, 1916.....	16,492	7,293	370	938	25,093
January 17, 1916.....	16,908	6,857	425	1,010	25,200
January 24, 1916.....	16,348	7,282	364	1,441	25,435

¹ Acceptances indorsed by member banks: Trust companies, \$40,000; private banks, \$441,000; total, \$481,000.

In addition to the foreign trade acceptances shown above, the Federal Reserve Banks held, on January 24, 1916, also a total of 108 bankers' domestic acceptances, amounting to \$797,729, and distributed by sizes as follows: 40 items up to \$5,000, amounting to \$118,196; 56 items from \$5,000 to \$10,000, amounting to \$432,617; and 12 items from \$10,000 to \$25,000, amounting to \$246,916.

Distribution of bankers' foreign trade acceptances held by Federal Reserve Banks, according to schedules on hand Jan. 24, 1916, by classes of acceptors and sizes.

Class of acceptors.	To \$5,000.		Over \$5,000 to \$10,000.		Over \$10,000 to \$25,000.		Over \$25,000 to \$50,000.		Over \$50,000 to \$100,000.		Over \$100,000.		Total.		Per cent.
	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	Number of pieces.	Amount.	
Member banks.....	206	676,436	215	1,795,525	342	6,398,846	79	3,231,215	36	2,917,136	7	1,329,086	885	16,348,244	64.3
Trust companies.....	194	539,432	159	1,255,347	135	2,362,353	16	572,078	27	1,861,067	3	691,882	534	7,282,164	28.6
State banks.....	33	135,000	10	105,000	4	45,000	.....	.....	1	78,500	.....	.....	48	363,500	1.4
Private banks.....	13	39,002	12	95,185	34	657,718	8	250,324	7	399,188	.....	.....	74	1,441,417	5.7
Total.....	446	1,389,870	396	3,251,057	515	9,463,922	103	4,053,617	71	5,255,891	10	2,020,968	1,541	25,435,325	100.0
Per cent.....	.....	5.5	.....	12.8	.....	37.2	.....	15.9	.....	20.7	.....	7.9	.....	100.0	.....

Amounts of acceptances held by the several Federal Reserve Banks at close of business on Fridays, Dec. 23, 1915, to Jan. 21, 1916.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total for system.
Maturities within 10 days:													
Dec. 23, 1915.....	568	482	447	84	.....	.....	166	96	33	49	.....	85	2,010
Dec. 30, 1915.....	285	748	73	10	.....	.....	25	29	14	22	.....	30	1,236
Jan. 7, 1916.....	409	1,036	292	107	.....	.....	204	71	61	52	.....	32	2,264
Jan. 14, 1916.....	714	1,011	220	145	.....	.....	196	73	78	53	.....	65	2,555
Jan. 21, 1916.....	839	1,016	493	70	.....	7	251	138	116	42	.....	108	3,080
From 11 to 30 days:													
Dec. 23, 1915.....	851	1,558	383	175	.....	.....	279	102	75	67	.....	125	3,615
Dec. 30, 1915.....	1,338	1,977	591	235	.....	7	481	184	160	105	.....	188	5,266
Jan. 7, 1916.....	1,424	1,402	676	252	.....	7	637	194	153	115	.....	250	5,110
Jan. 14, 1916.....	1,608	1,595	664	205	.....	7	906	165	121	75	.....	175	5,521
Jan. 21, 1916.....	1,812	1,556	709	226	.....	19	806	156	140	179	.....	149	5,752
From 31 to 60 days:													
Dec. 23, 1915.....	2,820	2,152	1,169	281	.....	.....	1,057	311	234	179	.....	334	8,537
Dec. 30, 1915.....	2,559	1,844	1,107	257	.....	19	905	239	172	150	.....	256	7,508
Jan. 7, 1916.....	2,945	2,780	818	357	.....	57	838	285	212	207	.....	275	8,774
Jan. 14, 1916.....	2,518	3,117	792	298	.....	57	578	294	205	235	.....	290	8,384
Jan. 21, 1916.....	2,795	4,246	846	414	100	38	963	344	196	191	.....	385	10,518
From 61 days to 3 months:													
Dec. 23, 1915.....	2,462	3,348	610	186	100	.....	417	131	92	88	.....	106	7,540
Dec. 30, 1915.....	2,311	4,146	772	302	150	46	605	210	131	152	.....	178	9,003
Jan. 7, 1916.....	2,089	4,330	726	226	150	8	649	209	123	121	.....	269	8,900
Jan. 14, 1916.....	2,338	4,543	770	262	150	136	719	361	119	107	.....	263	9,798
Jan. 21, 1916.....	2,529	3,768	306	292	50	336	485	302	153	127	.....	212	8,560
Total acceptances held:													
Dec. 23, 1915.....	6,701	7,540	2,609	726	100	.....	1,919	640	434	383	.....	650	21,702
Dec. 30, 1915.....	6,493	8,715	2,543	804	150	72	2,016	661	478	429	.....	652	23,013
Jan. 7, 1916.....	6,867	9,548	2,512	942	150	72	2,328	759	549	495	.....	826	25,048
Jan. 14, 1916.....	7,178	10,266	2,446	940	150	200	2,399	893	523	470	.....	793	26,258
Jan. 21, 1916.....	7,975	10,586	2,354	1,002	150	400	2,505	940	605	539	.....	854	27,910

Amounts of acceptances purchased by the several Federal Reserve Banks to Nov. 30, and for the month of December, 1915, distributed by maturities.

[In thousands of dollars.]

Acceptances maturing—	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total.
Within 30 days:													
Feb. 19 to Nov. 30.....	470	739	410	101	.....	.....	141	103	42	69	.....	61	2,136
December.....	27	507	285	.....	.....	7	15	.....	3	.....	.....	.....	844
Total, calendar year 1915.....	497	1,246	695	101	.....	7	156	103	45	69	.....	61	2,980
After 30 but within 60 days:													
Feb. 19 to Nov. 30.....	1,667	2,350	1,261	746	.....	.....	609	347	169	179	.....	726	8,054
December.....	470	27	203	.....	.....	19	207	27	22	4	.....	24	1,003
Total, calendar year 1915.....	2,137	2,377	1,464	746	.....	19	816	374	191	183	.....	750	9,057
After 60 days but within 3 months:													
Feb. 19 to Nov. 30.....	9,047	17,101	3,944	1,804	100	.....	4,131	1,090	1,081	1,371	.....	2,106	41,865
December.....	2,424	5,110	1,462	312	150	46	679	234	138	165	.....	223	10,943
Total, calendar year 1915.....	11,471	22,211	5,406	2,116	250	46	4,810	1,324	1,219	1,536	.....	2,419	52,808
Total acceptances bought:													
Feb. 19 to Nov. 30.....	11,184	20,190	5,615	2,651	100	.....	4,881	1,540	1,292	1,610	.....	2,983	52,055
December.....	12,921	5,644	1,950	312	150	72	901	261	163	169	.....	247	12,799
Total, calendar year 1915.....	14,105	25,834	7,565	2,963	250	72	5,782	1,801	1,455	1,788	.....	3,230	64,845

¹ Includes \$31,600 of trade acceptances bought in the open market.

FEDERAL RESERVE BANK STATEMENTS.

Resources and liabilities of each of the Federal Reserve Banks and of the Federal Reserve System at close of business on Fridays, Dec. 30, 1915, to Jan. 21, 1916.

RESOURCES.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total for system.
Gold coin and certificates in vault:													
Dec. 30, 1915.....	14,097	168,965	6,440	9,559	5,223	4,872	35,162	2,967	2,700	8,381	3,975	4,205	266,546
Jan. 7, 1916.....	16,673	169,138	5,915	9,600	5,941	5,020	37,298	3,180	3,053	8,590	3,964	4,096	272,018
Jan. 14, 1916.....	16,591	159,451	10,027	9,683	5,601	5,230	30,788	3,167	3,088	8,595	4,009	4,625	260,855
Jan. 21, 1916.....	17,463	155,783	11,806	9,610	5,636	5,096	29,932	3,017	3,103	8,606	4,010	5,044	259,106
Gold settlement fund:													
Dec. 30, 1915.....	4,279	6,717	8,695	11,042	9,875	3,717	1,256	6,072	4,355	2,464	8,941	9,880	77,293
Jan. 7, 1916.....	1,603	8,707	8,897	11,661	10,222	3,321	2,372	7,580	3,944	2,151	8,812	11,880	81,150
Jan. 14, 1916.....	2,087	7,253	8,092	12,013	10,574	3,526	10,164	6,197	3,901	2,784	9,506	9,533	85,630
Jan. 21, 1916.....	1,270	10,326	5,513	11,892	11,934	3,580	11,859	4,766	3,641	3,114	8,957	4,768	81,620
Gold redemption fund:													
Dec. 30, 1915.....	6	55	-----	-----	334	307	-----	25	30	107	260	-----	1,124
Jan. 7, 1916.....	15	172	-----	-----	334	307	-----	25	30	107	260	-----	1,250
Jan. 14, 1916.....	6	162	-----	-----	312	318	-----	24	30	107	256	-----	1,215
Jan. 21, 1916.....	3	55	-----	-----	288	305	-----	21	30	107	253	-----	1,062
Legal-tender notes, silver, etc.:													
Dec. 30, 1915.....	361	7,477	3,097	1,211	67	185	630	93	20	120	259	5	13,525
Jan. 7, 1916.....	696	5,879	3,773	1,298	109	148	702	138	93	163	374	15	12,888
Jan. 14, 1916.....	1,327	4,478	4,684	1,420	164	240	1,005	176	141	177	464	7	14,283
Jan. 21, 1916.....	1,758	3,297	5,247	1,559	156	181	810	184	225	211	499	5	14,132
Total reserve:													
Dec. 30, 1915.....	18,743	183,214	18,232	21,812	15,499	9,081	37,048	9,157	7,105	11,072	13,435	14,090	358,488
Jan. 7, 1916.....	18,987	183,396	18,585	32,559	16,156	8,796	40,372	10,923	7,120	11,011	13,410	15,991	367,306
Jan. 14, 1916.....	20,011	171,344	22,803	23,116	16,651	9,314	41,957	9,564	7,160	11,663	14,235	14,165	361,983
Jan. 21, 1916.....	20,494	169,461	22,566	23,061	18,014	9,162	42,601	7,988	6,999	12,038	13,719	9,817	355,920
Bills discounted—Members:													
Dec. 30, 1915.....	235	237	172	539	7,507	8,131	4,005	1,255	1,299	3,581	4,957	450	32,368
Jan. 7, 1916.....	206	234	164	445	7,331	7,388	4,167	1,216	1,169	3,414	4,391	406	30,531
Jan. 14, 1916.....	200	206	149	411	7,106	7,208	3,929	1,241	1,140	3,206	4,301	401	29,498
Jan. 21, 1916.....	208	175	182	386	6,759	6,575	3,512	1,152	1,121	3,197	4,275	416	27,958
Bills bought in open market:													
Dec. 30, 1915.....	6,493	8,715	2,543	804	150	72	2,016	661	478	429	-----	652	23,013
Jan. 7, 1916.....	6,867	9,548	2,512	942	150	72	2,328	759	549	495	-----	826	25,048
Jan. 14, 1916.....	7,178	10,266	2,446	940	150	200	2,399	893	523	470	-----	793	26,258
Jan. 21, 1916.....	7,975	10,586	2,354	1,002	150	400	2,505	940	605	539	-----	854	27,910
United States bonds:													
Dec. 30, 1915.....	986	-----	1,973	2,357	-----	-----	4,218	970	1,304	2,119	870	1,000	15,797
Jan. 7, 1916.....	986	-----	2,791	2,400	-----	25	4,242	971	1,329	2,120	870	1,000	16,734
Jan. 14, 1916.....	986	-----	2,991	2,404	-----	25	4,246	1,091	1,393	2,182	1,295	1,000	17,613
Jan. 21, 1916.....	986	-----	2,991	2,470	-----	25	4,313	1,491	1,458	2,188	1,295	3,025	20,242
Municipal warrants:													
Dec. 30, 1915.....	3,041	1,269	1,538	2,846	82	330	1,256	292	861	288	72	345	12,220
Jan. 7, 1916.....	3,171	6,128	1,448	2,767	158	330	1,163	332	911	278	76	335	17,097
Jan. 14, 1916.....	3,332	7,238	2,457	2,920	158	330	1,173	332	880	253	76	335	19,484
Jan. 21, 1916.....	3,307	7,189	2,957	2,926	160	330	1,466	453	961	349	76	450	20,624
Federal reserve notes, net assets:													
Dec. 20, 1915.....	709	15,877	401	202	-----	-----	1,695	817	818	-----	-----	1,301	21,910
Jan. 17, 1916.....	780	17,821	496	462	-----	-----	1,665	719	992	-----	-----	1,221	24,156
Jan. 14, 1916.....	901	21,499	675	612	-----	-----	1,666	740	1,209	-----	-----	2,641	29,943
Jan. 21, 1916.....	980	23,630	436	705	-----	-----	1,686	795	1,269	-----	-----	5,394	34,895
Due from other Federal reserve banks, net:													
Dec. 30, 1915.....	1,629	-----	3,668	2,212	1,158	617	9,886	1,367	4,439	147	169	3,485	20,767
Jan. 7, 1916.....	219	-----	3,515	1,110	1,671	1,229	6,186	1,991	5,045	1,599	969	2,210	11,137
Jan. 14, 1916.....	1,477	-----	-----	830	949	119	6,725	2,022	5,007	1,158	-----	2,931	12,995
Jan. 21, 1916.....	2,227	-----	-----	551	152	430	5,887	2,507	4,783	1,594	288	2,533	13,089
All other resources:													
Dec. 30, 1915.....	431	441	927	287	103	986	239	700	87	1,060	1,182	104	6,547
Jan. 7, 1916.....	346	415	584	445	130	1,531	187	1,492	100	685	1,045	118	7,078
Jan. 14, 1916.....	446	442	927	650	134	2,209	226	2,522	103	863	1,170	108	9,805
Jan. 21, 1916.....	590	346	941	788	111	1,864	342	3,612	107	933	880	174	10,688
Total resources:													
Dec. 30, 1915.....	32,267	209,753	29,454	31,149	24,499	19,217	60,363	15,219	16,391	18,696	20,685	21,427	491,110
Jan. 7, 1916.....	31,562	217,542	30,095	31,130	25,596	19,371	60,310	18,403	17,215	19,602	20,761	22,107	499,087
Jan. 14, 1916.....	34,531	210,995	32,448	31,883	25,148	19,405	62,321	18,405	17,415	19,800	21,077	22,374	507,579
Jan. 21, 1916.....	36,767	211,387	32,427	31,889	25,346	18,786	62,312	18,938	17,303	20,838	20,533	22,663	511,326

¹ Items in transit, i. e. total amounts due from, less total amounts due to, other Federal Reserve Banks.

Resources and liabilities of each of the Federal Reserve Banks and of the Federal Reserve System at close of business on Fridays, Dec. 30, 1915, to Jan. 21, 1916—Continued.

LIABILITIES.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total for system.
Capital paid in:													
Dec. 30, 1915.....	5,158	11,063	5,270	5,941	3,354	2,423	6,645	2,781	2,547	3,038	2,753	3,942	54,915
Jan. 7, 1916.....	5,158	11,058	5,270	5,938	3,357	2,420	6,645	2,781	2,547	3,026	2,753	3,942	54,895
Jan. 14, 1916.....	5,158	11,056	5,270	5,938	3,357	2,420	6,645	2,783	2,548	3,026	2,754	3,942	54,899
Jan. 21, 1916.....	5,158	11,058	5,270	5,938	3,355	2,423	6,646	2,783	2,548	3,014	2,755	3,941	54,889
Government deposits:													
Dec. 30, 1915.....					5,000	5,000					5,000		15,000
Jan. 7, 1916.....	517	4,502	537	293	5,384	5,828	1,323	525	405	417	5,092	664	23,841
Jan. 14, 1916.....	862	5,507	303	366	5,733	5,919	963	601	222	502	5,094	807	26,879
Jan. 21, 1916.....	1,089	5,431	494	481	6,016	6,044	965	635	169	570	5,136	1,043	28,073
Reserve deposits, net:													
Dec. 30, 1915.....	27,109	183,208	24,184	25,208	10,856	8,237	53,718	12,337	13,844	14,180	9,646	17,485	400,012
Jan. 7, 1916.....	25,887	187,375	24,288	24,899	11,157	8,173	53,988	15,097	14,263	14,829	9,787	17,501	407,244
Jan. 14, 1916.....	28,511	186,944	26,471	25,579	10,991	8,326	54,713	15,021	14,645	15,018	9,875	17,625	413,719
Jan. 21, 1916.....	30,520	188,298	25,400	25,470	10,758	7,999	54,701	15,520	14,586	15,930	9,795	17,679	416,656
Federal Reserve notes, net liability:													
Dec. 30, 1915.....					5,266	3,456				1,478	3,286		13,486
Jan. 7, 1916.....					5,674	2,849				1,330	3,129		12,982
Jan. 14, 1916.....					5,038	2,635				1,254	3,021		11,948
Jan. 21, 1916.....					5,184	2,216				1,324	2,847		11,571
Due to other Federal Reserve Banks, net:													
Dec. 30, 1915.....		8,010											
Jan. 7, 1916.....		14,607											
Jan. 14, 1916.....		7,486	404								333		
Jan. 21, 1916.....		6,600	1,263										
All other liabilities:													
Dec. 30, 1915.....		7,472			23	101		101					7,697
Jan. 7, 1916.....					24	101							125
Jan. 14, 1916.....					29	105							134
Jan. 21, 1916.....					33	104							137
Total liabilities:													
Dec. 30, 1915.....	32,267	209,753	29,454	31,149	24,499	19,217	60,363	15,219	16,391	18,696	20,685	21,427	491,110
Jan. 7, 1916.....	31,562	217,542	30,095	31,130	25,596	19,371	60,310	18,403	17,215	19,206	20,761	22,107	499,067
Jan. 14, 1916.....	34,531	210,995	32,448	31,883	25,148	19,405	62,321	18,405	17,415	19,500	21,077	22,374	507,579
Jan. 21, 1916.....	36,767	211,387	32,427	31,889	25,346	18,786	62,312	18,938	17,303	20,838	20,533	22,663	511,326

1 Overdraft.

Circulation of Federal Reserve notes at close of business on Fridays, Dec. 30, 1915, to Jan. 21, 1916.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total for system.
Federal Reserve notes issued to the bank:													
Dec. 30, 1915.....	10,020	89,440	9,160	11,000	15,630	18,950	4,380	8,950	14,000	11,000	15,145	6,450	214,125
Jan. 7, 1916.....	10,020	91,840	9,160	11,200	15,030	18,350	4,380	8,950	14,000	11,000	15,145	6,450	215,525
Jan. 14, 1916.....	10,020	94,240	9,160	11,200	15,030	18,350	4,380	8,950	14,000	11,000	14,610	8,310	219,030
Jan. 21, 1916.....	10,020	94,240	8,660	11,200	14,230	17,990	4,380	8,950	14,000	11,000	14,580	11,130	220,380
Federal Reserve notes in the hands of the bank:													
Dec. 30, 1915.....	709	16,017	401	292	814	1,294	1,695	817	818	522	419	1,301	25,099
Jan. 7, 1916.....	780	17,921	496	462	206	1,301	1,665	719	992	670	576	1,221	27,009
Jan. 14, 1916.....	901	21,550	675	612	682	1,295	1,666	740	1,209	746	149	2,641	32,866
Jan. 21, 1916.....	980	23,681	436	705	186	1,574	1,686	795	1,269	676	293	5,394	37,675
Federal Reserve notes in circulation:													
Dec. 30, 1915.....	9,311	73,423	8,759	10,708	14,816	17,656	2,685	8,133	13,182	10,478	14,726	5,149	189,026
Jan. 7, 1916.....	9,240	73,919	8,664	10,738	14,824	17,049	2,715	8,231	13,008	10,330	14,569	5,229	188,516
Jan. 14, 1916.....	9,119	72,690	8,485	10,588	14,348	16,835	2,714	8,210	12,791	10,254	14,461	5,669	186,164
Jan. 21, 1916.....	9,040	70,559	8,224	10,495	14,044	16,416	2,694	8,155	12,731	10,324	14,287	5,736	182,705
Gold and lawful money deposited with or to the credit of the Federal Reserve Agent:													
Dec. 30, 1915.....	10,020	89,300	9,160	11,000	9,550	14,200	4,380	8,950	14,000	9,000	11,440	6,450	197,450
Jan. 7, 1916.....	10,020	91,740	9,160	11,200	9,150	14,200	4,380	8,950	14,000	9,000	11,440	6,450	199,690
Jan. 14, 1916.....	10,020	94,189	9,160	11,200	9,310	14,200	4,380	8,950	14,000	9,000	11,440	8,310	204,159
Jan. 21, 1916.....	10,020	94,189	8,660	11,200	8,860	14,200	4,380	8,950	14,000	9,000	11,440	11,130	206,029
Carried to net liabilities:													
Dec. 30, 1915.....					5,266	3,456				1,478	3,286		13,486
Jan. 7, 1916.....					5,674	2,849				1,330	3,129		12,982
Jan. 14, 1916.....					5,038	2,635				1,254	3,021		11,948
Jan. 21, 1916.....					5,184	2,216				1,324	2,847		11,571
Carried to net assets:													
Dec. 30, 1915.....	709	15,877	401	292			1,695	817	818			1,301	25,099
Jan. 7, 1916.....	780	17,281	496	462			1,665	719	992			1,221	24,156
Jan. 14, 1916.....	901	21,499	675	612			1,666	740	1,209			2,641	29,943
Jan. 21, 1916.....	980	23,630	436	705			1,686	795	1,269			5,394	34,895

Statement of Federal Reserve Agents' accounts at close of business on Fridays, Dec. 30, 1915, to Jan. 21, 1916.

[In thousands of dollars.]

	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.	Total for system.
Federal Reserve notes:													
Received from the Comptroller—													
Dec. 30, 1915.....	16,360	106,240	12,480	12,600	17,000	20,400	9,380	9,600	19,000	11,000	19,580	10,000	263,640
Jan. 7, 1916.....	16,360	108,240	12,480	12,600	17,000	20,400	9,380	9,600	19,000	13,000	19,580	10,000	267,640
Jan. 14, 1916.....	19,380	108,240	15,480	13,000	17,000	20,400	9,380	9,600	19,000	13,000	19,580	11,360	275,420
Jan. 21, 1916.....	19,380	108,240	15,480	13,000	17,000	20,400	9,380	9,600	19,000	13,000	19,580	11,360	275,420
Returned to the Comptroller—													
Dec. 30, 1915.....	500	.....	640	80	.....	.....	120	.....	.....	.....	61	230	1,631
Jan. 7, 1916.....	500	.....	640	80	.....	.....	120	.....	.....	.....	61	230	1,631
Jan. 14, 1916.....	500	.....	640	120	.....	.....	120	.....	.....	.....	61	230	1,671
Jan. 21, 1916.....	500	.....	640	120	.....	.....	120	.....	.....	.....	81	230	.....
Chargeable to the Federal Reserve Agent—													
Dec. 30, 1915.....	15,860	106,240	11,840	12,520	17,000	20,400	9,260	9,600	19,000	11,000	19,519	9,770	262,009
Jan. 7, 1916.....	15,860	108,240	11,840	12,520	17,000	20,400	9,260	9,600	19,000	13,000	19,519	9,770	266,009
Jan. 14, 1916.....	18,880	108,240	14,840	12,880	17,000	20,400	9,260	9,600	19,000	13,000	19,519	11,130	273,749
Jan. 21, 1916.....	18,880	108,240	14,840	12,880	17,000	20,400	9,260	9,600	19,000	13,000	19,499	11,130	273,729
In the hands of the Federal Reserve Agent—													
Dec. 30, 1915.....	5,840	16,800	2,680	1,520	1,370	1,450	4,880	650	5,000	.....	4,374	3,320	47,884
Jan. 7, 1916.....	5,840	16,400	2,680	1,320	1,970	2,050	4,880	650	5,000	2,000	4,374	3,320	50,484
Jan. 14, 1916.....	8,860	14,000	5,680	1,680	1,970	2,270	4,880	650	5,000	2,000	4,909	2,820	54,719
Jan. 21, 1916.....	8,860	14,000	6,180	1,680	2,770	2,410	4,880	650	5,000	2,000	4,919	.....	53,349
Issued to Federal Reserve Bank, net—													
Dec. 30, 1915.....	10,020	89,400	9,160	11,000	15,630	18,950	4,380	8,950	14,000	11,000	15,145	6,450	214,125
Jan. 7, 1916.....	10,020	91,840	9,160	11,200	15,030	18,350	4,380	8,950	14,000	11,000	15,145	6,450	215,525
Jan. 14, 1916.....	10,020	94,240	9,160	11,200	15,030	18,130	4,380	8,950	14,000	11,000	14,610	8,310	219,030
Jan. 21, 1916.....	10,020	94,240	8,660	11,200	14,230	17,990	4,380	8,950	14,000	11,000	14,580	11,130	220,380
Amounts held by Federal Reserve Agent:													
In reduction of liability on outstanding notes—													
Gold coin and certificates on hand—													
Dec. 30, 1915.....	10,020	89,300	4,160	10,470	.....	500	.....	3,950	10,000	2,000	9,540	.....	139,940
Jan. 7, 1916.....	10,020	91,740	4,160	10,670	.....	500	.....	3,950	10,000	2,000	9,540	.....	142,580
Jan. 14, 1916.....	10,020	94,189	4,160	10,670	.....	500	.....	3,950	10,000	2,000	9,540	.....	145,029
Jan. 21, 1916.....	10,020	94,189	3,660	10,670	.....	500	.....	3,950	10,000	2,000	9,540	.....	144,529
Lawful money on hand—													
Dec. 30, 1915.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Jan. 7, 1916.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Jan. 14, 1916.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Jan. 21, 1916.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Credit balances in gold redemption fund—													
Dec. 30, 1915.....	.....	.....	.....	530	.....	.....	120	.....	.....	.....	.....	.....	650
Jan. 7, 1916.....	.....	.....	.....	530	.....	.....	120	.....	.....	.....	.....	.....	650
Jan. 14, 1916.....	.....	.....	.....	530	.....	.....	120	.....	.....	.....	.....	.....	650
Jan. 21, 1916.....	.....	.....	.....	530	.....	.....	120	.....	.....	.....	.....	.....	650
Credit balances with Federal Reserve Board—													
Dec. 30, 1915.....	.....	.....	5,000	.....	9,550	13,700	4,260	5,000	4,000	7,000	1,900	6,450	56,860
Jan. 7, 1916.....	.....	.....	5,000	.....	9,150	13,700	4,260	5,000	4,000	7,000	1,900	6,450	56,460
Jan. 14, 1916.....	.....	.....	5,000	.....	9,310	13,700	4,260	5,000	4,000	7,000	1,900	8,310	58,480
Jan. 21, 1916.....	.....	.....	5,000	.....	8,860	13,700	4,260	5,000	4,000	7,000	1,900	11,130	60,850
As security for outstanding notes—													
Commercial paper—													
Dec. 30, 1915.....	.....	140	.....	.....	6,080	4,750	.....	.....	.....	2,000	3,705	.....	16,675
Jan. 7, 1916.....	.....	100	.....	.....	5,880	4,150	.....	.....	.....	2,000	3,705	.....	15,835
Jan. 14, 1916.....	.....	51	.....	.....	5,720	3,930	.....	.....	.....	2,000	3,170	.....	14,871
Jan. 21, 1916.....	.....	51	.....	.....	5,370	3,790	.....	.....	.....	2,000	3,140	.....	14,351
Total—													
Dec. 30, 1915.....	10,020	89,440	9,160	11,000	15,630	18,950	4,380	8,950	14,000	11,000	15,145	6,450	214,125
Jan. 7, 1916.....	10,020	91,840	9,160	11,200	15,030	18,350	4,380	8,950	14,000	11,000	15,145	6,450	215,525
Jan. 14, 1916.....	10,020	94,240	9,160	11,200	15,030	18,130	4,380	8,950	14,000	11,000	14,610	8,310	219,030
Jan. 21, 1916.....	10,020	94,240	8,660	11,200	14,230	17,990	4,380	8,950	14,000	11,000	14,580	11,130	220,380
Memorandum:													
Total amount of commercial paper delivered to the Federal Reserve Agent—													
Dec. 30, 1915.....	.....	140	.....	.....	6,096	4,751	.....	.....	.....	2,002	3,751	.....	16,740
Jan. 7, 1916.....	.....	100	.....	.....	5,976	4,150	.....	.....	.....	2,006	3,958	.....	16,190
Jan. 14, 1916.....	.....	51	.....	.....	5,778	3,930	.....	.....	.....	2,003	3,810	.....	15,572
Jan. 21, 1916.....	.....	51	.....	.....	5,466	3,790	.....	.....	.....	2,008	3,829	.....	15,144

GOLD IMPORTS AND EXPORTS.

Imports of gold, by customs districts, Jan. 1 to Dec. 31, 1915, and Jan. 1 to Jan. 21, 1916.

[In thousands of dollars.]

	Maine and New Hampshire.	Maryland.	Massachusetts.	New York.	Philadelphia.	Porto Rico.	Rhode Island.	Florida.	New Orleans.	Arizona.	El Paso.	Laredo.	Alaska.	San Francisco.	Southern California.	Washington.	Buffalo.	Chicago.	Dakota.	Duluth and Superior.	Michigan.	St. Lawrence.	Vermont.	Total.
<i>Week ending Dec. 31, 1915.</i>																								
Ore and base bullion				4					2					138		79	32		5		39			299
Bullion, refined				258					7					49		81	11							406
United States coin				378				193	1													6		578
Foreign coin				11,124	1,447			482																13,053
Total				11,764	1,447			675	3	7				187		160	43		5		39	6		14,336
<i>Jan. 1 to Dec. 31, 1915.</i>																								
Ore and base bullion	1			113				443	375	145	23	128	1,328	73,967	5,211	5,180	1,168				1			13,653
United States mint or assay office bars																								12,629
Bullion, refined				13,465		27	10	478	1,249				3,553	14,361		2,804	162					12,467		39,484
United States coin	48,390			21,743		3	23	6					7	24	1	13	752					2,785	4	156,187
Foreign coin	11,651	50	3	119,781	2,507		4,407	30						51,243		996						85,968	1	230,002
Total	60,042	50	3	155,102	2,507	3	27	4,440	479	853	1,394	23	3,688	66,956		87,780	6,130	5,180			1,168	140,554	5	451,955
<i>Week ending Jan. 7, 1916.</i>																								
Ore and base bullion									7							85	16				16			124
United States mint or assay office bars																	1							1
Bullion, refined				278							15						70							358
United States coin																						3		3
Foreign coin				5,805																				5,805
Total				6,078					7		15					85	87				16	3		6,291
<i>Week ending Jan. 14, 1916.</i>																								
Ore and base bullion				3				8	6	2						64			6		60			149
United States mint or assay office bars																	29							29
Bullion, refined				254					3					195			43							495
United States coin								1																1
Foreign coin				923																				923
Total				1,180				1	8	9	2			19		64	72		6		60			1,597
<i>Week ending Jan. 21, 1916.</i>																								
Ore and base bullion				30				18								55	20		6		3			132
United States mint or assay office bars																								
Bullion, refined				911										59		92								1,065
United States coin								30	5													1		36
Foreign coin				3,674																				3,674
Total				4,615				30	23		3			59		147	20		6		3	1		4,907
<i>Jan. 1 to Jan. 21, 1916.</i>																								
Ore and base bullion				33				26	13	2						205	37		12		79			407
United States mint or assay office bars																								31
Bullion, refined				1,438					3	18				254		92	112							1,917
United States coin								32	5													5		42
Foreign coin				10,402																		1		10,403
Total				11,873				32	31	16	20			254		297	180		12		79	6		12,800

¹ Includes \$37,000 for Eagle Pass not shown in the table.

Exports of gold, by customs districts, Jan. 1 to Dec. 31, 1915, and Jan. 1 to Jan. 21, 1916.

[In thousands of dollars.]

	Maine and New Hampshire.	New York.	Porto Rico.	New Orleans.	El Paso.	Alaska.	Hawaii.	San Francisco.	Washington.	Buffalo.	Duluth and Superior.	Michigan.	Montana and Idaho.	St. Lawrence.	Vermont.	Total.
<i>Week ending Dec. 31, 1915.</i>																
Ore and base bullion						2			45	5						52
United States mint or assay office bars								100		15				1		1
Bullion, refined, domestic										2						115
United States coin	1	1,723					21		15							1,762
Foreign coin		40												2,094		2,134
Total	1	1,763				2	21	100	60	22				2,095		4,064
<i>Jan. 1 to Dec. 31, 1915.</i>																
Ore and base bullion						39			358	22						419
United States mint or assay office bars		499								119				732		1,350
Bullion, refined:																
Domestic	3					4		300	25	90	2	12		3	18	457
Foreign														5		5
United States coin	1	14,437		10			32	327	137	917		1	2	1,231	1	17,096
Foreign coin	2	3,797			8			2		131				7,726		11,666
Total	6	18,733		10	8	43	32	629	520	1,279	2	13	2	9,697	19	30,993
<i>Week ending Jan. 7, 1916.</i>																
United States mint or assay office bars														250		250
United States coin		142														142
Foreign coin		496												853		1,349
Total		638												1,103		1,741
<i>Week ending Jan. 14, 1916.</i>																
Ore and base bullion										9						9
United States mint or assay office bars		509								5				253		767
Bullion, refined								101							1	102
United States coin		548					8	61								617
Foreign coin		200												258		458
Total		1,257					8	162		14				511	1	1,953
<i>Week ending Jan. 21, 1916.</i>																
Ore and base bullion										15						15
United States mint or assay office bars																
Bullion, refined:									1						2	3
Domestic																
Foreign																
United States coin		500	15					1	2					750		1,268
Foreign coin		500														500
Total		1,000	15					1	3	15				750	2	1,786
<i>Jan. 1 to Jan. 21, 1916.</i>																
Ore and base bullion										24						24
United States mint or assay office bars		509								5				503		1,017
Bullion, refined:								101	1						3	105
Domestic																
Foreign																
United States coin		1,190	15				8	62	2					750		2,027
Foreign coin		1,196												1,111		2,307
Total		2,895	15				8	163	3	29				2,364	3	5,480

CAPITAL AND RESERVE DEPOSITS.

Statement of capital and reserve deposits, also percentage of capital to the combined amounts of capital and 65 per cent of reserve deposits.

[Figures as of December 1, 1915. In thousands of dollars.]

Federal Reserve Bank of—	Paid-in capital.	Reserve deposits.	65 per cent of reserve deposits.	Paid-in capital plus 65 per cent of reserve deposits.	Percentage of capital to sum of capital and 65 per cent of reserve deposits.
Boston	5,171	27,252	17,714	22,885	22.2
New York	11,061	171,144	111,244	122,305	9.0
Philadelphia	5,270	23,728	15,423	20,693	25.5
Cleveland	5,931	24,436	15,883	21,814	27.2
Richmond	3,354	¹ 15,149	9,847	13,201	25.4
		² 10,149	6,597	9,951	33.7
Atlanta	2,421	¹ 12,100	7,865	10,286	23.5
		² 7,100	4,615	7,036	34.4
Chicago	6,641	52,545	34,154	40,795	16.3
St. Louis	2,780	12,502	8,126	10,906	25.5
Minneapolis	2,497	13,557	8,812	11,309	22.1
Kansas City	3,030	13,692	8,900	11,930	25.4
Dallas	2,756	¹ 14,053	9,135	11,891	23.2
		² 9,053	5,885	8,641	31.9
San Francisco	34,942	17,331	11,265	15,207	25.9
Total	54,854	¹ 397,489	258,368	313,222	17.5
		² 382,489	248,618	303,472	18.1

¹ Inclusive of \$5,000,000 of Government funds.

² Exclusive of \$5,000,000 of Government funds.

INDEX.

	Page.		Page.
Acceptances	91	Informal rulings of the Board.....	64-66
Advisory council, election of.....	53	Purchase of United States bonds.....	64
Agricultural implement paper.....	67	Acceptance securities.....	64
Anonymous circular on stock subscriptions.....	53	Status of employees of reserve banks.....	64
Business conditions.....	75-85	Eligibility of State banks.....	64
Capital and reserve deposits, statement of.....	98	Circulating notes.....	65
Class C directors appointed.....	52	Cattle paper.....	65
Clearing-house balances, settlement of.....	53	Eligible acceptances.....	65
Commercial paper discounted.....	86-91	Status of class C directors.....	65
Discount rates in effect.....	63	Paper of suspended bank.....	66
Distribution of discounts.....	86-91	Farm land loans... ..	66
Earnings and expenses of Federal Reserve Banks.....	56-59	Intradistrict clearing system, additions to and withdrawals from.....	70
Federal Reserve Agents' accounts, statement of...	95	Law department.....	71-74
Federal Reserve Bank statements.....	93-95	Transportation charges on Federal Reserve notes	71
Federal Reserve Board, receipts and disbursements of	54, 55	Right of a national bank to increase amount of its circulating notes.....	72
Federal Reserve Bulletin:		Right of a national bank to write insurance through its officers.....	73
Bound copies of.....	53	Consolidation of national banks, right to oper- ate branches	74
Cost of, to directors of member banks	52	Receipts and disbursements of the Federal Reserve Board	54, 55
Federal Reserve notes, circulation of.....	94	Resources and liabilities of Federal Reserve Banks.....	93, 94
Fiduciary powers granted.....	70	Work of the Board	51
Forms for reporting earnings and expenses.....	68, 69		
Gold imports and exports.....	96, 97		
Gold settlement fund.....	60-63		
Governors of Federal Reserve Banks, meeting of..	52		
Holidays in reserve bank cities.....	63		

